

**AMTRAK AND INTERCITY PASSENGER RAIL OVER-
SIGHT: PROMOTING PERFORMANCE, SAFETY,
AND ACCOUNTABILITY**

(118-61)

HEARING

BEFORE THE

SUBCOMMITTEE ON RAILROADS, PIPELINES,
AND HAZARDOUS MATERIALS

OF THE

COMMITTEE ON

TRANSPORTATION AND

INFRASTRUCTURE

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

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JUNE 12, 2024
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CONTENTS

	Page
Summary of Subject Matter	vii
STATEMENTS OF MEMBERS OF THE COMMITTEE	
Hon. Troy E. Nehls, a Representative in Congress from the State of Texas, and Chairman, Subcommittee on Railroads, Pipelines, and Hazardous Materials, opening statement	1
Prepared statement	2
Hon. Frederica S. Wilson, a Representative in Congress from the State of Florida, and Ranking Member, Subcommittee on Railroads, Pipelines, and Hazardous Materials, opening statement	3
Prepared statement	4
Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure, opening statement	5
Prepared statement	6
WITNESSES	
Stephen Gardner, Chief Executive Officer, National Railroad Passenger Corporation (Amtrak), oral statement	8
Prepared statement	10
Anthony Coscia, Chair of the Board, National Railroad Passenger Corporation (Amtrak), oral statement	24
Prepared statement	25
Julie A. White, Deputy Secretary for Multimodal Transportation, North Carolina Department of Transportation, oral statement	27
Prepared statement	29
SUBMISSIONS FOR THE RECORD	
Letter of June 10, 2024, to the Senate Committee on Appropriations and House Committee on Appropriations, from Jim Tymon, Executive Director, American Association of State Highway and Transportation Officials, and Jeremy Latimer, Chair, States for Passenger Rail Coalition, Submitted for the Record by Hon. Frederica S. Wilson	34
Submissions for the Record by Hon. Troy E. Nehls:	
Statement of Michael Friedberg, Executive Director, Coalition for the Northeast Corridor	65
Statement of James Tilley, President, Florida Coalition of Rail Passengers	66
Federal Railroad Administration's Corridor Identification and Development (Corridor ID) Program Selections, Submitted for the Record by Hon. Rick Larsen	68
APPENDIX	
Questions to Stephen Gardner, Chief Executive Officer, National Railroad Passenger Corporation (Amtrak), from:	
Hon. Troy E. Nehls	69
Hon. Rudy Yakym III	82
Hon. Steve Cohen	82
Hon. Henry C. "Hank" Johnson, Jr.	85
Questions to Anthony Coscia, Chair of the Board, National Railroad Passenger Corporation (Amtrak), from:	
Hon. Troy E. Nehls	86
Hon. Steve Cohen	90

	Page
Questions to Julie A. White, Deputy Secretary for Multimodal Transportation, North Carolina Department of Transportation, from Hon. Henry C. "Hank" Johnson, Jr.	92



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

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JUNE 7, 2024

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM: Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials
RE: Subcommittee Hearing on “*Amtrak and Intercity Passenger Rail Oversight: Promoting Performance, Safety, and Accountability*”

I. PURPOSE

The Subcommittee on Railroads, Pipelines, and Hazardous Materials of the Committee on Transportation and Infrastructure will meet on Wednesday, June 12, 2024, at 2:00 p.m. in 2167 Rayburn House Office Building to receive testimony at a hearing entitled, “Amtrak and Intercity Passenger Rail Oversight: Promoting Performance, Safety, and Accountability.” The hearing will discuss Amtrak’s current operations and ridership, capital spending, and plans for growth. The Subcommittee will receive testimony from Amtrak Chief Executive Officer (CEO) Stephen Gardner, Amtrak Board of Directors Chair Anthony Coscia, and North Carolina Department of Transportation Deputy Secretary for Multimodal Transportation Julie White.

II. BACKGROUND

Amtrak operates a National passenger rail system, which includes the Northeast Corridor (NEC), long-distance routes, and state-supported routes.¹ Amtrak generally runs more than 300 trains per day, serves more than 500 stations located in 46 states and Washington, D.C., and operates a network that stretches more than 22,000 miles across the country.² Of all Amtrak passenger trips in 2023, approximately 42 percent were taken on the NEC; 44 percent on state-supported routes; and 14 percent on long-distance routes.³ In Fiscal Year (FY) 2023, Amtrak carried 28,579,216 riders, which was a 25 percent increase from 22,930,499 riders in FY 2022, (roughly 88 percent of FY 2019’s total of 32,519,241 customers) and brought in a total annual revenue of \$3.4 billion.⁴

¹49 U.S.C. § 24102.

²BEN GOLDMAN, CONG. RSCH. SERV. (R47260), INTERCITY PASSENGER RAIL: FED. POLICY AND PROGRAMS, (Mar. 23, 2023), available at <https://crsreports.congress.gov/product/pdf/R/R47260> [hereinafter INTERCITY PASSENGER RAIL: FED. POLICY AND PROGRAMS].

³AMTRAK, *FY23 Year End Ridership*, [hereinafter *FY23 Ridership*], available at <https://media.amtrak.com/wp-content/uploads/2023/11/Copy-of-FY23-Year-End-Ridership.pdf>.

⁴AMTRAK, FY 19 YEAR END REVENUE AND RIDERSHIP, available at <http://media.amtrak.com/wp-content/uploads/2019/11/FY19-Year-End-Ridership.pdf>; see also Press Release, AMTRAK, *Amtrak Fiscal Year 2023: Ridership Exceeds Expectations as Demand for Passenger Rail Soars*, (Nov. 30, 2023), available at <https://media.amtrak.com/2023/11/amtrak-fiscal-year-2023->

Continued

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117–58). The bill authorizes and appropriates over five years an unprecedented \$102 billion for the Federal Railroad Administration (FRA) and at least another \$30 billion in discretionary multimodal grants for which Amtrak and other intercity passenger rail projects are eligible.⁵

III. FEDERAL RAILROAD FUNDING

IIJA authorizes more than three times the authorized amounts subject to appropriation over the same period in the Fixing America’s Surface Transportation Act (FAST Act) (P.L. 114–94). Additionally, IIJA appropriated more than \$66 billion in supplemental funding for FRA programs, including \$22 billion in direct funding for Amtrak’s capital programs, not operating expenses.⁶ Taken together, the authorizations and supplemental appropriations for FRA programs under IIJA exceed \$100 billion.⁷ IIJA authorizations and supplemental appropriations are outlined below along with the amounts authorized and appropriated during the years of the FAST Act. Under the law, the Amtrak Northeast Corridor and National Network grant amounts are directed to Amtrak, while the four competitive grant programs are administered by the United States Department of Transportation (DOT) and have multiple eligible applicants.⁸

Comparison of IIJA and FAST Act Rail Funding⁹

Program (in millions of dollars)	FAST Act	IIJA			IIJA Increases vs FAST Act	
	Authorized Spending	Authorized Spending	Advance Funding	Total	Dollar Amount	Percentage
Amtrak, Northeast Corridor	2,596	6,570	6,000	12,570	9,974	384%
NEC Commission (set-aside)	25	30	25	55	30	120%
Accessibility Upgrades (set-aside)	–	250	–	250	250	N/A
Amtrak, National Network	5,454	12,650	15,750	28,400	22,946	421%
Interstate Rail Compacts (set-aside)	–	15	15	30	30	N/A
State-Supported Route Committee (set-aside) ..	10	15	15	30	20	200%
Accessibility Upgrades (set-aside)	–	250	–	250	250	N/A
Corridor Development (set-aside)	–	1,265	–	1,265	1,265	N/A
Subtotal, Amtrak	8,050	19,220	21,750	40,970	32,920	409%
Federal-State Partnership for Intercity Passenger Rail Grants	997	7,500	36,000	43,500	42,503	4263%
Consolidated Rail Infrastructure and Safety Improvements Grants	1,103	5,000	5,000	10,000	8,897	807%
Railroad Crossing Elimination Grants	–	2,500	3,000	5,500	5,500	N/A
Restoration and Enhancement Grants	100	250	250	500	400	400%
Subtotal, Competitive Grants	2,200	15,250	44,250	59,500	57,300	2605%
Total, Available Budgetary Resources	10,250	34,470	66,000	100,470	90,220	880%

ridership-exceeds-expectations-as-demand-for-passenger-rail-soars/#:~:text=Total

%20Operating%20Revenue%5B1%5D%3A.revenue%20across%20all%20service%20lines.

⁵ 49 U.S.C. § 6701 (noting the National Infrastructure Project Assistance, authorized at \$5 billion and appropriated at \$10 billion over five years); *see also* 49 U.S.C. § 6702 (noting the Local and Regional Project Assistance, authorized at \$7.5 billion and appropriated at \$7.5 billion over five years); *see also* 23 U.S.C. § 149; *see also* 49 U.S.C. § 224, *et seq.*; *see also* 23 U.S.C. § 601, *et seq.* (describing two Federal loan programs that include this eligibility, Railroad Rehabilitation and Improvement Financing and Transportation Infrastructure Finance and Innovation Act).

⁶ DOT, DOT INFRASTRUCTURE INVESTMENT AND JOBS INVESTMENT ACT AUTHORIZATION TABLE, available at https://www.transportation.gov/sites/dot.gov/files/2022-01/DOT_Infrastructure_Investment_and_Jobs_Act_Authorization_Table_%28IIJA%29.pdf.

⁷ *Id.*

⁸ *See* FAST Act of 2015, Pub. L. No. 114–94, §§ 11101–11105.

⁹ Comparison of authorized spending levels in IIJA, Pub. L. No. 117–58, 135 Stat. 429, and FAST Act, Pub. L. No. 114–94, 129 Stat. 1312 (comparative figures calculated by T&I Committee staff).

Additionally, Congress provided more than \$3.7 billion in Northeast Corridor and National Network Grants to Amtrak during the COVID-19 pandemic to offset revenue losses from decreased ridership and to maintain employment levels.¹⁰

Passenger rail lines worldwide rarely generate an operating profit.¹¹ Recently, FY 2019 was one of the closest years that Amtrak came to making an operating profit, when it registered a net loss of \$881 million and a net operating loss, after adjustments, of \$29 million for the year.¹² Due to the COVID-19 pandemic, Amtrak's FY 2020 revenues fell by 60 percent and ridership plummeted.¹³ Amtrak's FY 2021 net loss was over \$2 billion, which recovered somewhat in FY 2022, with a net loss of \$1.825 billion,¹⁴ and \$1.751 billion in FY 2023.¹⁵ According to Amtrak's Five-Year Plan for FY 2024–2029 Amtrak is projecting a cost recovery goal of 86 percent in FY 2024, with projected operating losses of roughly \$625.3 million, to a cost recovery goal of 93 percent in FY 2029, with projected operating losses of roughly \$356.6 million.¹⁶

IV. AMTRAK RIDERSHIP

In pre-pandemic FY 2019, Amtrak set a record of 32.5 million trips taken on its system.¹⁷ FY 2019 marked the eighth straight year Amtrak ridership surpassed 30 million trips.¹⁸ In FY 2020, following the onset of the pandemic, ridership plummeted to roughly 16.8 million people.¹⁹ April 2020 saw ridership fall to nearly 95 percent of its total one year prior.²⁰ Demand bottomed out in FY 2021 when Amtrak carried 12.2 million riders, representing a drop of 62.6 percent in ridership.²¹ Following a reduction in ridership due to the pandemic from FY 2020 through FY 2022, in FY 2023, ridership increased to 28.6 million trips as the pandemic ended, 88 percent of pre-pandemic levels.²² Through April 2024, ridership is 3.1 million higher versus the same time frame in FY 2023.²³

V. ILLUSTRATIVE CORRIDOR DEVELOPMENT PROPOSALS

FRA CORRIDOR IDENTIFICATION AND DEVELOPMENT PROGRAM

Established by ILJA, the FRA's Corridor ID program will guide intercity passenger rail planning and development.²⁴ It is intended to become the primary means for directing Federal investment and assistance for new and improved intercity passenger rail routes.²⁵ The Corridor ID program is meant to support long-term devel-

¹⁰ See CARES Act, Pub. L. No. 116–136, 134 Stat. 281; Consolidated Appropriations Act, 2021, Pub. L. No. 116–260, 134 Stat. 1182; American Rescue Plan Act, Pub. L. No. 117–2, 135 Stat. 4.

¹¹ INTERCITY PASSENGER RAIL: FEDERAL POLICY AND PROGRAMS, *supra* note 2.

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.*

¹⁵ AMTRAK, CONSOLIDATED FINANCIAL STATEMENTS, NATIONAL RAILROAD PASSENGER CORPORATION AND SUBSIDIARIES (AMTRAK), YEARS ENDED SEPTEMBER 30, 2023 AND 2022, available at <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/financial/Amtrak-Audited-Consolidated-Financial-Statements-FY2023.pdf>.

¹⁶ AMTRAK, FIVE-YEAR PLANS, ON TRACK FOR TRANSFORMATION—AMTRAK'S FY 2022–2027 SERVICE AND ASSET LINE PLANS, available at <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Amtrak-Service-Asset-Line-Plans-FY24-29.pdf>.

¹⁷ AMTRAK FY19 RIDERSHIP, *Amtrak Route Ridership, FY19 vs FY 18*, available at <https://media.amtrak.com/wp-content/uploads/2019/11/FY19-Year-End-Ridership.pdf>.

¹⁸ INTERCITY PASSENGER RAIL: FED. POLICY AND PROGRAMS, *supra* note 2.

¹⁹ AMTRAK, *FY 20 Year End Revenue and Ridership*, available at <https://media.amtrak.com/wp-content/uploads/2020/12/FY20-Year-End-Ridership.pdf>.

²⁰ INTERCITY PASSENGER RAIL: FED. POLICY AND PROGRAMS, *supra* note 2.

²¹ AMTRAK, FY 22 YEAR END REVENUE AND RIDERSHIP, available at <https://media.amtrak.com/wp-content/uploads/2021/12/FY21-Year-End-Revenue-and-Ridership.pdf>.

²² Press Release, AMTRAK, *Amtrak Fiscal Year 2023: Ridership Exceeds Expectations as Demand for Passenger Rail Soars*, (Nov. 30, 2023), available at <https://media.amtrak.com/2023/11/amtrak-fiscal-year-2023-ridership-exceeds-expectations-as-demand-for-passenger-rail-soars/#:~:text=Ridership%3A%20Provided%2028.6%20million%20customer,built%20over%20the%20Fiscal%20Year>.

²³ AMTRAK, MONTHLY PERFORMANCE REPORT YTD APRIL FY 2024, available at <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/monthlyperformancereports/2024/Amtrak-Monthly-Performance-Report-April-2024.pdf>.

²⁴ Infrastructure Investment and Jobs Act, Pub. L. No. 117–58, § 22308, 135 Stat. 730.

²⁵ NOTICE OF SOLICITATION OF CORRIDOR PROPOSALS AND FUNDING OPPORTUNITY FOR THE CORRIDOR AND DEVELOPMENT PROGRAM, 87 Fed. Reg. 77920 (Dec. 20, 2022), available at <https://www.fra.dot.gov/~/media/Document-Collection/2022/12/2022-12-20-Notice-of-Solicitation-of-Corridor-Proposals-and-Funding-Opportunity-for-the-Corridor-and-Development-Program>.

opment of intercity passenger rail and will create a capital project pipeline ready for Federal (and other) funding.²⁶ On December 8, 2023, FRA announced 69 corridor selections in 44 states.²⁷

CONNECT NEC 2037

In November 2023, the Northeast Corridor Commission (Commission) released CONNECT NEC 2037 (C37), a plan that details the sequencing of infrastructure investments and capital renewal projects to be made throughout the Northeast Corridor (Corridor) over 15 years.²⁸ The Commission is comprised of 18 members, including representatives from each of the eight Corridor states, the District of Columbia, Amtrak, and the DOT.²⁹ The NEC Project Inventory, established by the IJJA, is a pipeline of projects that will assist Commission Members and the public with long-term capital planning for the NEC.³⁰ To be eligible for the Federal-State Partnership for Intercity Passenger Rail Program, NEC projects must be on the NEC Project Inventory.³¹

CALIFORNIA

The California State Transportation Agency (CalSTA) is the Nation's largest state transportation agency responsible for maritime, highway, transit, and rail systems planning, investment, and oversight.³² California has three long-standing intercity passenger rail corridors currently led by joint powers authorities serving markets in the San Diego-Los Angeles area, the San Joaquin Valley to Bakersfield, and the San Francisco Bay Area to Sacramento.³³

SOUTHEAST CORRIDOR COMMISSION

The Southeast Corridor Commission (SEC) consists of departments of transportation from Florida, Georgia, North Carolina, South Carolina, Tennessee, Virginia, and Washington, D.C.³⁴ The SEC issued the Southeast Regional Rail Plan in December 2020, which seeks to increase intercity passenger rail service in the region.³⁵

SOUTHERN RAIL COMMISSION

The Southern Rail Commission (SRC) is an interstate compact approved in 1982 by the legislatures of Louisiana, Mississippi, and Alabama. The SRC is composed of commissioners appointed by their respective governors, with a mission to promote the safe, reliable, and efficient movement of people and goods to enhance economic development, provide transportation choices, and facilitate emergency evacuation routes.³⁶ Section 11304 of the FAST Act directed the DOT Secretary to convene a working group to evaluate the restoration of intercity rail passenger service between New Orleans, Louisiana, and Orlando, Florida. In July 2017, the Working Group reported that approximately 1/20th of CSX's estimated required capital investment was needed to start service.³⁷ Despite the conclusion of legal proceedings before the Surface Transportation Board (STB), Amtrak service has not resumed.³⁸

www.federalregister.gov/documents/2022/12/20/2022-27559/notice-of-solicitation-of-corridor-proposals-and-funding-opportunity-for-the-corridor-identification.

²⁶ *Id.*

²⁷ Press Release, FRA, *President Biden Announces \$8.2 Billion in New Grants for High-Speed Rail and Pipeline of Projects Nationwide*, (Dec. 8, 2023), available at <https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/president-biden-announces-82-billion-new-grants>.

²⁸ NORTHEAST CORRIDOR COMMISSION, CONNECT 2037 (Nov. 2023), available at <https://nec-commission.com/connect-nec-2037/> [hereinafter CONNECT 2037].

²⁹ COMMISSION, *The Commission*, available at <https://nec-commission.com/commission/>.

³⁰ 2024 NORTHEAST CORRIDOR PROJECT INVENTORY, available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2024-04/2024%20NEC%20Project%20Inventory.pdf>.

³¹ FRA, FRA PUBLISHES NORTHEAST CORRIDOR PROJECT INVENTORY, LAYING OUT PRIORITIES FOR INTERCITY PASSENGER RAIL DEVELOPMENT ON THE NEC, available at <https://www.transportation.gov/briefing-room/fra-publishes-northeast-corridor-project-inventory-laying-out-priorities-intercity>.

³² CALSTA, HOME, available at <https://calsta.ca.gov/>.

³³ CALSTA, CALIFORNIA STATE RAIL PLAN, available at <https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan>.

³⁴ SRC, PARTNERS, available at <https://www.southeastcorridor-commission.org/partners>.

³⁵ SRC, SOUTHEAST RAIL PLAN, FINAL REPORT, (Dec. 2020), available at <https://www.southeastcorridor-commission.org/copy-of-commission-reports-1>.

³⁶ SRC, OUR MISSION, available at <https://www.southernrailcommission.org/mission>.

³⁷ GULF COAST WORKING GROUP, GULF COAST WORKING GROUP REPORT TO CONGRESS, FINAL REPORT, (July 2017), at 7, available at <https://railroads.dot.gov/elibrary/gulf-coast-working-group-report-congress>.

³⁸ See Application of the National Railroad Passenger Corporation Under 49 U.S.C. § 24308(e)—CSX Transportation, Inc., and Norfolk Southern Railway Company, 87 Fed. Reg. 6644

VI. WITNESS LIST

- Mr. Stephen Gardner, Chief Executive Officer, Amtrak
- Mr. Anthony Coscia, Chair, Amtrak Board of Directors
- Ms. Julie White, Deputy Secretary for Multimodal Transportation, North Carolina Department of Transportation

(Feb. 4, 2022) available at <https://www.govinfo.gov/content/pkg/FR-2022-02-04/pdf/2022-02416.pdf>; see also Bill Stephens, *Amtrak should bail out on proposed Gulf Coast service: Analysis*, TRAINS.COM, (Feb. 16, 2024), available at <https://www.trains.com/trn/news-reviews/news-wire/amtrak-should-bail-out-on-proposed-gulf-coast-service-analysis/>.

**AMTRAK AND INTERCITY PASSENGER RAIL
OVERSIGHT: PROMOTING PERFORMANCE,
SAFETY, AND ACCOUNTABILITY**

WEDNESDAY, JUNE 12, 2024

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND
HAZARDOUS MATERIALS,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 2:01 p.m., in room 2167 Rayburn House Office Building, Hon. Troy E. Nehls (Chairman of the subcommittee) presiding.

Mr. NEHLS. The Subcommittee on Railroads, Pipelines, and Hazardous Materials will come to order.

I ask unanimous consent that the chairman be authorized to declare a recess at any time during today's hearing. Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions. Without objection, so ordered.

As a reminder, if Members wish to insert a document into the record, please also email it to DocumentsTI@mail.house.gov.

I now recognize myself for the purposes of an opening statement for 5 minutes.

**OPENING STATEMENT OF HON. TROY E. NEHLS OF TEXAS,
CHAIRMAN, SUBCOMMITTEE ON RAILROADS, PIPELINES,
AND HAZARDOUS MATERIALS**

Mr. NEHLS. Today's hearing will survey the current and future operations of Amtrak. Amtrak is federally chartered, owned by the Federal Government, and governed by a Board of Directors appointed by the President and subject to Senate confirmation.

As a generous recipient of taxpayers dollars to operate its system, Amtrak should focus on maintaining and improving its current services to increase revenue and achieve profitability. Instead, Amtrak seems content to lose roughly \$1 billion per year by its own predictions and, flush with historic funding from the IIJA, is choosing to pursue costly and highly questionable acquisitions and route expansions that may not serve the best interests of the American commuter.

Amtrak ridership collapsed during the COVID-19 pandemic. Ridership has since rebounded as of March of 2024, yet much remains to be done to improve service and attract riders. Today's hearing

will provide an opportunity to continue this subcommittee's examination of the challenges that are in the way of potential improvements.

For instance, in 2016, Amtrak received almost \$2.5 billion in Federal loans to procure new Acela trainsets. However, as of today, no trainsets have been entered into service. This is primarily because Amtrak approved the manufacture of new trainsets before the completion of required safety modeling that ensures the trains are safe to run on the Northeast Corridor track. As such, these trainsets are 3 years behind schedule and tens of millions of dollars over budget.

We also remain concerned about the lack of improvements in transparency and accountability at Amtrak following the record levels of funding it has received in recent years. The Amtrak Board of Directors does not make its meetings open to the public as other federally chartered entities do, and the Board has approved substantial performance bonus payments to Amtrak executives, despite significant financial losses. Doesn't seem right.

As the committee of jurisdiction over Amtrak, we will continue to monitor these critical issues and conduct oversight to assure that taxpayer funding is used in the most effective manner to improve service and get Amtrak back on the road to profitability.

Thank you to our witnesses for joining us today, and I do, I do look forward to our discussion.

[Mr. Nehls' prepared statement follows:]

Prepared Statement of Hon. Troy E. Nehls, a Representative in Congress from the State of Texas, and Chairman, Subcommittee on Railroads, Pipelines, and Hazardous Materials

Today's hearing will survey the current and future operations of Amtrak. Amtrak is federally chartered, owned by the federal government, and governed by a Board of Directors appointed by the President and subject to Senate confirmation.

As a generous recipient of taxpayer dollars to operate its system, Amtrak should focus on maintaining and improving its current services to increase revenue and achieve profitability. Instead, Amtrak seems content to lose roughly \$1 billion per year by its own predictions and, flush with historic funding from the Infrastructure Investment and Jobs Act (IIJA), is choosing to pursue costly and highly questionable acquisitions and route expansions that may not serve the best interests of the American commuter.

Amtrak ridership collapsed during the COVID-19 pandemic. Ridership has since rebounded as of March 2024, yet much remains to be done to improve service and attract riders. Today's hearing will provide an opportunity to continue this subcommittee's examination of the challenges that are in the way of potential improvements.

For instance, in 2016, Amtrak received almost \$2.5 billion in federal loans to procure new Acela trainsets. However, as of today, no trainsets have been entered into service. This is primarily because Amtrak approved the manufacture of new trainsets before the completion of required safety modeling that ensures the trains are safe to run on the Northeast Corridor track. As such, these trainsets are three years behind schedule and tens of millions of dollars over budget.

We also remain concerned about the lack of improvements in transparency and accountability at Amtrak following the record levels of funding it has received in recent years. The Amtrak Board of Directors does not make its meetings open to the public as other federally chartered entities do, and the Board has approved substantial "performance bonus" payments to Amtrak executives despite significant financial losses.

As the committee of jurisdiction over Amtrak, we will continue to monitor these critical issues and conduct oversight to ensure that taxpayer funding is used in the

most effective manner to improve service and get Amtrak back on the road to profitability.

Mr. NEHLS. I now recognize the ranking member of the subcommittee, Ms. Frederica Wilson, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. FREDERICA S. WILSON OF FLORIDA, RANKING MEMBER, SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

Ms. WILSON OF FLORIDA. Thank you, Chairman Nehls, and thank you to our witnesses today. Welcome to all of you.

Amtrak is our Nation's intercity passenger rail service, and as a Floridian, I am proud of both Amtrak's routes and Brightline services, which now connect Miami and Orlando.

Amtrak and Brightline operate on tracks that my great-grandfather built when he first immigrated to this country from The Bahamas. Amtrak allowed me to ride my first overnight train to New York City as a little girl. Two Amtrak trains per day run through my district, and we have a maintenance facility in nearby Hialeah.

Brightline and Amtrak are central services in our community, but unfortunately, we have endured too many grade crossing deaths. Two weeks ago, a vehicle was struck on the rail in Opa-locka in the heart of my district. Luckily, no one was hurt this time. But this is just one of the countless incidents of railcar collision.

While I understand some of these incidents are outside Brightline's and Amtrak's control, at a certain point, with so many incidents, we must ask, at what point does it become our joint responsibility to address this crisis? When do we do that?

For the 3 years before the Brightline launch, I discussed safety along the railroad line, because safety remains my top priority for the work on this subcommittee. Alongside safety, expanding rail to all Americans and connecting the diverse parts of America through rail remains a priority for me.

As one of the five original cosponsors of the Bipartisan Infrastructure Law, I am proud that this law is ushering in an era of unprecedented investments in rail. We are seeing this funding being channeled into substantial safety improvements to the Brightline route in Dania Beach, Wilton Manors, Fort Lauderdale, Hallandale Beach, Hollywood, Pompano Beach, and West Palm Beach.

In our effort to expand rail, the Corridor ID Program identified 69 corridors in 44 States guiding passenger rail expansion across the country. I am glad to see that two of those corridors are in my home State of Florida, and more specifically, in my community: the Miami-Orlando-Tampa corridor and the Jacksonville-Orlando-Miami corridor.

Late last year, the Federal Railroad Administration awarded \$8.2 billion across 10 projects in 9 States to improve and expand passenger rail service. This includes extending and improving the Piedmont Corridor in North Carolina, which will improve connections with the busy Northeast Corridor.

Ms. White, I am sure you will be able to tell us more about just how your State has been able to make this historic investment in passenger rail.

Beyond the benefits to rail passengers, the Bipartisan Infrastructure Law investments are revolutionizing the railway supply chain. Siemens is investing in a new North Carolina facility that will build new Amtrak trainsets and provide maintenance for railcars and locomotives for years to come. This facility will add 500 jobs and over \$1.6 billion to the local economy, all thanks to the Bipartisan Infrastructure Law.

Through recent rail investments, we also have been able to better support our future rail workers. Last September, the Federal Railroad Administration awarded the University of South Florida a \$17 million grant to work with universities nationwide to boost the railroad workforce.

These are just some of the many improvements we have recently made in the rail space. And I look forward to hearing from our witnesses today about the impact the Bipartisan Infrastructure Law has made on passenger rail and what they would like to see in the next infrastructure law. All aboard.

Mr. Chair, with that, I yield back.

[Ms. Wilson of Florida's prepared statement follows:]

Prepared Statement of Hon. Frederica S. Wilson, a Representative in Congress from the State of Florida, and Ranking Member, Subcommittee on Railroads, Pipelines, and Hazardous Materials

Thank you, Chairman Nehls, and thank you to our witnesses today.

Amtrak is our nation's intercity passenger rail service, but as a Floridian, I'm proud to note that Brightline service now connects Miami and Orlando, and I'm glad to see that Florida has Amtrak and Brightline operating side by side. Amtrak and Brightline operate on tracks that my great-grandfather built when he first immigrated to this country, allowing me to ride my first overnight train to New York City as a girl. Two Amtrak trains per day run through my district, and we have a maintenance facility in nearby Hialeah.

Brightline and Amtrak are good services in our community, but, unfortunately, we have endured too many grade crossing deaths. Two weeks ago, a vehicle was struck on the rail right of way in Opa-locka in my district. Luckily, no one was hurt this time.

For the three years before the Brightline launch, I discussed safety along the railroad line. Safety remains my top priority for the work on this Subcommittee.

The unprecedented investments of the Bipartisan Infrastructure Law are continuing safety improvements to the Brightline route in Dania Beach, Wilton Manors, Ft. Lauderdale, Hallandale Beach, Hollywood, Pompano Beach and West Palm Beach.

Late last year, the Federal Railroad Administration awarded 8.2 billion dollars across 10 projects in nine states to improve and expand passenger rail service. This includes extending and improving the Piedmont Corridor in North Carolina, which will improve connections with the busy Northeast Corridor. Ms. White will be able to tell us more about how her state has been able to make this historic investment in passenger rail.

And we are also able to better support our future rail workers. Last September, the FRA awarded the University of South Florida a \$17 million grant to work with universities across the country to boost the railroad workforce.

The Corridor ID program identified 69 corridors in 44 states including the District of Columbia that will guide the expansion of passenger rail across the country. Two of the selected corridors are in my home state of Florida, the Miami-Orlando-Tampa corridor and the Jacksonville-Orlando-Miami Corridor.

Beyond the benefits to rail passengers, the investments in the BIL are revolutionizing the railway supply chain. Siemens is investing in a new North Carolina facility that will build new Amtrak trainsets and provide maintenance for rail cars and loco-

motives for years to come. This facility will add 500 jobs and over \$1.6 billion to the local economy, thanks to the BIL.

I look forward to hearing from our witnesses today about the impact the BIL has made on passenger rail and what they would like to see in the next infrastructure law, and I yield back my time.

Mr. NEHLS. Thank you, Ms. Wilson. And I appreciate your comments on rail crossings, grade crossings, and the dangers that we see across our country probably on a weekly basis here. And I think we as a committee should address those. I agree with you wholeheartedly.

I now recognize the ranking member of the full committee, Mr. Larsen, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. LARSEN OF WASHINGTON. Thank you, Chair, and thank you, Ranking Member Wilson, for holding today's hearing on improving Amtrak and intercity passenger rail across the country.

Before I begin, I want to welcome Representative Chris Deluzio as a member of this subcommittee, as well as a member of the Subcommittee on Aviation. Representative Deluzio joins this committee with a record of fighting to strengthen transportation safety and support workers. I look forward to your partnership on rail safety and other initiatives to make America's infrastructure cleaner, greener, safer, and more accessible.

Turning to today's hearing, the Bipartisan Infrastructure Law was a monumental achievement that supercharged our Nation's investment in rail with more than \$100 billion in funding. The BIL provided bold, long-term investments in transportation systems and infrastructure. These investments are creating jobs and benefiting the economy.

For intercity passenger rail, the BIL guaranteed multiyear funding for capital investments and development. It made possible, for the first time ever, dedicated, reliable Federal funding disbursed over 5 years to improve and expand intercity passenger rail.

Since our hearing last year, the FRA has announced \$26.6 billion in BIL grants for 237 projects. This includes 69 corridors in 44 States, including the District of Columbia, that were all recipients of Corridor ID grants.

In my State of Washington, the Washington State Department of Transportation received grants for two corridors: the Cascadia Ultra High-Speed Ground Transportation project that will provide a new alignment for high-speed rail service between Vancouver, Canada, and Portland, Oregon, via Seattle, and the current State-supported Amtrak Cascades route that serves Bellingham, Mount Vernon, Stanwood, Everett, and Edmonds in my district.

The BIL is also an investment in our workforce. The funding is being used to grow a well-trained, diverse workforce to build, operate, and maintain a national intercity passenger rail network. Amtrak has hired an additional 8,500 people in the last 2 years, and the BIL is funding university-led, Amtrak-led, and union-led workforce development initiatives.

Great results are already here as we hit the halfway mark of the BIL, and more is still to come from additional rail funding to be announced.

Now, while a final appropriations bill for fiscal year 2024 did not include all the rail funding authorized in BIL, it did demonstrate bipartisan support for these investments. I look forward to hearing today from witnesses about the impact of budget certainty and how this will ultimately improve service for rail passengers.

As we did in fighting for rail funding in the BIL, this committee is dedicated to helping communities get regular and reliable passenger rail service. Of the \$100 billion provided for rail in the BIL, \$66 billion was provided in the form of advanced appropriations. The remaining \$34 billion is subject to appropriations and therefore not guaranteed.

So, I will continue to push for Congress to fully fund its intercity passenger rail commitments to create jobs, grow regional economies, reduce congestion and carbon emissions, and build a cleaner, greener, safer, and more accessible transportation network.

This transformational investment in the BIL is a great start, but Congress needs to build on this by securing regular, reliable funding for intercity passenger rail.

Thanks to the BIL, for the first time since the founding of Amtrak over 50 years ago, States and cities have the certainty of knowing that funding for passenger rail projects will be there. Highways, transit, airports, and harbors all have funding certainty to some extent, enabling long-term major capital projects in these modes without fluctuations due to the annual appropriations process.

It is time the intercity passenger rail had the same certainty.

The demand exists. Last year, FRA received over \$18 billion in applications for \$8.9 billion in available funds, and the Corridor ID Program received over 90 applications from communities that want to add or improve intercity passenger rail connections.

So, today, we are going to hear from witnesses who are turning these historic investments into tangible improvements. I want to thank each of the witnesses for joining our committee today to provide their vision and recommendations for the future of passenger rail.

And with that, I yield back.

[Mr. Larsen of Washington's prepared statement follows:]

Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure

Thank you, Chairman Nehls and Ranking Member Wilson, for holding today's hearing on improving Amtrak and intercity passenger rail across the country.

Before I begin, I want to welcome Representative Chris Deluzio as a member of this Subcommittee, as well as the Subcommittee on Aviation.

Representative Deluzio joins this Committee with a record of fighting to strengthen transportation safety and support workers. I look forward to your partnership on rail safety and other initiatives to make America's infrastructure cleaner, greener, safer, and more accessible.

Turning to today's hearing, the Bipartisan Infrastructure Law (BIL) was a monumental achievement that supercharged our nation's investment in rail with more than \$100 billion in funding.

The BIL provided bold, long-term investments in transportation systems and infrastructure. These investments are creating jobs and benefiting our economy.

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It made possible, for the first time ever, dedicated, reliable federal funding—disbursed over five years—to improve and expand intercity passenger rail.

Since our hearing last year, the FRA has announced \$26.6 billion in BIL grants for 237 projects.

This includes 69 corridors in 44 states including the District of Columbia that were all recipients of Corridor ID grants.

In my state of Washington, the Washington State Department of Transportation received grants for two corridors: the Cascadia Ultra High-Speed Ground Transportation project that will provide a new alignment for high-speed rail service between Vancouver, Canada, and Portland, Oregon, via Seattle; and the current state-supported Amtrak Cascades route that serves Bellingham, Mount Vernon, Stanwood, Everett and Edmonds in my district.

The BIL is also an investment in our workforce. The funding is being used to grow a well-trained, diverse workforce to build, operate and maintain a national intercity passenger rail network.

Amtrak has hired an additional 8,500 people in the last two years, and the BIL is funding university-led, Amtrak-led and union-led workforce development initiatives.

Great results are already here as we hit the half-way mark of the BIL, and more still will come from additional rail funding to be announced.

While the final appropriations bill for fiscal year 2024 did not include all the rail funding authorized in the BIL, it demonstrated bipartisan support for these investments.

I look forward to hearing today from our witnesses about the impact of budget certainty and how this will ultimately improve service for rail passengers.

As we did in fighting for rail funding in the BIL, this Committee is dedicated to helping communities get regular and reliable passenger rail service.

Of the \$100 billion provided for rail in the BIL, \$66 billion was provided in the form of advance appropriations. The remaining \$34 billion is subject to appropriations, and therefore not guaranteed.

I will continue to push for Congress to fully fund its intercity passenger rail commitments to create jobs, grow regional economies, reduce congestion and carbon emissions and build a cleaner, greener, safer and more accessible transportation network.

The transformational investment in the BIL is a great start, but Congress needs to build on this by securing regular, reliable funding for intercity passenger rail.

Thanks to the BIL, for the first time since the founding of Amtrak over 50 years ago, states and cities have the certainty of knowing that funding for passenger rail projects will be there.

Highways, transit, airports and harbors all have funding certainty, enabling long-term major capital projects in these modes without fluctuations due to the annual appropriations process.

It is time that intercity passenger rail had the same certainty.

The demand exists—last year, FRA received over \$18 billion in applications for \$8.9 billion in available funds and the Corridor ID program received over 90 applications from communities that want to add or improve intercity passenger rail connections.

Today, we will hear from witnesses who are turning historic investment into tangible improvements.

I thank each of the witnesses for joining the Committee today to provide their vision and recommendations for the future of passenger rail.

Mr. NEHLS. Ranking Member Larsen yields.

I would like to welcome our witnesses and thank them for being here today. Briefly, I would like to take a moment to explain our lighting system to our witnesses. There are three lights in front of you. Green means go; yellow, you are running out; and red, conclude your remarks.

I ask unanimous consent that the witnesses' full statements be included into the record. Without objection, so ordered.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing. Without objection, so ordered.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by the Members or witnesses to be included in the record of today's hearing. Without objection, so ordered.

As your written testimony has been made part of the record, the subcommittee asks that you limit your oral remarks to 5 minutes. With that, Mr. Gardner, you are recognized for 5 minutes.

TESTIMONY OF STEPHEN GARDNER, CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK); ANTHONY COSCIA, CHAIR OF THE BOARD, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK); AND JULIE A. WHITE, DEPUTY SECRETARY FOR MULTIMODAL TRANSPORTATION, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

TESTIMONY OF STEPHEN GARDNER, CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Mr. GARDNER. Good afternoon, Chairman Nehls, Ranking Member Wilson, Ranking Member Larsen, and members of the subcommittee. I am Stephen Gardner, Amtrak CEO, and thank you for inviting me today. It is my pleasure to share this table with our Chairman, Tony Coscia, and our great partner, Deputy Secretary White of North Carolina.

Amtrak has accomplished a great deal during fiscal year 2024. Our ridership and revenue are up, over 20 and 10 percent, respectively, and May was our best revenue month ever in the history of the company. We are on track to set a new record ridership this year and will further reduce our operating losses. We have expanded service with our State partners, and on the Northeast Corridor, we have added frequencies to meet demand.

Thanks to the funding from the Infrastructure Investment and Jobs Act, construction is now underway, or starting soon, on truly massive projects that we have been discussing for decades, like the Hudson and Frederick Douglass Tunnel projects, the Portal North, Connecticut River, and Susquehanna River bridges, and redevelopment of our stations in Chicago and Philadelphia.

We are also acquiring new equipment that will transform the travel experience. Our new Acela trains are testing now and could enter service around the end of this year. Our new Amtrak Airo for regional service to the Northeast and State-supported routes are arriving in 2026, and we are out to bid right now for a new fleet of long-distance trains.

To make all this happen, Amtrak is undergoing a dramatic transformation. We are not the company we were a few years ago. We have rebuilt and expanded our workforce with some of the best in the business. We have enhanced safety and security, thanks to technologies like Positive Train Control and the hard work of the Amtrak Police Department and our cybersecurity team. We have

improved overall on-time performance, become more efficient in producing capacity from our limited fleet, and improved accessibility for passengers with disabilities.

Finally, we have continued upgrading our customer experience with refreshed equipment, improved customer communications, expanded dining options, better trained employees, and there is lots more to come.

Driving all of this is our ambitious goal of doubling ridership by 2040. As our Nation's population grows, we believe passenger rail can and must play a bigger role. This goal underlies these investments, our partnerships with States like North Carolina and the Federal Railroad Administration, and our evaluation of potential public-private partnerships like the Texas Central high-speed rail project.

Increasing Amtrak ridership is so important because more Amtrak passengers mean less congestion on already overcrowded highways and less need to turn existing interstates into monster highways, 10 lanes or more. For instance, we all know how bad traffic is here to the south on I-95. Imagine how much worse it would be if the over 1.3 million passengers who rode State-supported Amtrak service along I-95 in Virginia last year had to drive.

To grow, we will need to both improve existing service and expand service in States and corridors that we don't serve well or even at all today.

Our current route map largely reflects an America of 70 years ago. That is why Texas, now our second most populous State, has only five Amtrak trains a day. And Florida, our third most populous State, only has 6, compared to the small but mighty Rhode Island, which has 38 trains per day.

Building enhanced partnerships with our State, commuter, and host railroad partners is key to this growth. Thankfully, IIJA funding has encouraged States and others to invest in intercity passenger rail and created new opportunities for win-win projects with our freight and commuter partners where we can improve safety, reliability, and capacity together for all users.

In fact, much of the rail funding in the IIJA is not going to Amtrak. Nearly three-quarters of the FRA's national network grants have gone to California high-speed rail and Brightline West projects, and two-thirds of the CRISI funds awarded last year went to short line and regional railroads.

Amtrak supports these investments because they will grow and improve the whole system, while we use our supplemental funding to address decades' worth of underinvestment in fleet, stations, infrastructure, and systems.

It is critical to remember, however, that Amtrak's IIJA supplemental funds don't cover basic operations and maintenance. It is essential that we continue to receive adequate annual appropriations to maintain our assets and continue serving your communities.

Likewise, while the reauthorization of IIJA is still a couple years away, I want to state now how important it is that Congress continue to provide dedicated multiyear funding for rail. Without guaranteed funding provided by the IIJA, we simply couldn't make the progress we are accomplishing today. Sustained funding will allow

intercity passenger rail to, at last, fulfill its potential to alleviate congestion, enhance mobility, and spur economic development throughout the Nation.

I am thrilled to be part of this extraordinary time in Amtrak's history. I thank the members of this subcommittee, Mr. Chairman, for their support and for support of passenger rail. I look forward to answering your questions.

[Mr. Gardner's prepared statement follows:]

Prepared Statement of Stephen Gardner, Chief Executive Officer, National Railroad Passenger Corporation (Amtrak)

Good afternoon, Chairman Nehls, Ranking Member Wilson, and Members of the Subcommittee. My name is Stephen Gardner, and I am the Chief Executive Officer of Amtrak. Thank you for inviting me to appear before you today for this Amtrak oversight hearing.

I'd like to begin by reflecting for a moment on someone who is not with us today: Congressman Donald M. Payne, Jr., the Ranking Member of this Subcommittee until his untimely passing in April. Congressman Payne was a great champion of his constituents and the things that he believed in, and Amtrak is fortunate that one of them was passenger rail. His death is a great loss to the nation, the people he represented, his fellow members of the House, and most of all to his friends and family.

As I come before you today, we are eight and a half months into Fiscal Year 2024. We are also just past the midpoint of the five-year authorizations and advance appropriations that the Infrastructure Investment and Jobs Act (IIJA) provided for Amtrak and Federal Railroad Administration (FRA) intercity passenger rail programs. Given that, I will start with an update on Amtrak's performance during Fiscal Year 2024 to date. I will then turn to how we are advancing the many projects and initiatives that the IIJA's substantial, multi-year funding has allowed us to commence; describe what we are doing to improve our performance and service; and address some persistent myths relating to Amtrak that need to be dispelled as we move forward. I will conclude with what Congress can do to continue, and hopefully accelerate, the progress Amtrak and its partners have made thanks to the IIJA's funding as we look ahead to the next surface transportation reauthorization bill.

FISCAL YEAR 2024 PERFORMANCE

I am pleased to report that, for Amtrak, the first eight-and-a-half months of Fiscal Year 2024 have been marked by a large number of accomplishments. Many seemed completely out of reach just a few years ago, as we fought, with Congress and the Administration's help, to preserve our network during the depths of the pandemic.

I'll start with safety. We have experienced zero NTSB reportable accidents in Fiscal Year 2024, and currently have no open NTSB accident investigations. We are sustaining the huge (20%) decrease in employee injuries we achieved last year and are within striking distance of meeting our aggressive goal for further reduction. We are also seeing strong improvement in customer safety. This is a significant achievement, given all of the operational changes we have undergone and the new employees we have hired in the past several years. While we can clearly say that Amtrak has become an even safer railroad over the past few years, the several serious grade crossing accidents Amtrak trains operating over host railroads during that period have experienced that some Subcommittee members may remember underscore the need for more innovation, higher investment and additional focus on the highway-rail interface.

Turning to our financial performance, the good news is that our ridership during the first seven months of Fiscal Year 2024 was 20% higher, and our ticket revenue 10% higher, than during the same period last year. Of even greater significance, our fiscal-year-to-date ridership is higher than during the same period in Fiscal Year 2019. As planned, we are on target to set a new all-time ridership record by exceeding the 32.3 million passengers we carried in that record-breaking year before the COVID-19 pandemic produced huge declines in ridership from which most North American passenger railroads have yet to recover. Year-to-date revenue is also higher than in 2019, but has been impacted by the reduced business travel since the pandemic as virtual meetings have replaced many short duration business trips. De-

spite this, we still anticipate improving our bottom-line performance with a reduced operating loss this year compared to Fiscal Year 2023.

What is particularly encouraging is that we have achieved this level of ridership despite two major challenges. The first is that we have less seat capacity in the marketplace than we did in 2019 and less than we expected to have this year. This is attributable to delays in starting service with the new Siemens Venture cars that our state partners have procured for our Midwestern and California state-supported routes because of various technical issues, a smaller available legacy fleet due to a number of cars that are out-of-service because they require major repairs or federally-mandated overhauls that were delayed by the COVID-19 pandemic and delays in beginning service of the new *Acela* trainsets by Alstom on the Northeast Corridor because of continued testing. The second ridership challenge is that the *Pacific Surfliner* route from San Diego to Los Angeles and San Luis Obispo, our highest ridership route outside of the Northeast Corridor, pre-pandemic, has been severed on multiple occasions for extended periods due to worsening erosion at points where its right-of-way runs beneath bluffs along the Pacific Coast.

Further offsetting our results are the cost headwinds that Amtrak and other transportation providers are facing. Since 2019, the consumer price index has increased by 23%. The increases in costs for many of the goods and services that drive Amtrak's operating expenses, such as the diesel fuel and electricity that power our trains and insurance and self-insurance, have been even higher than that. The biggest factor in our increased costs is the higher wages we are paying to our agreement-covered employees, which are mostly due to the cost-of-living adjustments included in the new labor agreements we have entered into with the unions that represent the majority of our non-management employees. Amtrak is also incurring significant costs in areas for which its expenditures were relatively small just a few years ago. For example, projected cybersecurity costs in 2024 are nearly seven times what they were in 2019.

Beginning in 2024, Amtrak is also paying a larger share of the operating costs of state-supported routes because of changes in the "Section 209" State-Supported Service Cost Allocation Methodology that were adopted as part of the updates to that methodology required by the IIJA. Amtrak's share of state-supported service operating costs was 24% higher in the first half of Fiscal Year 2024 than it was in Fiscal Year 2023.

Another driver of the increase in our operating costs is that the IIJA transformed Amtrak from being primarily a train operating company into a train operating company *and* a very large construction company. Our capital expenditures have increased from \$1.6 billion in Fiscal Year 2019 to nearly \$5 billion this year, and a projected \$8.3 billion next year. That enormous increase in capital spending has been accompanied by many additional costs in areas such as legal, financial management, training, human resources and information technology that we did not have before, and that are considered operating costs under the Generally Accepted Accounting Principles, or GAAP, that apply to corporations—rather than public agencies—like Amtrak. We will continue to take actions to improve our financial performance and operate more efficiently, with the goal of improving our financial results each year and being able to invest more of the federal funds we receive in modernizing our system rather than providing operating support.

ADVANCING MAJOR CAPITAL INVESTMENTS

Infrastructure Projects

In this new era of investment, Amtrak, in conjunction with our state and commuter partners, is finally advancing the many major infrastructure projects along the Northeast Corridor that have long dominated our list of most-urgent needs. Many of these projects have recently achieved or will soon reach major milestones.

- Construction on the Hudson Tunnel Project, the most important component of the New York/New Jersey Gateway Program, is underway on both sides of the Hudson River.
- On the opposite side of New York Penn Station, we recently awarded the construction contract for the rehabilitation of the four tubes of the 114-year-old East River Tunnel, two of which were flooded by Superstorm Sandy in 2012. That work will commence later this year.
- Construction of the Portal North Bridge, another key Gateway project led by NJ Transit in partnership with Amtrak, is 58% complete.
- Replacement of the 117-year-old Connecticut River Bridge in Old Saybrook, Connecticut is expected to commence later this year.

- Construction of the replacement for the 118-year-old Susquehanna River Rail Bridge in Perryville, Maryland is projected to begin next year.
- The contract for construction of the Frederick Douglass Tunnel in Baltimore was awarded in February, and major construction work on the project is also expected to begin later this year.

Calling any of these investments once-a-generation projects would be a major understatement. All of them replace or supplant infrastructure assets that are over 100 years old; the Baltimore & Potomac Tunnel that the Frederick Douglass Tunnel will replace turned 151 years old earlier this month.

Station Redevelopment

We have also achieved significant milestones in several major station development projects.

- Work on the Chicago Hub Improvement Project (CHIP) will commence following its receipt of two Federal State Partnership for Intercity Passenger Rail (FSP) grants. CHIP is a joint program being developed by Amtrak, commuter rail service provider Metra, and the Departments of Transportation of Illinois, Michigan and Chicago in conjunction with host railroads that will significantly enhance the passenger rail experience and rail infrastructure in and around Amtrak's Chicago Union Station (CUS), the various rail lines leading to them, and on the Amtrak-owned portion of the Chicago-Detroit/Pontiac *Wolverine* route. Amtrak and its partners are continuing to seek additional grants to advance CHIP, which would ultimately reduce trip times, improve reliability and increase yard and station capacity for Midwestern state-supported and long-distance routes serving Chicago.
- Construction has commenced on the redevelopment of William H. Gray III Philadelphia 30th Street Station, Amtrak's third most heavily used station.
- In January, Amtrak completed construction of the first of two new high-level platforms at Baltimore Penn Station that will provide capacity for expanded Amtrak and MARC commuter rail service and enhance accessibility. Work to bring the station into a state-of-good repair, expand its footprint, and enhance the experience of those who use it is expected to commence later this year.
- Two major developments regarding Washington Union Station (WUS) will allow Amtrak, working with FRA and the Union Station Redevelopment Corporation (USRC), to finally move forward on WUS's long-needed revitalization and expansion. In March, FRA completed the final environmental impact statement for the multi-year Station Expansion Project that Amtrak first proposed in 2012. With this finished, Amtrak and our partners can now begin the process of prioritizing projects, undertaking the preliminary engineering and design work, and developing the governance and funding models necessary to support future construction work. Additionally, Amtrak is scheduled on July 15 to take possession of the sublease for the historic station building it is purchasing, much of which is occupied today by a mix of active and vacant retail and restaurants and unused office space. This will allow Amtrak, working with USRC, FRA, and our other partners, to advance initial capital investments that will include expanding passenger waiting areas, improvements in passenger services and security, and state of good repair work. These developments are very good news not only for Amtrak's passengers, but also for passengers on the Virginia Railway Express, MARC and Washington Metro trains and intercity buses that serve WUS, and the many Washingtonians and visitors from around the world who visit the station and patronize its amenities.

New Equipment

We also continue to move forward with procurement and delivery of new equipment for all three of our service lines that will allow us to replace old and obsolete fleet, create more capacity to meet the growing demand for our service, and greatly improve our customers' experience when they travel with us. These efforts include:

- *Acela*—High-speed testing of the new *Acela* trainsets on the NEC is underway following Alstom's advancement of the FRA-required computer modeling process preceding such testing. Based on currently available data from Alstom, we anticipate that initial revenue service could begin around the end of this year, depending on the outcome of testing now underway. Amtrak is fully prepared to bring the trains into service as soon as they receive the required FRA certification.
- *Corridor Fleet*—Production of the Siemens-built Amtrak Airo trainsets we are acquiring for operation on *Northeast Regional* trains on the Northeast Corridor

and state-supported services in the East and Pacific Northwest is well underway, and on target for projected initial service in 2026 on the state-supported Amtrak Cascades Vancouver-Seattle-Portland-Eugene route. Deliveries and entry into service of the Siemens-built state partner-owned Venture cars for operation on state-supported routes in the Midwest and California are continuing.

- Long Distance Fleet—Last December, Amtrak issued a Request for Proposals for reequipping much of our long-distance fleet, most of which is over 40 years old. This procurement process is underway now and we anticipate placing an order for new passenger cars, the largest in our history, in 2025. The new equipment will enormously improve the customer experience, accessibility and operational efficiency of many long-distance routes. Additionally, deliveries and operation of the Siemens-built ALC-42 locomotives for our long-distance services continue, which will allow Amtrak to retire its aging and less-efficient P42 diesel fleet.

OTHER INVESTMENTS AND INITIATIVES

Increasing Capacity to Meet Demand

We are taking a number of steps to provide additional capacity with our existing fleet to help meet the growing demand for Amtrak service, increase ridership, and improve financial performance.

- We are continuing to restore to service repairable railcars that require major repairs due to damage in incidents and cars have been stored because they need federally-mandated overhauls that were delayed during the COVID-19 pandemic.
- We have recently implemented a program of “quick turns” on *Northeast Regional* and *Acela* trains whose trips end in Washington, D.C., New York City and Boston to enable them to make more trips and allow us to increase frequencies between these important markets. Under this program, certain trains are now serviced at station platforms rather than being moved to our maintenance facilities at the end of their trips, allowing them to promptly begin a return trip once serviced. This has allowed us to add four weekday and two weekend round trips between New York City and Washington with our existing equipment fleet.

Enhancing Accessibility

A key priority for Amtrak and this Subcommittee has been improving accessibility across our network and achieving full compliance with the Americans with Disabilities Act (ADA). Now, with the funding provided by the IIJA, Amtrak is making sweeping investments across our assets to accomplish this.

- Each of our new fleet types referenced above, whether currently in production or in procurement, will significantly improve accessibility and enhance the customer experience for passengers with a disability. New features, depending on the fleet, include expanded restrooms, additional accessible seating, induction loops for low-vision passengers, car-borne lifts, and many others.
- We are making strong progress on our goal of achieving compliance at all stations for which we have ADA responsibility. We completed work on 15 stations during Fiscal Year 2023, have completed eight more so far this year, and expect to bring nine additional stations into compliance by the end of the year, for a total of 17 in Fiscal Year 2024. Most of these stations are located on long-distance and state-supported routes across our National Network. We currently have 43 station ADA construction projects and 144 design projects underway.
- We also continue to make targeted improvements to our existing fleet, including installing redesigned ADA-accessible bathrooms that accommodate larger wheelchairs and include a changing room on 23 Superliner I coaches and technology platforms to facilitate better digital access to Amtrak’s booking channels and online content.
- Finally, we continue to strengthen training and customer service practices to support our customers with a disability.

We’d also like to thank Representative Molinaro, Subcommittee Chairman Nehls, Ranking Member Wilson and other cosponsors for the introduction and recent passage of the Think Differently Transportation Act, which would require inclusion of the ADA status of all Amtrak-served stations in Amtrak’s General and Legislative Annual Report. Amtrak supports your efforts and remains committed to working with you and others to make our stations and trains accessible.

Safety and Security

Despite the current challenges in hiring qualified law enforcement officers, the Amtrak Police Department (APD) is nearly fully staffed with 427 commissioned police officers, only four short of full staffing. Its work to make our trains and stations safer is paying off: Crimes Against Persons have decreased 35%, and Crimes Against Property 26%, over the last four years. APD is taking a number of actions to improve safety and security. They include the following:

- Our Operation RAILS SAFE Partner Training Program strengthens coordination and integration between APD and partner public safety agencies. Twelve training sessions with local law enforcement agencies are planned this year and in Fiscal Year 2025.
- To enhance communication and decision-making processes to be better prepared to address major security threats, we frequently hold tabletop and full-scale multiagency security exercises.
- APD has increased the deployment of officers on trains throughout Amtrak's network, using a data driven approach that focuses on routes and segments based on historical data. The increased visibility of officers is aimed at deterrence and enhancing communication with crews and passengers.
- APD provides Conflict Resolution Training for frontline employees to enable them to better defuse emotionally charged interactions with aggressive passengers.

Unfortunately, Amtrak is receiving significantly less funding for safety and security through appropriations to the Department of Homeland Security (DHS) than we did in the past. DHS funding has decreased from \$25 million in the late 2000s to only \$9 million last year, a more than 75% reduction when inflation is taken into account.

Cybersecurity

As I am sure all of you are aware, cybersecurity risks are a rapidly growing threat, particularly for a public-facing company like Amtrak that operates vital infrastructure. To address these threats, Amtrak has advanced our cybersecurity capabilities and resources, focusing on digital forensics, insider threats, incident response and security awareness and education. We have enhanced our existing partnerships with federal security agencies, and are building capabilities to enable the company to comply with increasing government and industry mandates and regulatory requirements. We have received approval from the Transportation Security Administration (TSA) for our Cybersecurity Implementation Plan in compliance with the Transportation Security Administration's Rail Security Directives. As I noted earlier, Amtrak's expenses to counter cybersecurity threats are increasing rapidly, and additional funding will be needed to address them.

Grade Crossings

All stakeholders must do everything they can to reduce tragic railroad grade crossing accidents. Amtrak is focusing on identifying, evaluating, prioritizing and implementing advanced engineering, enforcement and education-driven mitigations in partnership with those that own and manage these crossings. Specific initiatives include:

- Upgrading grade crossings along the route of our planned New Orleans to Mobile, Alabama service with the Consolidated Rail Infrastructure and Safety Improvement (CRISI) grant we received last year and matching funds provided by Amtrak and our partners.
- The Mississippi-Louisiana Grade Crossing Improvement Project, for which we received a Federal-State Partnership for Intercity Passenger Rail grant to evaluate potential improvements to 395 highway-rail grade crossings on the CN-owned rail line over which our Chicago-to-New Orleans *City of New Orleans* operates.

Serving Our Customers

Finally, we are continuing to make investments and advance initiatives to improve customer service. Among them:

- We are investing \$28 million to refresh the nearly 400 cars in our Superliner fleet, which operate primarily on Western long-distance trains.
- Upgrades of our onboard Wi-Fi to 5G on many routes, including *Northeast Regional*, will provide passengers with significantly more bandwidth. We recently issued two Requests for Information (RFIs) to assess interest from potential partners in designing, deploying and operating Fiber Optics Background for

Train to Ground network connectivity along the Northeast Corridor, which would improve on-board passenger Wi-Fi service while also providing the improved communication for operational purposes our new, technologically advanced equipment fleet will require.

- We have recently upgraded the Café menu on our *Acelas* to provide passengers with more healthy and fresh food choices. We have also restored traditional dining on our *Silver Service* trains between New York City and Miami, and are making that service available to coach as well as private room passengers. We are piloting a new, enhanced version of our flexible dining service in our dining cars on the New York City-to-Chicago *Lake Shore Limited* route, and have reinstated a dining car on the New York City-to-New Orleans *Crescent* route to provide better meal service.

EXPANDING SERVICE

Amtrak is actively engaged with the Federal Railroad Administration (“FRA”) and our local, state and private sector partners to advance the expansion of intercity passenger rail service contemplated by the IIJA.

- We recently added a new state-supported route, the St. Paul-Milwaukee-Chicago *Borealis*, on which we began operating a daily round trip on May 21. The *Borealis* is our 29th state-supported route, and its inauguration makes Minnesota, which is funding the service along with our existing state partner, Wisconsin, our 21st state partner. We are also working very hard with FRA and our state, local and host railroad partners to resolve the final remaining issues to allow Amtrak to, at long last, commence operation of two daily, state-supported round trips between New Orleans and Mobile.
- In December, we began operation of two additional round trips between Seattle and Portland on the state-supported Amtrak Cascades route. Earlier this month, we added a third round trip on the state-supported *Valley Flyer* route between Springfield and Greenfield, Massachusetts.
- Amtrak is supporting our state partners and FRA as they develop plans for service on many of the 69 routes throughout the country that FRA has recently selected for inclusion in the FRA-led Corridor Identification and Development (Corridor ID) Program created by the IIJA. Last October, I joined Louisiana’s governor on an inspection train between New Orleans and Baton Rouge that operated in conjunction with the signing of a service development agreement to advance plans for Amtrak service between those cities. In March, we operated an inspection train between Fort Collins and Denver, Colorado, the potential first segment of Front Range Passenger Rail service that would continue south of Denver to Pueblo, Colorado. In May, Colorado’s governor signed legislation authorizing a congestion impact fee that would provide state funding for that service.
- Among the routes FRA selected for the Corridor ID Program are four routes for which Amtrak submitted applications: an extension of Northeast Corridor service from New York City to Ronkonkoma on Long Island; the Texas Central project described below; and increasing service frequency on two Amtrak long distance routes, the New York City-to-Chicago *Cardinal* and New Orleans-to-Los Angeles *Sunset Limited*, from tri-weekly to daily.
- Amtrak is also participating in the FRA-led Long Distance Study, directed by the IIJA, that is evaluating potential expansion of long distance service. FRA is expected to issue its report later this year.

High Speed Rail

A key element of an expanded national intercity network is the development of high-speed rail corridors. Amtrak strongly believes that the United States can support dedicated, high-speed intercity corridors in select markets. As a nation, we have several city-pairs that have the population density, growth, and travel demand to support operationally self-sufficient high-speed operations if, as everywhere else across the globe, the public sector provides critical capital to build the infrastructure required. The benefits of such investments would be enormous—and frankly, there’s no other feasible alternative on the table to expand transportation capacity in many of these corridors, where interstates and airports are already constrained and have no viable means of being expanded.

In pursuit of this vision, we are continuing to explore a potential public-private partnership to advance the Texas Central Dallas-to-Houston high-speed rail project. The Dallas-to-Houston corridor has the same characteristics as highly successful high-speed rail services around the world. It is a 240-mile, “too short to fly/too long

to drive” route that links the fourth and fifth largest metropolitan areas in the United States. Interstate 45, which connects Dallas and Houston, is already severely congested, and with Texas experiencing the fastest population growth of any U.S. state that congestion is only going to increase. We believe that high-speed rail operating at a maximum speed of 205 miles per hour would provide a faster, less stressful travel alternative for those who currently must drive, or who travel on the 114 airline flights a day between Houston and Dallas/Fort Worth. The Texas Central project, which has been underway for more than a decade, is well advanced: planning and design are largely completed, and FRA approvals required by environmental laws and for the use of the planned high-speed equipment have already been obtained. It is a great opportunity to bring high-speed rail to a corridor where it is badly needed, and for which it is a perfect fit.

We are proudly partnering with North Carolina and Virginia to reactivate the S Line between Petersburg, Virginia and Raleigh, North Carolina for up to 125 miles per hour operation. I’m sure you will be hearing more about that very exciting project, which will create a corridor extending approximately 900 miles from Boston to Charlotte with frequent service and trains operating up to 110/125 miles per hour on many segments, from Julie White of our state partner, the North Carolina Department of Transportation, when she appears before you today.

AMTRAK’S TRANSFORMATION

By providing the funding required for vital and long overdue major capital projects, the IIJA has given Amtrak the greatest opportunity to improve our network throughout the country in our 53-year history. It has also given us the two greatest challenges Amtrak has faced. The first challenge is rapidly transforming a company that operates trains into a company that does that *and* carries out some of the largest infrastructure projects in the United States. The second challenge is simultaneously constructing multiple major infrastructure and state of good repair projects along the Northeast Corridor, the most heavily trafficked rail corridor in the United States while continuing to accommodate the approximately 2,000 Amtrak, commuter and freight trains that operate over the Northeast Corridor each weekday.

We have been preparing to meet those challenges since the enactment of the IIJA. The first thing we did was to enhance our most important asset: our workforce. We have attracted to Amtrak many of the most qualified passenger rail professionals in the United States to fill key leadership roles in areas such as capital project delivery, corridor and high-speed rail development and passenger railcar procurement. We have also hired thousands of new employees to perform the work the IIJA is funding.

While many of the new craft employees we have hired have specialized skills and years of relevant experience, others are new to our industry or their trades. In some cases there are simply not enough qualified “new hires” who possess the skills we need in the locations where we need them. To address that problem, we have established new training and apprenticeship programs, and have recently applied for several FRA CRISI grants for additional workforce development initiatives.

We are also working to improve efficiency and project delivery. In consultation with our commuter partners and our labor unions, we are focusing on performing major infrastructure projects service at times when there are fewer trains and passengers on the railroad, and adjusting schedules to enable us to take tracks out of service for extended periods. This not only minimizes disruptions to the bulk of Amtrak’s and our commuter rail partner’s passengers—it also greatly enhances productivity because our maintenance-of-way crews can get more done when they do not have to constantly stop their work to allow trains to safely pass through the work zone.

Our current project to completely replace both tracks on the Lancaster-to-Harrisburg section of our Philadelphia-to-Harrisburg Keystone Corridor illustrates the benefits of this approach. Instead of performing the work in a piecemeal fashion over a multi-year period, we are taking tracks out of service for two periods totaling six hours a day in between the morning and late afternoon peak travel periods, with a two-hour mid-day work stoppage to allow high ridership Pittsburgh-to-New York City trains to pass through the work zone. This approach has more than doubled productivity, which will allow the work to be completed in seven months rather than two years, is currently expected to save approximately \$25 million that we can invest in other projects, and will have fewer impacts on passengers.

Amtrak is also taking innovative approaches in project management and redevelopment projects with private sector partners. We are using an innovative “Delivery Partner” construction management approach for Frederick Douglass Tunnel project,

under which the private partner shares in Amtrak's risk to deliver the project and is incentivized to help Amtrak achieve desired outcomes. On station development projects at major Amtrak-owned stations, we have entered into master development agreements with private sector partners who have expertise in financing, project delivery, asset management and commercial development to advance station improvements and generate economic development in the surrounding areas.

We are also enhancing our financial accountability and transparency to reflect the changes in our company the IIJA has brought about and the huge increase in Amtrak capital projects and expenditures resulting from it. We recognize that Amtrak must demonstrate that it is a responsible steward of the taxpayer funding the IIJA has provided, and that we are using that funding in an efficient, accountable manner.

FIVE MYTHS REGARDING AMTRAK

I'd like to turn now to addressing five of the most common myths relating to Amtrak and intercity passenger rail, many of which I am sure you have heard.

Myth number one: The IIJA's advance appropriations gave Amtrak all the money we need.

As you've heard me say today and many times before, Amtrak is extraordinarily grateful for the unprecedented level of federal funding we are receiving through the IIJA's \$66 billion in advance appropriations for rail. But much of that \$66 billion will not go to Amtrak; the funding we do receive can only be used for specified purposes and cannot be used to address many of our basic needs; and it won't be enough to address a half century of inadequate funding for the Northeast Corridor and intercity passenger rail. For instance:

- \$3 billion of the advance appropriations are for a grade crossing elimination program for which Amtrak is not an eligible applicant and another \$5 billion are for CRISI grants. While CRISI is a very important source of funding for certain Amtrak priorities, particularly for safety and workforce development projects that are not eligible for other competitive grant programs, intercity passenger rail projects have received relatively few CRISI grants, more than two-thirds of which were given to regional and short line freight railroads in the most recent round of CRISI grant awards.
- Nearly three quarters of the funding for Federal State Partnership for Intercity Passenger Rail-National Network grants awarded to date has gone to two non-Amtrak, high-speed rail projects: California High-Speed Rail and the private Brightline West project to build a high-speed rail line between Las Vegas and Rancho Cucamonga, California.
- While the up to \$24 billion for Federal State Partnership grants for the Northeast Corridor are allowing Amtrak and its commuter rail partners to move forward with the long deferred major capital investments I described above, the Northeast Corridor has unfunded needs of approximately \$100 billion over the next 13 years for planned state-of-good-repair and improvement projects.
- Advance appropriations can only be used for limited purposes that do not include operating costs or many vital capital projects.

Myth number two: Amtrak is an unfair burden on freight railroads that impairs their freight operations.

Accommodating Amtrak trains and expansion of Amtrak service was part of the "Grand Bargain," as the Surface Transportation Board (STB) has characterized it, that the railroad industry eagerly agreed to in the Rail Passenger Service Act of 1970. Relief from their common carrier obligation to operate intercity passenger trains on which they were losing huge amounts of money played no small part in the transformation of the financially distressed "railroads" of 1970 into the highly profitable "freight railroads" of today.

The notion that current or potential future Amtrak operations impede freight traffic ignores the facts.

- Amtrak trains account for less than 5% of the train miles on Class I railroads.
- Freight traffic on Class I railroads has decreased more than 15% since 2006.
- Amtrak compensates freight railroads for the additional costs they incur as a result of its operations; also pays them incentive payments for good on-time performance; and indemnifies them for most of the costs associated with incidents involving Amtrak trains, even if the freight railroad is at fault.
- Amtrak, the federal government and our state partners have funded investments on nearly every Amtrak route to increase capacity to accommodate Am-

trak trains, and to upgrade tracks and other infrastructure, including the installation of Positive Train Control and other safety improvements. These publicly funded infrastructure investments have been particularly beneficial to the short lines and regional railroads on which Amtrak has added service, funding joint benefit investments they could not otherwise have afforded that have enabled them to handle heavier freight cars, increase freight train speeds and enhance safety.

- The IIJA provides billions of dollars in funding for many more such investments in host railroad infrastructure to upgrade, increase capacity on, and enhance the safety of freight railroad-owned lines over which Amtrak presently operates or will operate in the future. This additional funding will facilitate infrastructure investments that will benefit both freight and Amtrak services. One example is the \$3.7 billion Transforming Rail in Virginia partnership among Amtrak, the Commonwealth of Virginia, CSX and Norfolk Southern, and Virginia Railway Express that Andy Daly of CSX described at the Subcommittee's hearing last November.

Myth number three: Profitability is the measure of Amtrak's success.

Amtrak's statutory mission and goals make no mention of profitability. Rather, they direct Amtrak to provide efficient and effective intercity passenger rail service that maximizes the benefits of federal investments. Intercity passenger rail service in the United States ceased to be profitable after World War II, when construction of federal highways and expansion of airports and airline service, aided in both cases by government subsidies, brought an end to railroads' once dominant position in intercity passenger travel. Indeed, the unprofitability of intercity passenger rail service is the very reason Amtrak was created.

The vast majority of Amtrak's operating losses are attributable to the operation of the long-distance routes Congress has directed Amtrak to provide. While these routes play an important role in providing mobility for residents of many rural and small communities, providing such services is inherently unprofitable. The other public transportation services in rural and small communities—essential air service, local transit buses, and rural intercity bus service—generally receive much higher levels of federal funding per passenger mile to cover their operating losses than Amtrak does. And no one expects our federal highway system, which has benefited from the over \$200 billion federal taxpayer bailout of the Highway Trust Fund's Highway Account since it became insolvent in 2008, to make a profit.

Rather than profitability, federal transportation spending is rightfully judged by its effectiveness in achieving a set of important economic and public benefit goals. Investing in expanded mobility pays big dividends: enhanced economic and community development, improved quality of life, more job opportunities, an improved environment, strengthened community and family ties, and increased national competitiveness. Amtrak's goals are to constantly improve our efficiency while meeting the needs of our customers and the communities we serve. While we will continue to work towards reaching financial break-even on our train operations, as we do that we will remain focused on our "true" bottom line, which is how much value we create for the American people and the American economy by providing our services.

Myth number four: It makes sense to limit Amtrak service to the routes we already serve.

You have heard me say before that Amtrak's route map looks little different from when we began operations in 1971, since our route mileage and most of the routes on our National Network have changed very little since then. But what our route network really reflects is where Americans lived and traveled in about 1950. That's when private railroads stopped adding passenger trains in regions and corridors where populations were growing rapidly, and instead began doing everything they could to get out of the passenger rail business. That explains why Texas, which had a population of less than eight million people in 1950, has only five Amtrak trains a day to serve its current population of over thirty million that makes it our second largest state. And why Florida, whose population of less than three million people in 1950 has grown to nearly 23 million today, making it our third largest state, is served by only six Amtrak trains a day.

Virtually the only places where Amtrak service has increased since 1971 are the Northeast Corridor, which already had a large population in 1950 and benefited from significant federal investment in its rail infrastructure, and in states that stepped up to provide funding for Amtrak despite the absence of the federal matching grants they would have received if they had built highways instead. That is why Amtrak has little service in the many of the largest and fastest growing states and regions in the United States. Southwest Airlines, which began operation the month

after Amtrak did, has dramatically increased service, benefiting from the sustained public investments in airports and our air traffic control system. So should Amtrak.

And the last myth: The choice is between expanding passenger rail and doing nothing.

This is a myth because the U.S. population is growing, travel demand is increasing, and our highways and our aviation system are already serving many more travelers than they can efficiently and safely handle. According to the Federal Highway Administration, increased traffic over the next two decades will overwhelm our existing national highway system: severe highway congestion, which today mostly occurs around major cities, will extend along the entire length of most highways within heavily traveled corridors throughout the United States.

Adding enough lanes to accommodate all of this additional traffic would require turning many interstate highways that have six or eight lanes today into monster highways with 10, 12 or even 14 lanes. That's already happening around many major metropolitan areas. On most interstates, the existing right-of-way isn't wide enough to accommodate all of the additional lanes that would be needed to accommodate the traffic growth FHWA projects, and the elaborate flyovers and interchanges that highways with so many lanes require. That means that homes and businesses will have to be displaced. And, of course, converting today's highways into monster highways will be very expensive, extremely disruptive, and will be accompanied by lengthy battles over environmental and community impacts. Turning highways into monster highways should be the last option, not the default.

Intercity passenger rail, and high-speed rail in markets where it makes sense, can provide a faster, congestion-free alternative for those who use them, while freeing up highway capacity for those who continue to drive and reducing the need for monster highways with their associated costs and negative community and environmental impacts. So when we consider intercity passenger and high-speed rail projects, the question we should be asking isn't how much they will cost and what impacts they will have. Instead, we should be asking how their costs, benefits and impacts compare to the alternative of turning existing highways into monster highways to meet the increased travel demand of a growing America?

Some places have begun doing that. Virginia decided that it makes more sense, and will be less expensive, to increase passenger rail service instead of adding yet another lane to Interstate 95 in each direction. That decision is already producing many benefits. Last year, nearly a million people rode Virginia's three state-supported routes that travel along the Interstate 95 corridor between Washington and Richmond/Petersburg, Virginia. Another 316,000 rode the *Carolinian* route, supported by North Carolina, that continues south to Raleigh and Charlotte, and many more traveled on the three Amtrak long-distance routes that also serve the Washington-Richmond/Petersburg corridor. Amtrak ridership on the state-supported trains along that corridor is continuing to grow: so far this year it is up by more than 10%.

Imagine how much worse traffic on Interstate 95 would be if all of those train travelers were driving instead. And imagine how much more Amtrak service can do once investments are made to expand and upgrade the tracks along this route to create more frequent and more reliable service.

LOOKING AHEAD

I will close by discussing what Amtrak needs in the near and longer term to continue the progress we have made since the enactment of the IIJA.

I cannot emphasize enough the importance of adequate annual appropriations. They are essential to the continued operation of both our long-distance routes and our state-supported routes, and are Amtrak's only source of funding for many vital capital projects. Many on this Subcommittee supported Amtrak's request of adequate annual funding in Fiscal Year 2024, and we are deeply thankful for your support.

Looking ahead to reauthorization when the IIJA's advance appropriations and authorizations run out on September 30, 2026—a little more than two years away—what is absolutely vital is the continuation of substantial, multi-year funding for Amtrak and rail competitive grant programs that the IIJA provided for the first time. Such funding—which nearly every other transportation mode has enjoyed for decades—is necessary so that we can continue to make essential investments on the Northeast Corridor and our National Network, and to allow Amtrak, the FRA and our state partners to turn the vision of greatly expanded intercity passenger rail service, for which the IIJA set the stage, into reality.

Amtrak looks forward to working with you and your staffs on a reauthorization bill that positions intercity passenger rail to play a much greater role in meeting

our nation's transportation needs. While we do not yet have specific legislative proposals to offer beyond those included in our most recent annual Legislative Report, I did want to mention several areas where statutory changes could allow Amtrak to become more efficient, improve its financial and operational performance, and facilitate the advancement of major capital projects and collaboration with our partners.

The first pertains to our statutory preference over freight trains in dispatching. During the most recent 12-month period (June 2023 to May 2024), only 57% of our long-distance customers arrived at their destination on time. Many of the delays they experienced were due to decisions by some of our host freight railroads to give their freight trains priority over Amtrak's passengers. We are doing what we can to address that problem with the statutory remedies available today. In December of 2022, we petitioned the STB to investigate the on-time performance of the *Sunset Limited*, on which 90% of customers had arrived at their destination late during the two previous calendar quarters. The STB initiated an investigation in July of last year that is still underway.

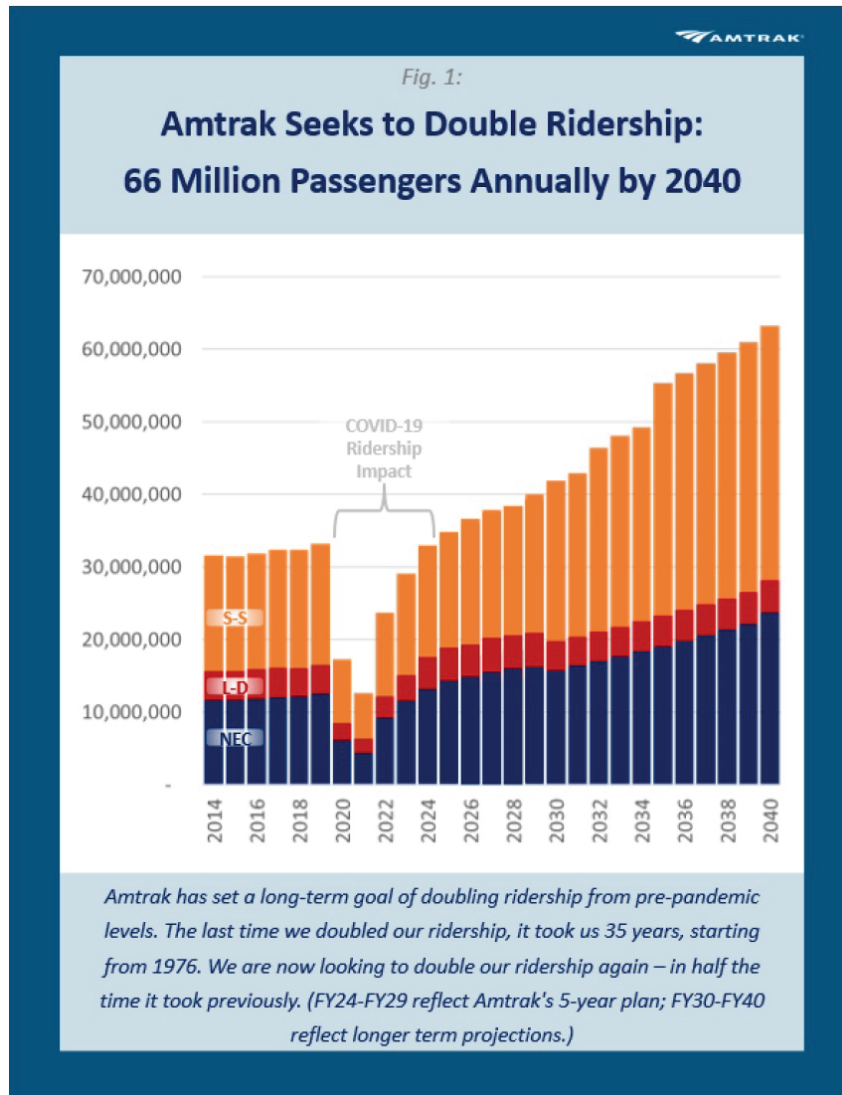
Another is the streamlining of the statutory and regulatory requirements and processes that pertain to federal capital grant funding for passenger rail. Federal grant programs for rail, and the federal laws and regulations that govern administration of grants for transportation projects, were developed over many years in a piecemeal, siloed fashion. They were not designed to accommodate the very large passenger rail projects involving multiple entities and funding sources that Amtrak and its state and commuter partners are carrying out today. In some cases, existing impediments to project delivery impose very significant costs that are a poor use of taxpayer dollars. For example, because the competitive grants Amtrak receives are reimbursable grants, which means that Amtrak does not receive grant funds until long after it has to pay contractors and suppliers, Amtrak must often incur significant financing costs: \$63 million dollars for the project to replace the Connecticut River Bridge alone. We believe it would be better if we could use that money for additional infrastructure improvements rather than giving it to banks.

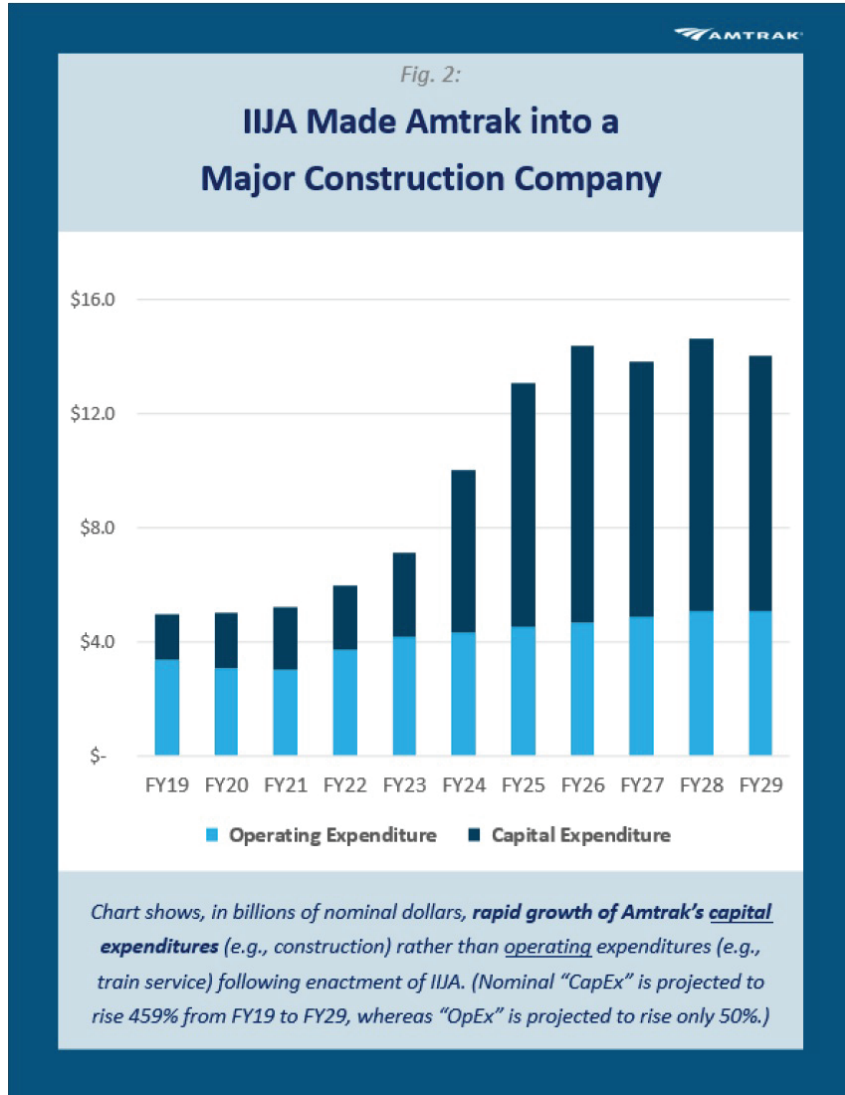
Finally, we believe that additional dedicated funding should be provided for intercity passenger rail capital investments to advance specific priorities and in areas where it is necessary to ensure adequate funding for reasons beyond the achievement of transportation-related goals. Examples include high-speed rail, expansion of equipment fleet to enable more service in emerging corridors, and safety and security, including cybersecurity.

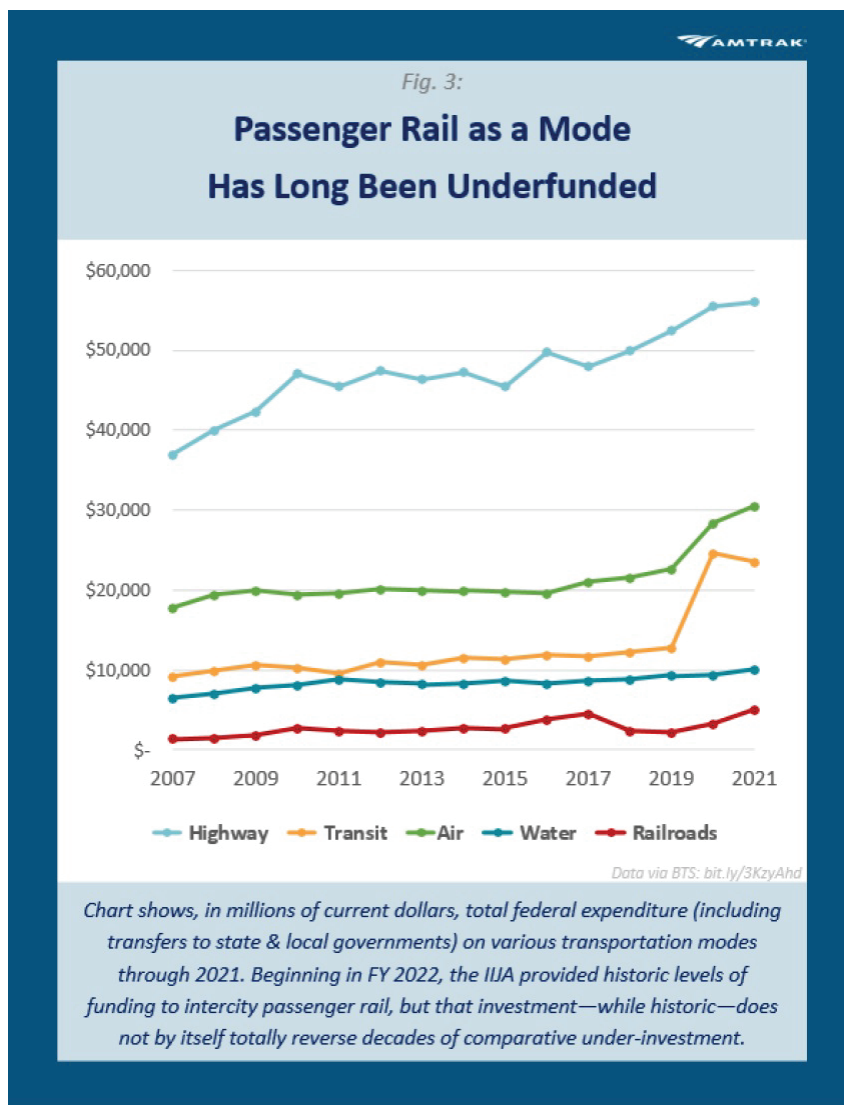
CONCLUSION

Amtrak faces many challenges today. But all of us at Amtrak—Tony Coscia, who you will also hear from today; the other members of our Board; our 23,500 employees; and I—recognize how very fortunate we are. We are living the dream—getting to do what our predecessors throughout Amtrak's first half century could only imagine. The transformative investments in infrastructure, equipment, stations and other facilities we are making will position the company to improve our service, operate more trains to meet growing demand along routes we already serve, and bring Amtrak service to the places we should be serving but aren't today to achieve our goal of doubling ridership by 2040.

I am thrilled to be a part of this extraordinary time in Amtrak's history. I thank you for inviting me to speak with you today, and I will be happy to answer the questions you have.







Mr. NEHLS. Thank you, Mr. Gardner. I see you have a robust team here. I want to recognize Chief Dotson. It is good to see you again. We spent some time up in Milwaukee a month or two ago. And I just thank you for being here.

I now recognize Mr. Coscia for 5 minutes.

**TESTIMONY OF ANTHONY COSCIA, CHAIR OF THE BOARD,
NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)**

Mr. COSCIA. Good afternoon, Chairman Nehls, Ranking Member Wilson, Ranking Member Larsen, and members of the committee. I am Tony Coscia, the Chairman of Amtrak's Board of Directors on which I have served since 2010 and chaired since 2013.

While I am grateful for your invitation to speak to you today, it does sadden me not to see Congressman Donald Payne, a great Member from the congressional district adjoining mine, and also a very good friend of mine.

Amtrak has come a long way since 2010. We serve many more passengers, have become more efficient, and we are very mindful of our statutory directive to operate as a business while fulfilling our public service mission.

The role of Amtrak's Board is to set corporate policy and oversee Amtrak's management. We represent interests of the Amtrak stakeholders, who include the Federal taxpayers, customers, employees, and State partners. I hope we soon will have a full complement of Board members to bring greater geographic diversity and additional perspectives and expertise.

The Board has played an active role in the implementation of measures that have materially improved Amtrak's financial reporting, accountability, and transparency. Amtrak has adopted expanded internal audit and compliance programs and an enterprise risk management system, new project controls, estimating functions, and at the Board's direction, we have enhanced our collaboration with Amtrak's Office of Inspector General.

We now hold Board sessions each year with the general public, labor unions representing our employees, the disability community, and other stakeholders. And we will begin next month holding meetings with our State partners.

Infrastructure Investment and Jobs Act, or IIJA, funding, for which we are very grateful, will allow Amtrak to make major capital investments, grow ridership, enhance safety, build partnerships, and increase our value throughout the Nation. The IIJA has made accountability and transparency and the Board's oversight responsibilities even more important. I believe that Amtrak and its Board are well prepared to assume the additional responsibilities the IIJA has given us.

One of the Board's responsibilities is to set management compensation policies. I know there have been questions raised about Amtrak's management incentive compensation program. That program, which bases a portion of managers' compensation on performance, was initiated in 2013 in response to a statutory recommendation and in conjunction with terminating Amtrak's very costly management pension and post-retirement benefit programs, which paid benefits regardless of Amtrak's performance. The management incentive program allowed the company to attract a stronger management team that significantly improved financial performance prior to the COVID-19 pandemic.

As Amtrak emerged from the first year of the pandemic, during which we suspended our incentive program and imposed management salary cuts of up to 20 percent, the incentive program allowed

us to rebuild our workforce and attract new employees with the expertise we needed.

It bears noting that even with the potential management incentive payments, Amtrak employees, particularly those at the senior level, generally earn much less than their counterparts in the freight railroad and other industries with which Amtrak competes for talent.

That said, I am aware of the bills that were introduced yesterday regarding transparency around executive compensation. The Board supports releasing the details of our pay for performance plan, including the awards to executives, as we have done in the past. That information will be posted on Amtrak's website this week.

If Amtrak didn't have the workforce required to manage and support multiple multibillion-dollar capital projects, it would have to rely on high-priced consultants to do that for us. Having chaired the Port Authority of New York and New Jersey while we were rebuilding lower Manhattan after 9/11, I can attest that relying on consultants would be much more costly and would greatly increase project risks, as the experience of rail and transit projects overly dependent on consultants has demonstrated.

Those of us who live in the Northeast Corridor are very fortunate. Because of Federal investment, someone traveling from Washington to northern New Jersey where I live doesn't have to spend hours in traffic along I-95 or make their way to the airport to line up for security and sit in long queues of planes awaiting takeoff. Instead, I can hop on a train at Union Station, work without interruption, and in less than 3 hours, be dropped off 200 miles away near my home. I believe that those who live in other parts of the United States should have that same benefit.

When Congress reauthorizes surface transportation, I hope you will decide that intercity passenger rail service should be an important travel mode throughout the United States and will provide the resources to allow Amtrak and our partners to make that vision a reality.

Thank you again for your time, and I am happy to answer any of your questions.

[Mr. Coscia's prepared statement follows:]

**Prepared Statement of Anthony Coscia, Chair of the Board, National
Railroad Passenger Corporation (Amtrak)**

Good afternoon, Chairman Nehls, Ranking Member Wilson, and members of the Subcommittee.

I am Tony Coscia, Chairman of the Amtrak Board of Directors. I have been a member of Amtrak's Board since 2010 and its chairman since 2013. While I am grateful for your invitation to speak with you today, it saddens me to not see Congressman Donald Payne, the great Member from the Congressional district adjoining mine who was also my friend.

Amtrak has come a long way since 2010. We serve many more passengers, have become more efficient, and are very mindful of our statutory directive to operate as a business while fulfilling our public service mission. Amtrak's Board has played an active role in the implementation of measures that have materially improved financial reporting and ensured that our audited financial statements are delivered in a timely fashion. Adoption of financial and accounting methods used by private sector companies with SEC-compliance responsibilities has made our financial reports much more transparent than at any time in the Company's history.

I am particularly pleased to be here following the Senate's recent confirmation of my nomination to serve a third term on Amtrak's Board. I am very excited about the opportunities the funding Congress provided in the Infrastructure Investment and Jobs Act, or IIJA. This historic investment in passenger rail will allow Amtrak to begin improving our infrastructure, facilities and equipment on the Northeast Corridor and National Network, grow ridership, enhance safety, build partnerships, and increase Amtrak's value in all parts of the nation.

The role of Amtrak's Board is to set corporate policy and oversee Amtrak's management. Just as the Board members of private companies represent shareholders, our job is to represent the interests of Amtrak's stakeholders, who include federal taxpayers, our customers, our employees, and our state partners, and to try to advance and balance their many interests and needs. IIJA funding, for which we are very grateful, has enormously increased the Board's oversight responsibilities and their importance. Amtrak's current Board, comprised of both long-serving members and very knowledgeable newly confirmed members, is well qualified for that task. I am hopeful that we will soon have a full complement of Board members to bring greater geographic diversity and additional perspectives and expertise to the Board.

One of the Board's responsibilities is to set management compensation policies. I know that questions have been raised about Amtrak's management incentive compensation program. That program, which bases a portion of managers' compensation on performance, was initiated in 2013 in response to a statutory recommendation and in conjunction with terminating Amtrak's very costly management pension and post-retirement benefit programs, which provided benefits regardless of Amtrak's performance.

Amtrak's ability to offer reasonable compensation packages to prospective employees, the vast majority of whom come from the private sector, allowed the company to attract a stronger management team that significantly improved financial performance prior to the COVID-19 pandemic. As Amtrak emerged from the first year of the pandemic, during which we suspended our incentive program and imposed mandatory salary cuts of up to 20% across all of management, and the Company assumed its greatly increased responsibilities under the IIJA, the management incentive program allowed us to rebuild our workforce and attract new employees with the expertise we needed. It bears noting that, even when potential performance-based payments under the management incentive program are taken into account, Amtrak's management employees, particularly at senior levels, generally earn much less than their counterparts in the freight railroad and other industries with which the company competes for talent.

If Amtrak didn't have the workforce required to manage and support multiple multi-billion-dollar capital projects, it would have to rely on high-priced consultant practices to do that for us. As someone with a lot of experience with mega projects—I chaired the Port Authority of New York and New Jersey while it was rebuilding Lower Manhattan after 9/11—I can attest that relying on consultants would be much more costly to taxpayers and would greatly increase project risks, as the experience of rail and transit projects overly dependent on consultants has demonstrated.

Amtrak's Board recognizes that the IIJA and the funding it provides increase the need for accountability and transparency. Amtrak has adopted expanded internal audit and compliance programs and an enterprise risk management system, new project controls and estimating functions, and at the Board's direction enhanced Amtrak's collaboration with Amtrak's Office of Inspector General. We hold three Board sessions each year with the general public, the labor unions representing our employees and the disabled community, and Board members also engage regularly with many stakeholders. Because Amtrak operates as a business, unlike public agencies, it has commercially sensitive information that must be protected to avoid competitive and financial harm. Amtrak's transparency regarding its finances and operations is evident from a review of the many detailed reports we regularly produce and post on our website, which can be found at <https://www.amtrak.com/about-amtrak/reports-documents.html>.

I will close by acknowledging that, when it comes to intercity transportation, those of us who live along the Northeast Corridor are very fortunate. Due to the federal investment in passenger rail in that Corridor, someone traveling from Washington to Northern New Jersey where I live doesn't have to spend hours in traffic along Interstate 95, or make their way to the airport to line up for security and sit in a long queue of planes awaiting takeoff. Instead, they can hop on an Amtrak train at Washington Union Station, work without interruption, and in less than three hours be dropped off 200 miles away near their homes.

I believe those who live elsewhere in the United States should have the option of traveling by train as well. That's why I support targeted expansion of Amtrak's

National Network, and partnerships between Amtrak and its state partners and host railroads to bring high-quality intercity and high-speed passenger rail service to the places throughout the country where it is badly needed. As the members of Congress look towards reauthorization of surface transportation, I hope they will decide that intercity passenger rail service should be an important mode in our transportation system *throughout* the United States, and will provide the resources to allow Amtrak and its partners to make that vision a reality.

I thank you for your time and will be happy to answer your questions.

Mr. NEHLS. Thank you, Mr. Coscia.

I would like to now recognize Mrs. Foushee to introduce our next witness.

Mrs. FOUSHEE. Thank you, Mr. Chairman.

It gives me great pleasure to introduce one of our witnesses here today, from my home State, the North Carolina Department of Transportation's Deputy Secretary for Multimodal Transportation, Julie White.

It is great to see you again, Ms. White. There have been a number of exciting developments and investments of late in North Carolina's passenger rail systems. So, I think it is very timely to have you here before this committee today.

I look forward to hearing more about the work that the North Carolina Department of Transportation is doing to make rail travel more affordable and accessible for the folks back home and how they are partnering with Amtrak to do so. It is also my sincere hope that this might prove to be an opportunity for others to learn from the great strides we in the Tar Heel State are making in passenger rail.

My colleagues and I on this committee are so thankful that you are here and a part of this hearing today, Deputy Secretary, and we greatly look forward to your testimony.

Thank you, Mr. Chairman.

Mr. NEHLS. Ms. White, you are recognized for 5 minutes.

TESTIMONY OF JULIE A. WHITE, DEPUTY SECRETARY FOR MULTIMODAL TRANSPORTATION, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Ms. WHITE. Good afternoon, and thank you.

Thank you, Congresswoman, thank you, Chairman Nehls, Ranking Member Wilson, Ranking Member Larsen, and all the members of the subcommittee, for holding this hearing to discuss passenger rail as an integral part of our national transportation system.

As the Congresswoman said, my name is Julie White, and I am the deputy secretary for multimodal transportation at the North Carolina Department of Transportation, where I oversee our rail, aviation, ferry, public transit, bicycle, and pedestrian divisions. I also chair the Southeast Corridor Commission, a regional rail partnership whose cooperation is advancing our shared vision for high-performance rail throughout the Southeast mega-region.

I want to thank Congress for its support of the Bipartisan Infrastructure Law, which has significantly advanced our rail investments.

North Carolina has received several CRISI grants, a \$1 billion Federal-State partnership construction grant, and short line grants supporting economic development in rural western and central North Carolina. We are grateful for the bipartisan support we have

received for our Federal competitive grant applications from both State-elected leaders and our congressional delegation.

Rail is the only mode that does not enjoy formulaic Federal funding, meaning projects often languish on shelves awaiting the right competitive Federal grant opportunity, resulting in decades' long waits for new service and expired environmental documents.

The Bipartisan Infrastructure Law offers a once in a generation opportunity to demonstrate how your substantial investment can change this trajectory and set a different course for the future.

Passenger ridership in North Carolina is at an all-time high, with 2023 State-supported service ridership 38 percent higher than prepandemic levels in 2019. We continue to see an upward trajectory with a 24-percent higher volume in the first quarter of 2024, as compared to 2023.

Tomorrow, our Open Express train will depart Raleigh Union Station to travel for the first time all the way to Pinehurst, North Carolina, bringing attendees to the United States Golf Association's U.S. Open. We have sold out all four train trips, further demonstrating the unmet demand for service to new destinations in our State.

Communities in North Carolina actively sought the submission of 12 existing rail corridors to the Federal Railroad Administration's Corridor Identification Development pipeline program, and we are pleased to share that North Carolina received a record seven corridors into the program. We can now provide local government strong estimates of how much non-Federal match will be needed to advance the corridors, allowing them to budget accordingly.

Predictable pathways allow local communities to better communicate plans to citizens and galvanize and maintain the support needed to lift such large-scale decades' long projects. With consistent, robust, reliable, and sufficient Federal rail funding and non-Federal match, we could potentially see service across our State from Asheville to Wilmington by 2035.

The NCDOT has developed a highly successful partnership with small and rural communities to advance multimodal projects. The NCDOT contributes our technical expertise. We develop the Federal grant applications and administer the Federal funds, while the local community works with consultants to design their rail and transit future and provides needed non-Federal matching funds. Through these partnerships, we have jointly secured transit-oriented development planning grants and the funding to advance rail station mobility hubs through feasibility study, NEPA documentation, and preliminary design.

The Raleigh to Richmond project along the S-Line is a key initiative reducing travel time between Raleigh and Richmond by an hour, and providing a car-competitive trip between Raleigh and Washington, DC. At full build-out, we estimate our annual ridership will climb to 2.5 million riders. We anticipate our first groundbreaking this summer, and will apply for future grants to continue construction north.

As we all know, planning and building infrastructure takes too long. Through regular, reliable rail funding formulas, we could significantly shorten the time it takes to put the investment in the

ground as we would be able to program projects earlier and reduce the need for the months' long agreements phase.

NCDOT has a strong history of obligating and spending billions of Federal dollars through formula programs, as do many other States. Streamlining the discretionary process to enable similar approvals would be beneficial to all stakeholders.

The Southeast Corridor Commission and the State of North Carolina remain committed to partnering with Congress, our freight rail partners, Amtrak, the FRA, and others to expand freight and passenger rail in the Southeast. Continued strong investment in rail in the next reauthorization will enable us to continue to meet the transportation needs of North Carolinians in all parts of our State, assist communities in growing their economic vitality, and provide more opportunities for the next generation to remain in the communities they grew up in.

Thank you for the opportunity to address the subcommittee.

[Ms. White's prepared statement follows:]

Prepared Statement of Julie A. White, Deputy Secretary for Multimodal Transportation, North Carolina Department of Transportation

Good afternoon, and thank you, Chairman Graves, Ranking Member Larsen, Chairman Nehls, Ranking Member Wilson, and all members of the Subcommittee for holding this hearing to discuss passenger rail as an integral part of our national transportation system.

My name is Julie White, and I am the Deputy Secretary for Multimodal Transportation at the North Carolina Department of Transportation. I oversee our rail, aviation, ferry, public transit, bicycle, and pedestrian transportation divisions. Additionally, I serve on the American Public Transportation Association Board of Directors and as co-chair of the APTA Commuter Rail and Intercity Legislative Subcommittee. I am also an active member of the American Association of State Highway and Transportation Officials Council on Rail Transportation.

I chair the Southeast Corridor Commission, a regional rail partnership that includes North Carolina, Washington, D.C., Virginia, South Carolina, Tennessee, Georgia, and Florida, whose cooperation is advancing the Southeast Rail Corridor for direct federal funding, progressing our shared vision for high-performance rail throughout the Southeast megaregion.

The SEC works in partnership with the Federal Railroad Administration, Amtrak, and our freight rail partners to plan regional rail initiatives, identify shared priorities, and secure consistent federal funding to improve rail services throughout the Southeast. We recognize the power of rail to connect our states and local communities and understand that consistent rail infrastructure investments create economic growth and opportunity.

A recent study of North Carolina's passenger and freight rail system identified over \$20 billion in economic activity annually, supporting over 88,000 jobs. Our rail system is crucial for serving the traveling public, providing cost-effective and sustainable transportation solutions, connecting urban and rural areas, and attracting new economic investment. The State of North Carolina, through the NCDOT, invests in Class I and short line rail infrastructure projects through our State Transportation Improvement Program and direct grants to short lines, fully understanding the benefits of a strong freight rail system to our state's economy.

I want to thank Congress for its support of the Bipartisan Infrastructure Law, which has significantly advanced our rail investments. Investing \$66 billion nationwide in rail provides the opportunity to bring much-needed rail investment across North Carolina and the southeast and further grow our more rural economies. North Carolina has received several CRISI grants, a \$1 billion Fed-State Partnership construction grant for the S-Line that aims to join rail systems across state lines, and short line grants supporting economic development in rural western and central North Carolina. We are grateful for the bipartisan support we have received for our federal competitive grant applications from state elected leaders and our Congressional delegation.

Rail is the only mode that does not enjoy formulaic federal funding, meaning projects often languish on shelves awaiting the right competitive federal grant opportunity to apply for, resulting in decades long waits for new service and expired environmental documents. The Bipartisan Infrastructure Law offers a once-in-a-generation opportunity to demonstrate how your substantial investment can change this trajectory and set a different course for the future.

Passenger ridership in North Carolina is at an all-time high, with 2023 state-supported service ridership thirty-eight percent higher than pre-pandemic levels in 2019. We continue to see an upward trajectory, with a twenty-four percent higher volume in the first quarter of 2024 compared to the same period in 2023. Our partner state, Virginia, has also reported record-setting ridership. This trend underscores the post covid changing travel patterns and the success of intercity rail in states like ours.

Intercity passenger rail riders seek productive, efficient ways to travel between municipal centers for work, recreation, healthcare, education, and other opportunities. Our ridership includes college students, business commuters, families, and individuals accessing healthcare and community services. As people shift away from peak commuter travel patterns and embrace virtual meeting options, train travel offers valuable work time, unlike driving.

Tomorrow, our "Open Express" train will depart Raleigh Union Station to travel for the first time all the way to Pinehurst bringing attendees to the United States Golf Association's U.S. Open. We anticipate fully sold-out trains, which will help to demonstrate the unmet demand for service to new destinations across our state.

Our local municipal partners recognize the importance of intercity and urban-rural connections and have demonstrated their enthusiasm and continued commitment to enhancing and/or bringing passenger rail service back to their communities. Communities in North Carolina actively sought the submission of twelve existing rail corridors to the Federal Rail Administration's Corridor Identification and Development pipeline program and we are pleased to share that North Carolina received a record seven corridors into the program. This step unlocks planning funds so communities may begin the needed service development planning and identifying the needed infrastructure investments.

Another benefit of the Corridor ID program is that entering a pipeline for program delivery provides clear sightlines to state and local government on the needed non-federal match to advance projects. State and local governments have prescribed budget cycles which do not align well with discretionary competitive grant programs. For those corridors now in the Corridor ID program we can provide local government strong estimates of how much non-federal match will be needed and when, allowing the local governments to budget accordingly. Predictable pathways allow local communities to better communicate plans to citizens and galvanize and maintain the support needed to lift such large scale and decades long projects.

Through Corridor ID the prospect of connecting our current rail service to destinations like Asheville, Wilmington and cities in between keeps our staff busy coordinating with local, state, and federal partners to expedite service to these corridors. With consistent, robust, reliable, and sufficient federal rail funding and non-federal match, we could potentially see service across our state to Asheville and Wilmington by 2035.

The NCDOT has developed a highly successful partnership with small and rural communities to advance multimodal projects such as these. The NCDOT contributes our technical expertise to support the local communities' desire to grow rail, develops the federal grant applications and administers the federal funds while the local community works to design their rail and transit future and provides the needed non-federal match for the competitive grant. Through these partnerships we have jointly secured a transit-oriented development planning grant and the funding to advance rail station mobility hubs through feasibility study, NEPA documentation and preliminary design.

The Raleigh to Richmond Project along the S-Line is a key initiative, reducing travel time between Raleigh and Richmond by one hour and providing a car-competitive trip between Raleigh and Washington, D.C. This project aims to connect urban and rural economies, expand workforce access for businesses in our state and grow our ridership at full build out to two and a half million annual riders. North Carolina and Virginia have completed the necessary environmental work and are currently finalizing federal grant documentation. We anticipate our first groundbreaking this summer, with future federal grants funding subsequent construction segments.

As we all know, planning and building infrastructure takes too long. As mentioned earlier, rail has a history of having to pursue federal funds only through federal discretionary grant opportunities. Through regular reliable rail formula funding

we could significantly shorten the time it takes to put the investment in the ground as we would be able to program projects earlier and reduce the need for the month's long agreements phase. NCDOT has a strong history of obligating and spending billions of federal dollars through formula programs as do many other states. Streamlining the discretionary process to enable similar approvals would be beneficial to all stakeholders.

A key partnership between NCDOT and Amtrak occurs through our work on the State-Amtrak Intercity Passenger Rail Committee (SAIPRC), chaired by NCDOT Rail Division Director Jason Orthner. SAIPRC's 21 agencies in 17 states, Amtrak, and the FRA, have been directed by Congress to collaboratively implement a standard cost-sharing methodology for the state-supported intercity passenger rail services across the country.

We are grateful for the investments made possible by Congress and the FRA to replace our passenger rail fleet, among the oldest in the nation, with new trains that offer a modern, more comfortable ride with upgraded amenities. Siemens Mobility, the United States' largest passenger rolling stock manufacturer, broke ground in August 2023 on a \$220 million facility in Lexington, North Carolina that will create more than 500 jobs by 2028 and is estimated to grow the state's economy by \$1.6 billion over 12 years. Some of the most innovative and sustainable passenger trains in the North American market will be manufactured in our own backyard. Siemens plans to manufacture not only the trains currently on order from the BIL but also the future rolling stock that will be needed to serve the new passenger rail connections the Corridor Identification and Development program seeks to grow.

The Southeast Corridor Commission and the State of North Carolina remain committed to partnering with Congress, freight railroads, Amtrak, and others to expand freight and passenger rail in the Southeast. The Bipartisan Infrastructure Law is a historic opportunity to build upon our joint work to date, connect rural and urban communities, and provide our residents with access to jobs and the economy. Continued strong investment in rail in the next reauthorization will enable us to continue to meet the transportation needs of North Carolinians in all parts of our State, assist communities in growing their economic vitality, and provide more opportunities for the next generation to remain in the communities they grew up in. Thank you for the opportunity to address the subcommittee. We look forward to continuing our partnership to expand our nation's high-performance passenger rail systems.

Mr. NEHLS. Thank you, Ms. White.

And thank you all for your testimony. We will now turn to questions for the panel. And I will recognize myself for 5 minutes.

Mr. Gardner, again, thank you for being here. My question is related to the Government in the Sunshine Act, or Sunshine Act, which was created to promote and improve transparency and decisionmaking in the Government. Under this law, agency meetings must generally be open to the public. Makes sense.

The Supreme Court recognized Amtrak's Federal status, and found in *DOT v. Association of American Railroads* that Amtrak was created by the Government, is controlled by the Government, and operates for the Government's benefit. Given Amtrak's Federal status, why has Amtrak continued to violate the Sunshine Act?

Mr. GARDNER. Thank you, Chairman Nehls. I believe that Amtrak, in the nineties, through a series of work with our counsel and others, determined that the Sunshine Act itself didn't apply to Amtrak at that time. As you have said, we are certainly an entity owned by the Federal Government, but we are a corporation established under the DC Corporate Act.

So, we certainly could get back to you on the specifics there about the application of that statute. Certainly, as the Chairman said, we intend and we have been following the recent changes in the IIJA to engage the public and have more public input with the Board meetings.

Mr. NEHLS. Just getting you to commit to implementing some measures that will bring you into compliance with it, is why we are asking. It is just get into compliance with the Sunshine Act. I don't think it is that difficult to do.

Mr. GARDNER. OK. We certainly can look at that. Again, I think that the issue applies to the governance of the company, and we can take a look.

Mr. NEHLS. Everything's about transparency. We know how important it is.

So, Mr. Coscia, how would the transparency measures required under the Sunshine Act improve the operation of Amtrak's Board of Directors? And will you commit to complying with Federal requirements for your Board meetings?

Mr. COSCIA. Well, without adding to the sort of need to analyze it from a legal standpoint, which Mr. Gardner has committed to doing, and my recollection of the application of the Sunshine law at Amtrak is in line with what Mr. Gardner just mentioned. But on a more important point, the Board feels as though the level of requests for transparency as to the Board's deliberations and the operations of the company is actually a very, very positive thing. We embrace it. We very much welcome the opportunity, as we now have in the last year, to have several meetings in the public.

Our meeting in Richmond was very well-attended by the general public. Meetings we have had with the disability community, with our labor unions, all of them have been in the context of a Board session, including those constituent groups. And as I mentioned during my testimony, we are doing that with the States beginning next month.

In addition to that, myself and several of our Board members have made a point of engaging different stakeholder groups that are very engaged with Amtrak on an individual level in order to be able to hear more of their concerns.

I have had conversations within the past day with the RPA, which you know represents the largest group of our passengers. And we have discussed a number of initiatives that we can do jointly to create a greater level of interaction between our stakeholder community, our Board, and the company generally. And the RPA can certainly speak for themselves, but I think they are very supportive of that effort.

Mr. NEHLS. I would like to hear from Ms. White on this from a State's perspective about just being more open, transparent, Amtrak's decisionmaking.

Ms. WHITE. We were appreciative of being included in the Board meeting in Richmond in December and appreciated the opportunity to share our story there. Transparency is foundational in the State of North Carolina. So, we support what Amtrak is doing to become more transparent.

Mr. NEHLS. Yes. Last one for Mr. Gardner here. In 2016, Amtrak awarded the \$2.45 billion Federal loan to procure these trainsets for the Acela, which was last month, by the way, so, I helped contribute to your record month, right? May 2024, the most revenue. Is that what it was? Well, I am part of that.

However, to date, these trainsets are still not in service. According to reports from Amtrak OIG, these trainsets were produced by

manufacturers before they could verify that they were safe to run on the Northeast Corridor.

So, I don't know why Amtrak agrees to build trainsets before getting the safety model validated and approved by the FRA. I think you kind of mentioned it in your opening, but when can we expect the new Acela trainsets to enter into service?

Mr. GARDNER. Well, thank you, Chairman Nehls. So, you are right that we have been working with Alstom, the manufacturer, for quite a while here on these trains, and they are in test right now. Our hope is that by the end of the year, they could be in service around that period. That will depend on the testing work.

But I would say that when we went out to bid for these trains, there, of course, was not a domestic high-speed rail industry here at the time. We had a competitive procurement, and we went through a brandnew regulatory process established by the FRA, which had required trains to be built, prototype trains to be built, and then additional trains to be made, and then tested both in dynamic tests and using simulation of models.

So, that is underway and is following all the requirements of the FRA. It is really Alstom's job to finish this testing and get the train certified. We are anxious, of course, to have that happen, because as you say, the ridership is going well. And we wish we had more trains available today. We are working hard to make that happen—

Mr. NEHLS [interposing]. Very good.

Mr. GARDNER [continuing]. And hold our partners accountable in the process.

Mr. NEHLS. Thank you.

I yield back.

I now recognize Ms. Wilson for 5 minutes.

Ms. WILSON OF FLORIDA. Thank you, Mr. Chair.

This is for Ms. White. The American Association of State Highway and Transportation Officials and the States for Passenger Rail Coalition recently sent a joint letter to our Appropriations colleagues in support of the President's recommendation to set aside funds from the CRISI Program for State rail planning efforts since there is no dedicated Federal funding source for rail planning.

Ms. White, do you support this effort?

Ms. WHITE. Thank you for the question. Yes, we are members of AASHTO, and we do support the position.

Ms. WILSON OF FLORIDA. Mr. Chairman, I would like to ask for unanimous consent to add that letter to the record.

Mr. NEHLS. Without objection.

[The information follows:]



Letter of June 10, 2024, to the Senate Committee on Appropriations and House Committee on Appropriations, from Jim Tymon, Executive Director, American Association of State Highway and Transportation Officials, and Jeremy Latimer, Chair, States for Passenger Rail Coalition, Submitted for the Record by Hon. Frederica S. Wilson

JUNE 10, 2024.

The Honorable PATTY MURRAY,
Chair,
Senate Committee on Appropriations, United States Senate Committee, Washington, DC 20510.

The Honorable SUSAN COLLINS,
Vice Chair,
Senate Committee on Appropriations, United States Senate, Washington, DC 20510.

The Honorable TOM COLE,
Chair,
House Committee on Appropriations, United States House of Representatives, Washington, DC 20515.

The Honorable ROSA DELAURO,
Ranking Member,
House Committee on Appropriations, United States House of Representatives, Washington, DC 20515.

DEAR CHAIR MURRAY, VICE CHAIR COLLINS, CHAIR COLE, AND RANKING MEMBER DELAURO:

As you begin your work to develop appropriations legislation for Fiscal Year 2025 (FY25), we request Congress direct \$20 million in CRISI funds to states using an equitable approach that benefits all states to support planning and project delivery efforts.

Thanks to the Infrastructure Investment and Jobs Act (IIJA) as well as your work on annual appropriations, a new era of federal investment in our nation's rail system is now underway. States are stepping up to plan new routes and manage the complex infrastructure projects required to turn visions and plans into reality. In addition, states are hard at work on new workforce development and training initiatives to meet the challenge of ambitious project delivery.

The American Association of State Highway and Transportation Officials (AASHTO) and the States for Passenger Rail Coalition (SPRC) are at the forefront of implementing federal policy and funding for rail. We are also among the organizations most directly impacted by capacity constraints in delivering rail infrastructure projects. While the welcome influx of federal investment has mobilized planning and preparation for new rail projects, the unpredictable and uncertain nature of discretionary grant awards does not naturally lead to the steady, intentional capacity building necessary at the state level to manage and deliver rail projects and service.

President's Budget Request for FY25 recognizes this need, and we strongly support its enactment in the upcoming appropriations bill to enhance state capacity to plan and manage new rail projects. This funding set-aside will provide every single state with a crucial complement to the federal investments in rail already underway and in the pipeline. Resources to bolster states' capacity will enable federal investments in rail infrastructure to be deployed faster and more efficiently.

We look forward to working with you in the coming year to advance this exciting new chapter for rail in America, and we appreciate your consideration of this request.

Sincerely,

JIM TYMON,
Executive Director,
American Association of State Highway and Transportation Officials.

JEREMY LATIMER,
Chair, States for Passenger Rail Coalition,
Virginia Passenger Rail Authority,
919 E. Main Street, Suite 2400, Richmond, VA 23219.

Ms. WILSON OF FLORIDA. Ms. White, what is North Carolina doing to reduce grade crossing incidents between cars and pedestrians with passenger and freight trains?

Ms. WHITE. Our rail division has responsibility for safety as part of our portfolio, so, we have a number of programs aimed at reduc-

ing vehicle and train and pedestrian conflicts. Our S-Line corridor that we are developing from Raleigh north is actually going to be a sealed corridor. It is a concept that we pioneered some years ago where the entire corridor will be grade separated. And so, that is one example of what we are doing.

We have an active program to close grade crossings throughout the State, and we help fund those programs as well. We have a BeRailSafe program where we do education to try and encourage people not to trespass and be where the tracks are. So, we have a very active safety portfolio in our rail division.

Ms. WILSON OF FLORIDA. OK. Thank you.

This is for Mr. Gardner. Mr. Gardner, what can you tell me about when Amtrak will be able to serve the Miami Intermodal Center at Miami Airport?

Mr. GARDNER. Thank you, Congresswoman. The Miami Intermodal Center at the airport has been a project long underway, and it involves us transitioning from our Hialeah facility to that facility. We are in active conversations with FDOT and also the Miami-Dade Airport Authority and Tri-Rail, who are responsible for both the infrastructure and the station. We have been in negotiations for a while to try and establish the right terms of access. Amtrak has access as a matter of statute to the facility. So, we are in negotiations presently with FDOT to try and come up with a deal that works for all parties here and allows Amtrak to move over so we can terminate our trains at that facility.

It is important that we have an efficient facility there that can continue to serve passengers well. We think the connections intermodally are great. But we remain in negotiations with FDOT so we can get the right deal for Amtrak in terms of its tenancy.

Ms. WILSON OF FLORIDA. Thank you.

Ms. White, North Carolina received one of the Federal-State Partnership for Intercity Passenger Rail Grant for the Raleigh-Richmond corridor. Why did you choose this corridor to submit to the program?

Ms. WHITE. Congresswoman, I want to be sure I understood the question. Did you say the submission for the Federal-State partnership grant or for the Corridor ID Program?

Ms. WILSON OF FLORIDA. Yes.

Ms. WHITE. Federal-State partnership grant?

When the competitive grant opportunities open up, we analyze them as compared to the projects that we have in our pipeline to determine which we think will be the most competitive and which we have a match for.

For the S-Line, we use grade separations in our State Transportation Improvement Program as matched to the Federal funds. So, we had a number of those grade separations already programmed in our State Transportation Improvement Program. Additionally, we felt with the benefit-cost analysis that it would be a highly competitive project. We are doing it in partnership with the State of Virginia and with Amtrak, and we know that advancing projects in the Southeast Corridor is important to the Federal Railroad Administration. So, we felt it would be a highly competitive project.

Additionally, we have an incredible amount of groundswell of support from the communities along the S-Line. When we first

started thinking about bringing passenger rail back to the S-Line, we went and met with each community along the line and asked them if that was something that would interest them. It runs through the main street of many towns in the Triangle area. And each of them had said that that was a goal for their community to bring passenger rail back. So, that was part of our process in determining that that was our best project to put forward.

Ms. WILSON OF FLORIDA. Thank you.

I yield back.

Mr. NEHLS. The gentlelady yields.

I now recognize the ranking member of the full committee, Mr. Larsen, for 5 minutes. Go ahead.

Mr. LARSEN OF WASHINGTON. Thank you, Mr. Chair. I appreciate that.

First question is really for Mr. Coscia, and congratulations on your recent reconfirmation. I have heard some concerns that Amtrak's Board is overly focused on the Northeast Corridor—apologies for my friends in the Northeast Corridor—at the expense of the national network.

Can you characterize Amtrak Board's view on long-distance trains and getting a long-distance network?

Mr. COSCIA. Thank you. Thank you, Ranking Member, for that question.

And I actually welcome the opportunity to speak about this, which I often do, because given the fact that I am actually from the Northeast Corridor and have had a career there that there is an assumption made about my position on the subject, as well as several of my fellow Board members. And I think I can say—I would like to say without any equivocation whatsoever, that I and our Board are very, very much committed to the national network. And, in fact, we have made many decisions during the course of our Board's work together to make significant investments in acquiring additional equipment and upgrading state of good repair. And we have recently, as I think was mentioned, issued an RFP to completely replace the fleet on the long-distance corridor.

But I think far more fundamental to it is that our view and our hope for Amtrak's future is to build a national network that uses our existing long-distance system as essentially the spine upon which we build that. We see that as the anchor that gives us the ability to serve many communities throughout the country that don't have service today.

And we also are very much aware of the fact that the communities that we serve in the national network, in many respects, we are their only form of transportation. There isn't an airport that can be easily utilized. The bus systems have abandoned them a long time ago. And many of our travelers don't have access to an automobile as well. So, we know that, from an economic driver standpoint and from a mobility standpoint, our work in those communities is absolutely fundamental.

So, we are, as a Board, 100 percent committed to the maintenance of our national network and, frankly, the expansion of it. And I think we have put our resources behind that kind of initiative and expect to continue to do so.

Mr. LARSEN OF WASHINGTON. Thank you.

Deputy Secretary White, what lessons can other States take from your work to develop support for passenger rail? Do you have a top three for us to consider?

Ms. WHITE. Top three. Well, let's start with that local community support. We really start with an approach of a partnership. If it is not a goal of a community, and they aren't willing to do a match, then we are going to work with different communities.

Get in the game I would say is number two. All of these grant opportunities to bring passenger rail require a match. And so, we like communities that are willing to take a tough vote and put their budget behind the project.

And then I would say the third key success for us is the NCDOT's expertise. Applying for and administering Federal funds is an incredibly complex thing to do, and small and midsized towns do not have the staff to be able to do that. And so, I think what we are most proud of is the partnership that we have created with these communities where we bring that expertise, we ensure they stay between the guardrails, but they decide what that investment looks like in their community.

Mr. LARSEN OF WASHINGTON. Thanks.

Mr. Gardner, with apologies for the pun, to keep this engine running for Amtrak, as well as for State-supported systems, can you talk—can you help us understand how the FRA's Corridor ID grants are meshing with Amtrak's investments, both State-supported as well as Amtrak directly?

Mr. GARDNER. Yes. Thank you, Ranking Member Larsen. The Corridor ID Program by FRA is really the pipeline of development for expansion, the type of expansion that Deputy Secretary White mentioned is planned to happen in North Carolina, that our Chairman just mentioned. It is really the pathway, similar to the FTA Capital Investment Grant Program, a New Start that establishes, with the guidance of the Federal Government, the development of this network. And Amtrak's role in that is to be a partner to FRA and a partner to States like North Carolina who are looking at options and ideas and opportunities for passenger rail.

I take your point, Chairman Nehls, that we need to, of course, take care of the network we have. But we are responding to the overwhelming interest across America to see more passenger trains in different communities. And so, we are trying to support that, while also driving our business and improving in all the dimensions that we can.

I think our investments are really in two common—in sort of two buckets. One is this IIJA supplemental fund that is really letting us bring all of our old assets sort of out of the 20th century and drag them into the 21st. And then this annual appropriations that you mentioned is so key to keeping our current services going and allowing us to partner with States for modernization. Because the IIJA funds that come to Amtrak aren't for expansion, they aren't to grow capacity, they are really to rebuild that old, sort of core asset base.

So, we need those annual funds, and we need the funds that the FRA is providing to our State partners and others to keep developing this network and look for the opportunities, recognizing that some opportunities are nearer and some are in the distance. But

passenger rail can play a much bigger role in mobility in the United States, and we think it must.

Mr. LARSEN OF WASHINGTON. Thank you.

Thanks, Mr. Chair.

Mr. NEHLS. Thank you. The gentleman yields.

I now recognize Mr. Rouzer for 5 minutes.

Mr. ROUZER. I thank the chairman.

Now, Ms. White, I am going to start with you. Thank you so much for being here, and I appreciate the work that you do for North Carolina.

So, in your role, you oversee the rail division, as well as the aviation and ferry divisions. And I want to take the opportunity to talk to you a little bit about the ferry system, which is the second largest in the country.

Are there things that Congress can do in terms of reforms to Federal programs, such as the Rural Ferry Program, that would be a benefit?

Ms. WHITE. Thank you, Congressman, so much for the question. I love talking about ferries at the Railroad Subcommittee.

We do run—

Mr. ROUZER [interrupting]. I am chairman of Water Resources, so, I have a little leeway here.

Ms. WHITE [continuing]. We do run our own transit system. We do run in North Carolina a ferry system serving eastern North Carolina. It is a \$74-million-a-year operation with 23 vessels and 8 routes, including a seasonal one. And so, we are incredibly proud of running that system.

And thank you for the support that Congress did in creating the Rural Ferry Capital Program. It is a \$20-million-a-year competitive grant program. We are very grateful to be able to compete for that fund. It is incredibly oversubscribed. To build a vessel costs us, depending on the type of vessel, anywhere from \$30 million to \$50 million. So, competing in a \$20 million pot is incredibly difficult.

So, we would very much appreciate consideration of additional resources to the Rural Ferry Capital Program. Also, there are some mileage requirements on what allows you to compete in the bigger pot of money that could be considered, maybe expand it, to allow more ferry systems to compete within them.

Thank you so much for the question.

Mr. ROUZER. And talk just a little bit about how the ferry system is so critical during hurricanes and other natural disasters like we often have in North Carolina?

Ms. WHITE. That is so true. Thinking back to Hurricane Dorian, the ferry division evacuated nearly 1,500 people and over 750 vehicles from Ocracoke Island during the Hurricane Dorian lead-in to the storm. And then after the storm, we were the first responders bringing over the necessary assistance to rebuild, the dump trucks hauling off the trash, we would bring the gas, we would bring the water. So, it was a many months' long effort of our team coordinating with Hyde County to do disaster response after Hurricane Dorian.

We, unfortunately, are seeing more and more substantial weather at our coast. We now have on Highway 12 what we call sunny day storms. We will have complete water overwash on a sunny day

on Highway 12. So, we are very much a critical lifeline to the island, to our poorest county in the State, which needs to pull in its tax revenues in the summer to support the county yearlong.

Mr. ROUZER. Thank you much.

Mr. Gardner, now back to rail. And I don't mean this as an antagonistic question whatsoever, so, don't take it that way. But has Amtrak ever turned a profit in a year?

Mr. GARDNER. No, sir.

Mr. ROUZER. I think that is why the issue of bonuses and incentive pay is so touchy, and particularly given the dollar amount.

So, what are the prospects, what is the timeline where you think we can get to a point where we can turn a profit?

Mr. GARDNER. Well, Congressman, I think, first off, the sort of yardstick for measuring Amtrak and our performance as set forth in statute—it is really a balance of both financial performance and efficiency—

Mr. ROUZER [interrupting]. I got that. I got that.

Mr. GARDNER. So, we are trying to do both those things. Before the pandemic, we were essentially about to be at break even. We lost all our business. We are working back to get there. Now, our goal is, in the next several years, on the train operating side of the business, so, sort of same story as to prepandemic, we would expect to break even towards the end of this decade. And we are working hard to achieve that.

We are facing many significantly expanded costs. So, while our revenues are back and above prepandemic level, our cost structure is about 30 to 40 percent higher, depending on the area. So, we are working hard there. But we are growing revenue. We are going to reduce losses this year. We will keep reducing losses every year and work back towards getting as efficient as we can while driving as much value and service to the American people.

Mr. ROUZER. In my last 40 seconds here, you recently testified regarding Amtrak's desire to purchase and manage Union Station. You indicated your plan was to transform the station from the current mixed-use retail, restaurant, and transit hub to a sole purpose passenger holding center.

One thing I am a little concerned about here, we have a homeless issue there now. You take all those stores out, you take the mixed use out. Number one, where are getting the funding to do all this? And are you concerned that it is just going to be a much greater magnet for the homeless? It is a beautiful building.

Mr. GARDNER. Absolutely. A beautiful building, Congressman. Our intention actually is to enhance and maintain the retail, but better amenities. As you know, right now, it is about half empty because of all the folks that have left during that period. Amtrak doesn't have possession of the building yet. But our goal is, in fact, to do what you just described, create a lively mixed-use environment which supports all the transportation users.

The big issue is that Amtrak was sort of sequestered in the back. We have more than doubled the ridership since we had this little leasehold in the back of the station. The main part of the building wasn't used for passenger transportation, even though we have MARC service and VRE service and WMATA.

So, we are just talking about using more of the building to serve the needs of the passengers, while also creating a great community amenity and a place that millions of people come to visit every year from all over the United States when they come to visit this building and Washington.

So, we believe very much in a successful venture that will drive both commercial revenue so we can reinvest in the facility, and also the kind of amenities that people want in our train stations. So, they want the bookstores, they want to be able to go to a cafe, they want a restaurant. And we want to serve the neighborhood well.

Mr. ROUZER. Thank you, Mr. Chairman. My time has expired.

Mr. NEHLS. All right. Thank you.

And I now recognize Mr. Moulton for 5 minutes.

Mr. MOULTON. Thank you very much, Mr. Chairman.

I would like to pick up where my colleague, Mr. Rouzer, left off about Amtrak profitability. It is also how you opened your remarks, Mr. Chairman, about profitability. And I just want to ask, why, when we have hearings on highways, do we not open the hearings by saying why are our interstate highways not profitable? Why have they cost the American taxpayer billions of dollars a year to maintain billions of dollars in broader cost to society, like the 40,000 Americans who die on our highways every year?

And it is taxpayer dollars that clean up every one of those messes. It is taxpayer dollars that built the highways, hundreds of billions of dollars. Amtrak got none of that. Taxpayer dollars didn't build our railways. And yet, we don't have a problem with the fact that the Interstate Highway System doesn't make a profit.

Or why not open hearings on airlines by saying, how much would our airlines make in profits if they had to pay for security, if they had to pay for air traffic control? They barely squeeze a profit as it is. In fact, the United States taxpayer has bailed out our airlines multiple times in the last 20 years to the tunes of tens of billions of dollars. And we don't ask them how they could be profitable if they didn't have subsidies.

So, there is a huge double standard here. And the fact that Mr. Gardner can even talk about approaching profitability, something that we wouldn't even discuss with our highways, is pretty remarkable, and it points to the innate efficiency of rail.

Now, to emphasize my bipartisan credentials here, I also have a little critique of what the ranking member said. Because when she brought up grade crossing accidents, we talked about how this is a problem for the railroads and this is a concern that railroads have. And Ms. White talked about how the rail division is responsible for grade crossing accidents in North Carolina.

Let's be clear, every one of these accidents is a highway traveler breaking the law, with very, very, very, very few exceptions, with malfunctioning equipment. This is lawbreakers getting killed by trains, delaying train passage. I wish we could have a discussion about how we reduce the delays to rail passengers every time there is one of these accidents. That is what we should be talking about. And we should be talking about how we use highway funds to address accidents caused by highway travelers, not just pin this blame on the railroads.

Now, Ms. White, I want to turn to you for a second to talk about your plans in North Carolina. You mentioned the goal of service from Wilmington to Asheville, a distance of 330 miles, currently a 5-hour and 45-minute drive. That is made possible, of course—it would be a much longer drive—but it is made possible by State and Federal dollars that went into building those highways. What travel time would you expect for this corridor?

Ms. WHITE. Thank you for the question. Each of those corridors has been admitted into the Corridor ID Program, so, we are really—

Mr. MOULTON [interrupting]. I am just asking a simple question. What travel time do you expect?

Ms. WHITE. I don't have that answer at this time.

Mr. MOULTON. Well, any other developed country in the world would do that in about 2 hours and 20 minutes, or under 2 hours for express service, because they would invest in true high-speed rail. I mean, Morocco is investing in true high-speed rail.

Your much touted S-Line will go 110 miles per hour, the same speed as trains in the 1920s, and exactly half the speed of new lines in Europe, less than half the speed of new lines in China.

Is North Carolina planning to build any new State or Federal highways with a top speed of 35 miles per hour, half the speed of current highways?

Ms. WHITE. We are not.

Mr. MOULTON. OK. Are you planning to build any new international airports that only accept prop planes, the technology that was taking off in the 1920s when we had a 110-mile-per-hour trains in America?

[No response.]

Mr. MOULTON. I assume the answer is no.

Ms. WHITE. We are not.

Mr. MOULTON. You said the trip from Washington, DC, to Raleigh will be car-competitive. I guess that is 4 hours 30 minutes to 5 hours. Again, just to put this in perspective, any other developed country in the world would make that an hour and 45 minutes, express trains in an hour and a half. That would be transformative. That would actually get a lot of people out of our airports and off our highways. That is what our goal should be.

I mean, my point to you is that, as you are building this, please look at what the rest of the world is doing. Look at the model of the TGV in France, where any new corridors they build are built to modern high-speed rail standards.

Now, you have that opportunity because some of the S-Line was abandoned, and so, you are building a new corridor. The parts that are already existing—sometimes TGV trains slow down to go slower on those segments. But do not, please do not invest good taxpayer money into technology appropriate for the 1920s instead of the 2020s.

Mr. Chairman, I believe that even you would be a great Amtrak passenger rail supporter if we invested in modern high-speed rail and not trains that we had 100 years ago.

Mr. Chairman, I yield back.

Mr. NEHLS. The gentleman yields. I now recognize Mr. LaMalfa for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman.

In my home State of California—I will direct this to Mr. Gardner—our high-speed rail project went from a projected ballot item that told the taxpayers it would be a \$33 billion project to go from S.F. to L.A. and be completed by the year 2020. And a good portion of that above the \$9 billion bond portion that the voters voted on—the rest would be from private investments, attracting private investments.

So, so far, the private investors just stayed away in droves; the \$9 billion has been burned up; and the projected cost is, instead of \$33 billion, is at least \$128 billion; and there hasn't been a mile of actual track laid yet other than some of the roadbed that has been put down and some of the bridges.

They also at the time claimed that there would be 1 million jobs up until a couple years after the ballot measure, then they finally had to admit 1 million job-years, which at the present number they tout of 13,000 workers, the math I did would see—if you have 1 million job-years divided by 13,000 workers, that will take 76 years to build the project, which they are right on track for that at this point here. So, this would be at least 2030-something before they get one of these segments done.

So, Mr. Gardner, how could they be so far off on an initial business plan that they told the voters, the taxpayers, in 2008 to what we have now, where there is nowhere near \$128 billion? They might be able to put their hands on \$20 billion when they do carbon taxing, and they just filched another \$3 billion out of the Federal Government here recently.

So, when they are \$100 billion short, where are they going to get that, and how could they be so far off on the plan? They didn't even have the route figured out before they put this in front of the voters.

Mr. GARDNER. Well, Congressman, certainly Amtrak, as you know, has not been involved in the high-speed project—

Mr. LAMALFA [interrupting]. No. But you did—

Mr. GARDNER [continuing]. Technically or its original development.

Mr. LAMALFA [continuing]. Were supportive in your comments.

Mr. GARDNER. We are supportive of advancing high-speed, and similar to Congressman Moulton's point, we think there is a real role for high-speed in various markets of the United States. And California certainly has incredible markets and huge demand and real challenges in terms of mobility.

But I think the main issue and something we have learned and an issue that has also faced Amtrak is that, quite often, because there hasn't been the apparatus to fund or develop early planning phases for good ideas, when folks are trying to, sort of, develop concepts for these systems, which, I think, could create a lot of value, they are doing so before we have gone through the standard preliminary engineering, design, NEPA processes that really do set the envelope of cost and schedule. And so—

Mr. LAMALFA [interrupting]. What did you just say for the last 40 seconds there? What did you just actually say right then?

Mr. GARDNER. That one of the challenges when doing big projects is the amount of planning and the time for planning to get the project developed.

And so, what happened in California is really, I think, the California high-speed team could explain the process, but I would say that, for any project to really—a big project to be something that folks can understand the terms of estimating cost and time, you have got to go through this environmental process. And the environmental process and the planning process are really what set out the possible envelope.

So, you asked me what happened from their initial estimates to now—

Mr. LAMALFA [interrupting]. Just looking for an idea—

Mr. GARDNER [continuing]. Is that process.

Mr. LAMALFA [continuing]. How a plan could be that far off, and we have bigger plans going forward.

Let me talk a more local one. Dunsmuir, California, up in my district, used to have a twice-a-day connection there. During the pandemic, as they call it, was all halted. So, now there is only one a day. You have to catch it around somewhere between 1 a.m. or 4 a.m., depending.

So, the local economy—and this is just one typical rural town. The rural areas are some of the least utilized service routes, and they have much more interruptions.

So, with Amtrak setting forward to do very optimistic work, how are we going to see that the rural areas are going to have any share of this that is going to be significant instead of being the tail end of the whole system?

Mr. GARDNER. Well, Congressman, we have got our Coast Starlight service serving Dunsmuir and the other several stops in your district. And there is also supplemental bus service that serves some of the stations, Chico and I think up to Redding as well, that is funded by the State of California in partnership with Amtrak, the connecting bus service.

So, I think maybe the change in service is the bus service levels. But we believe, as you heard from our Chairman, in investing in this national network. Right now, the big changes that are happening are new fleet coming to better serve communities like Dunsmuir and investments across all of the stations so that we have accessible stations and also stations that are—

Mr. LAMALFA [interrupting]. OK. Thank you. I have to cut you off there due to time.

But a new fleet isn't going to change the fact that there are no trains running through there and that we don't have the model be successful out there with passenger rail. It seems freight has to somehow keep railroads in business.

So, with that, I am way too—thank you, Mr. Chairman. I will yield back.

Mr. NEHLS. Thank you. I now recognize Ms. Foushee for 5 minutes.

Mrs. FOUSHEE. Thank you, Mr. Chairman. Deputy Secretary White, as I am sure you are aware, Siemens Mobility recently announced a new plant in Lexington, North Carolina, to manufacture and maintain trainsets.

From your perspective at NCDOT, what will the impact of this new facility be for our State, and how has the guaranteed passenger rail funding from the Bipartisan Infrastructure Law influenced or leveraged business investment in our State?

Ms. WHITE. Thank you for the question. So, Siemens Mobility broke ground on their new plant in August of 2023. It will be a \$220 million facility in Lexington, North Carolina, that will create more than 500 jobs by 2028 and is estimated to grow the State's economy by \$1.6 billion over the next 12 years.

They sought to build a large-scale manufacturing facility on the east coast because of all of the orders for new intercity passenger railcars. We are very excited for the State of North Carolina to see the supply chain that will grow around that investment, bringing even further jobs and opportunity to North Carolina.

And we are excited to see those trains roll out of North Carolina-made plant up and down the eastern seaboard, including when our new trains arrive in North Carolina. Thank you.

Mrs. FOUSHEE. Thank you for that. And, thanks to the Bipartisan Infrastructure Law, North Carolina received seven Corridor ID grant awards last year.

How do you anticipate this funding improving North Carolina's ability to invest in and accelerate the development of passenger rail in our State?

Ms. WHITE. So, Corridor ID is really important because a community needs—as Stephen had said, the community needs to understand what is the project going to cost. The Corridor ID's first step initially unlocks \$500,000 worth of planning funds so that we can start to work with communities to define what the service outcomes are that they would like to see and what the infrastructure investments will be that are needed to make that happen.

So, with each of our communities that have been admitted into the Corridor ID Program, we are now meeting with them to understand what are the kind of service outcomes that they would like to see; what is the match that they will need at what time in this process?

I would give as an example, when we were meeting with the community of Fayetteville recently, they are very excited to have their corridor admitted into the program. They see a connection between Fayetteville and Raleigh as really important to their military community.

They don't get direct flights out of Fayetteville to DC, which is a common path of travel. They lost their direct flight some years ago. And so, they see this as an opportunity to do a ticket on a train from Fayetteville to Raleigh, and then they can go from RDU to DC as a solution for them. When we build out the S-Line, they are more excited that they can stay on that single-seat train and go from Fayetteville right to DC.

But what we are doing with them is saying, "We will do this first phase of initial planning with you, and then we can tell you when you will need your 10-percent match for the next phase of planning and how much that will be," so they can put it into their local government budget cycle.

And then we can say, "When you get to the construction stage, that will be 80 percent Federal funds and 20 percent non-Federal

funds, and this is how much that will be and when you will need it.”

It’s that kind of structured planning that will tell a community what has to be built, how much it will cost, and what the timetable is to when they will need that funding.

So, we are doing that with the Wilmingtons, the Ashevilles, the Goldsboros, the Fayettevilles all across our State. And that kind of robust planning, I think, will help us be able to deliver more projects on time and on budget.

I will have to brag a little bit on our rail division in North Carolina. During the earlier era investments, the State of North Carolina won a \$500 million investment to improve the corridor between Greensboro and Charlotte. It was a \$1½ billion investment, and we delivered it on time and on budget. We delivered it \$3 under the grant that was given to us. We attempted to spend the last \$3, but could not find a way to do that within the rules.

So, we feel really confident that, when we take these corridors through Corridor ID, we will be able to help deliver those projects.

Mrs. FOUSHEE. Thank you. And, finally, can you speak a little about the ways in which North Carolina’s Department of Transportation works both with Amtrak and local communities to ensure that train service will benefit our communities back home?

Ms. WHITE. It is really important for us to listen to the communities and understand the service outcomes that they need. We are starting to explore a sixth frequency between Charlotte and Raleigh.

And so, our first step will be to go to the communities along our main corridor between Raleigh and Charlotte and understand, how do they use our train, how would they like to use our train. We have folks who commute between cities for their jobs. We have folks who use it to get to healthcare. We have folks that use it to get to college. Our main corridor touches about 22 colleges.

So, understanding what times of day they travel and how they want to use it will be a first step in ensuring that it meets their traveling needs. Then we will work with our freight railroad partners, with the North Carolina Railroad and with Amtrak to figure out what kind of infrastructure investments are needed to create that kind of capacity to unlock that additional frequency along the corridor.

So, for us, it is really about the partnership with our partners. And North Carolina, we approach rail projects—because we run on freight rail tracks—we approach it as how do we create a win-win. How do we create the ability for freight to not only continue to run its freight but to grow its freight opportunity, because manufacturing is a key part of our economy in North Carolina, while also building the additional capacity to add more passenger rail.

We really take, I think, a partnership approach to what we do.

Mrs. FOUSHEE. Thanks for that. Mr. Chairman, that is my time. I yield back.

Mr. NEHLS. Thank you. I now recognize Mr. Babin for 5 minutes.

Dr. BABIN. Thank you, Mr. Chairman, and thank you, witnesses, for being here today. My questions are for you, Mr. Gardner.

California just petitioned the EPA to allow it to implement the so-called in-use locomotive regulation, which would effectively re-

quire all locomotives, including passenger rail, to operate in a zero-emission configuration when operating in the State of California.

Does Amtrak have a position on this matter? And, if so, why did Amtrak choose not to submit comments?

Mr. GARDNER. Thank you, Congressman. My understanding is that the proposal won't create an issue for Amtrak and our current fleet and our trajectory over time to achieve net zero by 2045. So, we are working with the State, and we support, ultimately, the transition here where it is appropriate.

And so, we have been working with California. Of course, obviously, maintaining service is going to be critical to us, but that is our position so far.

Dr. BABIN. All other railroads, large and small, have conducted extensive analysis to determine the impact of this regulation on their businesses and on their customers.

What sort of analysis has Amtrak performed, if any at all, and what are the results of Amtrak's analysis?

And, if EPA approves the California regulation, it may well be implemented in other States as well. So, what sort of impact would this regulation have on Amtrak's business?

Mr. GARDNER. Again, I think at the moment, we don't anticipate there being a significant impact to our service in California, but I can follow up with you with any of the specifics based on our analysis.

Dr. BABIN. OK. Great. Amtrak recently projected \$1 billion in annual losses through 2027. Some of it has already been discussed. Much of this has been related to COVID-era impacts. But, as we all know, COVID hysteria has been over for a while now.

For Amtrak, ridership has nearly recovered to pre-pandemic levels. So, why is Amtrak still going to lose so much money over the next few years, and how is COVID actually still impacting Amtrak's business model?

Mr. GARDNER. Thank you, Congressman. We have significantly reduced our losses year over year. Last year, our loss was \$752 million, which was \$120 million better than the prior year. This year, we will be somewhere around \$670 million. So, we are continuing to improve. And, as I mentioned to the chairman, get better and better financials here every year.

The big issue that is facing Amtrak in terms of cost structure—because you mentioned, our revenue is back, our ridership is back. What is significantly higher is our costs, and those have come in, really, a couple of different forms.

First, our labor costs are significantly up. As you know, the freight railroad started to pattern bargain with their unions, and we followed through, are almost done with our agreements. We have really great relationships with our unions, and I think we have got really good deals. But these costs are going up, and they reflect the larger wage, sort of, increases across the economy.

For us to be competitive, we have got to pay competitive wages. So, those labor costs are up, fuel costs are up, insurance is significantly higher, claims-related expense also up significantly. So, a lot of headwinds.

That is all before you get to the supply chain. So, all of the costs, of course, associated with the hard materials we purchase have all

increased. So, we are fighting that inflation, but we are clawing back, sort of, year by year here with better revenue and more service against the strong demand.

Dr. BABIN. Well, Amtrak claims to be a private company. But a private company, any one that I know of, could not keep its head above water when it is bleeding billions of dollars of that nature, and would a private company likely consider handing out bonuses ranging from a half a million dollars to \$750,000 if their company were performing like that? I think not.

So, Mr. Gardner, how do you justify handing out so much money to your executives if they are failing to get Amtrak into the green, or the black, I should say? Does performance have anything to do with bonus decisions, or are the numbers decided on arbitrarily?

And, if there is some sort of calculation or metric that determines these bonuses, I would appreciate you sharing that with the committee today because we are very interested, or at least following up with my office to share that.

Mr. GARDNER. Yes. Absolutely. I would be happy to share that with you. And, as the Chairman said, we will be publishing this information. We do provide these numbers to Congress, and we have been able to talk through the way it works.

To go to your first point, Amtrak is a federally owned corporation chartered here in DC under the Corporate Act. So, certainly, we don't consider ourselves a purely private corporation. We, obviously, are owned by the Government and responsive to the taxpayer, and we have a Board that is appointed by the President.

So, we have a dual mission, really, to both serve the Nation and to do so efficiently and be good stewards of the public's resources and try and generate as much as we can to cover this network from the users of the system. So, we work hard to do that, and we will continue to work hard to do that.

In terms of the network itself, it is set, really, by Congress. So, to the extent that the network produces some services that require subsidy, like transit all over the United States, then that is because Congress has asked us to run those services, and we believe that they produce value. So, we are supportive of that.

In terms of the incentives, we have to compete with folks who have stock options, who get many times the value in incentives in the freight railroads and others. And we need to bring the best folks who can come manage a multibillion-dollar program here in Amtrak in the United States. And so, we are out there competing to try and get that value.

Mr. NEHLS. Thank you, sir. I now recognize Mr. Deluzio for 5 minutes.

Mr. DELUZIO. Thank you, Mr. Chairman. And good afternoon, folks. Glad to be here with you. I will just note and associate myself with many of Mr. Moulton's good comments about this profitability question. I suspect we would have a very different discussion here if we were talking about the massive subsidies that we provide for other forms of transportation that are not provided in a meaningful way to Amtrak and passenger rail and the strong need for substantial Federal investment, I think, in faster high-speed rail.

With that, I recently rode the Capitol Limited from Pittsburgh down here to Washington. Beautiful ride. Takes you through really lovely parts of Pennsylvania, West Virginia, Maryland before you get to Washington, 7½ hours or so. You do that by 4½ hours by car; I think the scheduled flight time is a little more than an hour; it's less than that.

I say that, again, recognizing that we need to have substantial investment in high-speed rail. Until that happens—which it should—this could also be faster.

In 1941, my team found out it took about 6 hours 40 minutes to do that trip. And we know the main problem is not just the topography, which causes some issues. Freight traffic. Freight rail slows down a lot of what happens on that route and many others.

The Host Railroad Report says freight train interference is among the top two largest reasons for delay for the two freight railroads that are there, Norfolk Southern and CSX. Passenger rail has legal preference over freight on the tracks. But DOJ, as I understand it, has sued a carrier one time, 1979. If I am wrong, you will correct me there.

So, Mr. Gardner, my question: Does Amtrak have the tools that you think are necessary to reduce freight train interference that causes delays on routes like the Capitol Limited?

Mr. GARDNER. Well, thank you, Congressman, for that question. Let me first start by saying that each route is different. There is always a combination of both the infrastructure and the geography and other things.

We always are looking to have trip-time competitive service. That is actually Congress' instructions to us in our mission and one of the things that we are driving. Because we are similarly frustrated that we can't connect Washington and Pittsburgh and other parts of Pennsylvania in a way that is competitive to auto.

As you say, it used to be some of these routes were faster, and a lot of that comes from really two things. One is the change in the infrastructure configuration. So, sometimes railroads that were once two tracks have now gone to one, and there is less capacity, and it makes them—trains meeting each other pose opportunities for delay.

Now, the second issue is preference, as you mentioned, which is, is Amtrak and the passenger service getting the preference it is accorded? If the infrastructure is made smaller than those kind of conflicts come up more often, and there is the opportunity for Amtrak to not get the preference it necessarily needs.

Now, that is not always the case, but we do have an issue across the United States where Amtrak does not always receive the preference it is really—that it is entitled to under law, and we don't have an effective enforcement regime presently. So, this is a major issue, and one in which we think more focus on will produce better results and in a way that does not interfere with freight traffic.

Because, frankly, we have a train a day on this route, so, it is a tiny impact—

Mr. DELUZIO [interrupting]. Look, we have to move things via freight rail for a lot of reasons.

Mr. GARDNER. Exactly.

Mr. DELUZIO. I agree. And I will ask with a little bit of the time left, in terms of enforcement, Congress has empowered the Surface Transportation Board, when on-time performance drops below 80 percent, to investigate why. The Capitol Limited, also the Pennsylvanian coming out of Pittsburgh, are two routes where that has been the case.

Why haven't we seen those kinds of investigations requested from Amtrak?

Mr. GARDNER. So, we did start as soon as we have the authority to because there is a long, long lead up to that point. We did petition the STB to initiate an investigation. That was on our Sunset Route under section 213 of PRIIA, and so, that is underway. Certainly, we would like to see that investigation advance as quickly as it can.

STB needs—I think has the resources—needs to have the resources to do that. But we support this measure to determine what the root causes are for delays. There may be a variety of issues, infrastructure, maintenance, et cetera. But we have poor performance on a number of routes, and we are responsible on behalf of American people and on your behalf to make sure we get to the bottom of what the root is and make sure that all the parties who are responsible are working together to get better service for the American people and the taxpayers.

Mr. DELUZIO. Thank you. Mr. Chairman, I yield back.

Mr. NEHLS. Thank you. I recognize Mr. Stauber for 5 minutes.

Mr. STAUBER. Thank you, Mr. Chair.

I think we do ourselves a disservice when we operate with rose-colored glasses on. Now, I understand that passenger rail was well-liked by some and well-used in certain geographic areas of our country. However, no two States are exactly alike, and practicality must be applied judiciously when considering future investments. Spending billions of dollars should have certain qualifiers, like efficiency and cost-effectiveness.

I would like to read an excerpt from an op-ed piece in the Duluth, Minnesota, News Tribune from April 2021. This comes from John Phelan, an economist at the Center of the American Experiment.

When reflecting if a proposed train from Duluth, Minnesota, to Minneapolis, Minnesota, would be quicker than driving, Mr. Phelan stated, quote: "No. The train will take 150 minutes. At present, you can drive from the Depot in Duluth to Target Field in 140 minutes. And that assumes you want to go from the Depot to Target Field. If you want to go from, say, Hermantown to the Mall of America"—Hermantown is a city right next to Duluth—"you have to add travel time on either end of the train journey. There's an 18-minute drive from Hermantown to the Depot, and then you have to park your car, and a 46-minute light rail ride, for a total journey time of 214 minutes. The drive is 143 minutes."

Seventy-one minutes of savings.

And all of this doesn't account for the waiting time on train timetables.

When any mode of transportation fails to reduce cost, time, or ease for our constituents, and when true feasibility isn't clear, we

should really consider if this is the wisest way to spend taxpayer dollars.

I want to just ask a couple of quick questions. Mr. Gardner, you responded to one of Mr. Babin's questions and, in part, you responded by Amtrak is owned by the Government, paid for by the taxpayers. Did you say that?

Mr. GARDNER. Yes, sir, along with the revenues we receive.

Mr. STAUBER. And Amtrak—you believe that transparency is important when you are making decisions and allow the public to be a part—not a part of the decision, rather, but to understand your decisionmaking? And I am getting at, in your meetings, would you ever propose to make your Board meetings public, make those transcripts public?

Mr. GARDNER. So, Congressman, I think the Chairman mentioned today our response to first fulfilling all the requirements of the new IIJA rules for the Board and having more engagement and more transparency, and I think the Board's willingness to further engage and create more transparency and visibility.

Because I think, obviously, we are excited by the engagement of folks who want to be a part of Amtrak and understand what we are doing and create more opportunities to do that while also making sure the company can undertake its business.

Mr. STAUBER. So, with that being said, do you stand by your comment that Amtrak is owned by the Government and paid for by the taxpayers? What is your salary per year?

Mr. GARDNER. It is roughly \$499,000 a year, sir.

Mr. STAUBER. \$500,000?

Mr. GARDNER. Yes.

Mr. STAUBER. Half a million?

Mr. GARDNER. Yes.

Mr. STAUBER. What was your bonus last year?

Mr. GARDNER. Between our long-term program and our short-term program, about \$620,000.

Mr. STAUBER. You made about \$1.1 million last year?

Mr. GARDNER. Correct.

Mr. STAUBER. Mr. Coscia, do you want to answer those questions?

Mr. COSCIA. Thank you, yes. And I am very sensitive to the concerns that you and others have expressed here.

Let me just sort of answer your question, in part, by saying that I kind of approach this from the perspective of someone who has been on the Amtrak Board, as I mentioned, since 2010. So, I have actually seen the transformation of Amtrak that has actually—that has accompanied a pretty significant change in the leadership at Amtrak within the management of the company.

Amtrak is an operating entity. It runs a business, a business that is, to some degree, prescribed by the Congress.

Mr. STAUBER. Mr. Coscia—Mr. Coscia, I have 10 seconds left. What was your salary—what is your salary per year?

Mr. COSCIA. My salary? I am unpaid. The Board has paid Board fees for the days that we—

Mr. STAUBER [interrupting]. What did you make last year?

Mr. COSCIA. \$18,000.

Mr. STAUBER. Any bonuses?

Mr. COSCIA. No.

Mr. STAUBER. You are not on salary?

Mr. COSCIA. No.

Mr. STAUBER. OK. I yield back, Mr. Chair.

Mr. NEHLS. Thank you. I now recognize Mr. Carter for 5 minutes.

Mr. CARTER OF LOUISIANA. Thank you, Mr. Chairman, and thank you to our witnesses for joining us today.

My district in southeast Louisiana has historically been a leader in transportation. Famously, the city of New Orleans once had a large network of streetcars and was one of the first American cities to use electric trolleys.

Today, we are home to the Port of South Louisiana, one of the Nation's leaders in total tonnage, as well as the Port of New Orleans, the only deepwater port served by six Class I railroads.

However, Louisiana has fallen behind other areas of the Nation in terms of passenger rail options. Transportation leaders in Louisiana, like John Spain and the Southern Rail Commission, are now planning to further connect the State by commuter rail, including lines connecting New Orleans west to Baton Rouge and east to Mobile, Alabama, with stops at the communities between those cities.

Doing so will reduce our transportation emissions, increase travel choices, create good-paying jobs, and add additional evacuation options in the face of stronger and faster hurricanes.

I am also proud to say that the development of these routes both have benefited from the massive investments in the rail infrastructure made possible by the Bipartisan Infrastructure Law.

Question for Mr. Gardner and Mr. Coscia. Last year, Amtrak announced an agreement to restore gulf coast service between New Orleans and Mobile, which has been out of service since Hurricane Katrina damaged the lines in 2005. That project was aided by roughly \$178 million awarded through funding from the Bipartisan Infrastructure Law, which helped make this return to service a reality.

Amtrak and Southern Rail Commission have said that service would restart by the end of this year. Is this still a realistic timeframe? What is the status of negotiations of the city of Mobile and their station improvements?

Mr. GARDNER. Thank you, Congressman. And, as you know, we are very big supporters of returning service to the gulf coast, and it has been a multiyear effort, a lot of work over the years, and a strong partnership with the Southern Rail Commission. And we are hopefully very soon concluding our work with the city of Mobile.

They need to work with us on a property agreement and to allow us to undertake station—a lot of the station work—CSX to undertake station work there in Mobile and then support their contribution to the grant funds.

So, we are trying to finalize that with them, working hard. And I believe they are also working with other folks in Alabama.

Mr. CARTER OF LOUISIANA. Is the end of the year still a realistic goal?

Mr. GARDNER. I think we will have to see if this work can be concluded here in the next month or so in terms of these agreements. That is what really allows CSX to then undertake the capital work necessary. Certainly, from Amtrak's perspective, we are ready. We have trains, crews, we are ready to go. But we need the work to advance, and we will be doing everything we can to get the service started as soon as possible.

So, I will be able to update you soon here, and I would be happy to come to your office to do that.

Mr. CARTER OF LOUISIANA. Needless to say, it is incredibly important to the people of our region, economically, environmentally, and every way you can possibly imagine.

We missed the boat, as you may recall, years ago when then-Governor Jindal opted to not take the resources to create this advancement. Fortunately, we are moving forward now, and we are prepared to help in any way we can.

Mr. Coscia, do you have anything to add to that, sir?

Mr. COSCIA. No, other than to indicate that the Board has followed this particular expansion very closely, and we are sort of very hopeful that it will be initiated.

Mr. CARTER OF LOUISIANA. Thank you. How would you describe your experience in working with the freight railroads to restart service between New Orleans and Mobile?

Mr. GARDNER. Well, at this point, it has been very good. For a long time there was debate between us about this. But we have come to agreement, and the FRA, who has been an amazing partner, and the Department of Transportation has invested and spent a lot of time helping to bring the parties together here; they have been doing important work.

There are really two big infrastructure components. There is Positive Train Control installation by Norfolk Southern in Louisiana, and then this additional work needed in Mobile so that we have a station track. So, those are the two predicate projects before service. And both partners are strong, are working with us, so, we need to just get these elements done with Mobile and be able to move forward.

Mr. CARTER OF LOUISIANA. I have about 18 seconds. The proposed New Orleans to Baton Rouge rail line will operate through an area some dub—and we are not proud of—an area referred to as cancer alley because of the amounts of petrochemical and industrial activity in that area.

In terms of pollution reduction, can you speak to how the communities in these areas will benefit from the mass reduction in car trips near their homes due to passenger rail lines?

Mr. GARDNER. Well, Congressman, we are excited about Baton Rouge service, and that corridor is in the FRA Corridor ID Program and is developing here. We are working with the host railroad, CPKC, and we think that there will be real appetite for this service and a major opportunity for folks to have an alternative to driving. And, as you say, it will remove cars and the emissions associated with them in that corridor.

Mr. CARTER OF LOUISIANA. Any idea how to quantify the amount of reductions we will enjoy?

Mr. GARDNER. That will be part of the Corridor ID planning process—

Mr. CARTER OF LOUISIANA [interrupting]. \$500,000 that was awarded—

Mr. GARDNER [interrupting]. That is right. Well, that is the start, and that allows them to go into step 2, which is really the, kind of—

Mr. NEHLS [interrupting]. The gentleman's time has expired, and we have got votes coming up here for a bit. I am trying not to be, but—

Mr. CARTER OF LOUISIANA [interrupting]. Thank you. My time has expired.

Mr. NEHLS [continuing]. We want to try to finish before votes here.

I recognize Mr. Burchett for 5 minutes.

Mr. BURCHETT. Thank you, Mr. Chairman.

Mr. Gardner, a year ago, I asked you about Amtrak's proposed annual operating loss. You told me it would be over \$800 million.

What is the new projected annual operating loss?

Mr. GARDNER. About \$670 million.

Mr. BURCHETT. \$670 million. And last year, you also confirmed that, according to Amtrak's 5-year plan for fiscal year 2022 and through 2027, that Amtrak expects to lose \$1 billion every year.

Has your expected loss increased due to inflation?

Mr. GARDNER. No. I think our—our 5-year plan beginning in 2022 anticipated higher losses than we, in fact, have experienced. We have been able to drive that number down last year and this year. So, we are continuing to drive that number down below that.

Mr. BURCHETT. To what point?

Mr. GARDNER. Well, again, our goal here is the end of the decade to reach a, sort of, position of break-even on the train operating side of the business, recognizing that there is a big portion of operating expense associated with the capital work. So, we will be able to help you see that.

But our goal is to continue to make progress. We are setting our targets for next year here soon, so, that will be something we work on with the Board. But, again, year-over-year improvement from last year, and we will continue to make improvement next year in reducing the loss.

Mr. BURCHETT. You-all's executives were paid between \$500,000 and \$780,000; on top of that, the executives received bonuses last year of at least \$200,000. I don't blame you. I blame the Board. I mean, it is the contract you signed up under.

But I am wondering, how do I explain to folks in east Tennessee who are currently struggling, paying 600 more dollars a month out of pocket just for living expenses through all this Bidenflation, the executives of a company that isn't even profitable get annual bonuses worth more than some of their homes. Mr. Coscia?

Mr. COSCIA. I assume, Congressman, you are addressing that question to me?

Mr. BURCHETT. Yes, sir. I am sorry.

Mr. COSCIA. I was starting to respond to this, in part, to your colleague's question, which is to say that, as I mentioned, I have been

on the Board since 2010. And I can only answer that question within the context of having seen the before-and-after picture.

I would say that Amtrak, for decades, probably 40 decades, suffered from both a chronic underinvestment in capital, in a capital-intensive business, and, frankly, weak management that allowed many practices to develop at the company that were not best practices.

I have spent nearly 40 years in the private sector, much of it with very successful companies. I know what good looks like. It did not exist when we showed up. We intentionally revised the compensation program at the company because, at the time, the company had a very, very lucrative pension and post-retirement plan that would have cost us more than triple of what the incentive compensation plan had cost.

We are paying, sir, at the amount of bonuses that we are paying at the incentive comp, we understand the anxiety that it creates here on the Hill and other places with a company like Amtrak that is serving this public purpose, but I also will tell you that an operating company that has to compete for employees with the freight railroads, the airlines, the hospitality business, the engineering companies, all of whom pay their employees far more than we do—we have no chance of succeeding without bringing in the team and putting them on the field that have an ability to do it.

This team brought Amtrak for the first time in its 50-year history to within \$27 million in fiscal 2019 to breaking even. That has never even come close. And, in 2020, had the pandemic not occurred, we would have been in black ink on an operating level for the first time ever.

Now, all of the headwinds that Mr. Gardner described to you that are creating a struggle for us to get back, we will get through them, and we will be back in black ink. And I will tell you that the Board's objective for how quickly to get there is even quicker than I am assuming that is otherwise being considered.

Mr. BURCHETT. I appreciate that. I am going to run out of time. But the one thing that is crystal clear to me is that the American taxpayers are being forced to fund you-all, and you have—for instance, you have a subpar dining experience, which ironically contributes to Amtrak's operating deficit, all while these executives make \$200,000 bonuses.

To me, that is unacceptable. And I yield the remainder of my time, Mr. Chairman.

Mr. NEHLS. Thank you. I now recognize Mr. García for 5 minutes.

Mr. GARCÍA OF ILLINOIS. Thank you, Chair and Ranking Member and all of our witnesses. A part of my district, about half, is located just outside Chicago and is deeply tied to the rail industry, as are many parts of Chicagoland. As the rail capital of the country and a growing economic hub, Chicago is a prime location for expanding intercity passenger rail.

Mr. Gardner, the Chicago Hub Improvement Project, or CHIP, is a large project to improve the service and eliminate delays at and around Chicago Union Station for intercity connections throughout the Midwest. More than 30 million riders pass through the station annually, and there are 400 train movements each day.

How is this project progressing, and has the Infrastructure Investment and Jobs Act benefited this project?

Mr. GARDNER. Yes. Thank you, Congressman. And we appreciate your support and focus on Chicago. It is, as you say, the epicenter of the Nation's rail network, and it is the heart of Amtrak's national network.

And the CHIP program really, simply, is about getting passenger-favorable routes into Chicago Union Station, which is the heart of our national network for long-distance trains, and the Chicago hub service, where we serve not only Illinois and downstate Illinois trains, but also Michigan, Wisconsin, now Minnesota, and other services, so, really important.

The program has been a recipient of funds under the IIJA and also most recently in the appropriations bill. We are focused right now on concourse expansion, which is really improving the outdated concourse that serves both our passengers and Metra passengers so that we can provide a much better level of service at the station.

At the same time, we are looking to connect our routings out of the yard and terminal facility to be able to get those passenger-focused routes so we do not incur delays for both our trains to the east and the south.

Mr. GARCÍA OF ILLINOIS. Thank you. CHIP involves bringing together a wide array of stakeholders. Amtrak, Metra, commuter rail, and the Illinois, Chicago, and Michigan Departments of Transportation.

How does Amtrak work with freight and commuter railroads to advance the CHIP improvements, and would having access to guaranteed funding similar to what highways have help this project get finished?

Mr. GARDNER. Well, let me start with your last point first, which is that, absolutely, guaranteed funding is essential to undertake a program like this. This program is a multiyear massive project that is going to involve many different stakeholders.

We talk sometimes about some of the big projects in the Northeast Corridor, but this is even more complex because we have many railroads, we have many different elements of Government, we have different States. We all need to come together and work as a team to accomplish this work.

So, having dedicated funding and support for both planning and execution is going to be absolutely critical. Otherwise, we simply will not be able to advance this kind of multiyear work.

In terms of working together, we have a strong working relationship, obviously, with Illinois DOT, with our freight railroad partners, and with Metra at the core, along with the city, CTA, et cetera, where we are looking to find those win-win opportunities that both enhance today's service but create capacity for the future.

Another really important piece here is building more capacity for future growth on the yard side so we have more mechanical capacity. Because, as the States look to grow service, we need a place to park trains and service them well in Chicago.

Mr. GARCÍA OF ILLINOIS. Thank you. My last question: How is Amtrak prioritizing high-speed rail projects across the country, and

what obstacles exist in terms of investment and infrastructure needs?

Mr. GARDNER. Well, it is a great question. So, as I said earlier, high-speed rail, we think, makes a lot of sense in certain markets in the United States. Not all markets, but certain markets really have the density and the possible travel time that really support high-speed as we see all over the world.

So, we are working to support those corridors that are in development. Several are funded through the Corridor ID Program that FRA is leading. We have talked about the opportunities that we see in Texas, and we are evaluating those. And we see the great work that has happened in the St. Louis corridor of providing service up to 110.

Now, that certainly isn't the high-speed that we all could envision and hope for, but it makes a material difference, because it creates that trip-time competitive reliable service. So, we are focused on both those near-term opportunities.

One of the best is the S-Line that we are working on with our colleague here in North Carolina. The opportunity to take that corridor and create a dedicated 110- or 125-mile-an-hour corridor that can relieve congestion on the rail side and create a faster trip is hugely important.

The core of this, though, is that we don't—

Mr. NEHLS [interrupting]. Thank you, Mr. Gardner.

Mr. GARDNER [continuing]. Have money for high-speed rail.

Mr. NEHLS. The gentleman's time has expired.

Mr. GARCÍA OF ILLINOIS. I yield back.

Mr. NEHLS. Mr. Yakym, you are recognized.

Mr. YAKYM. Thank you, Mr. Chairman, and thank you to our witnesses for being here today.

Earlier this year, the committee held a hearing focusing on the role commuter rail lines play in our communities. I was pleased that the South Shore Line, which operates in my district, was able to participate and share some of the benefits of commuter rail in north central Indiana.

Additionally, the South Shore shared some of the challenges they face. Just last month, after a decade of planning, financing, and construction, South Shore opened its \$650 million double track service. It was an incredible accomplishment that will greatly benefit the Hoosiers that I represent.

My question, Mr. Gardner—it is good to see you again, by the way. We have spoken a few times on prior occasions, both in my office, as well as in this committee. As we have discussed, the double track capital project was not funded by Amtrak in any way. Yet, of course, Amtrak is essentially, inviting itself on to the double track.

Can you reaffirm your commitment that if Amtrak invokes this authority, you will work with the South Shore on the timing of those routes and compensate them appropriately?

Mr. GARDNER. Well, thank you for the question. Good to see you again. And—so, first, I did have a chance to congratulate my colleague there at NICTD on the launch of service, and we are very excited for the work they have accomplished.

As I said before, Amtrak is right now just in the process of evaluating different options. We are doing this together with the FRA and the States to look at ways that we can—it is called the South of the Lake Challenge of providing service from the east to Chicago and looking at the different opportunities there long term. So, we are still in the planning phase.

I did commit and I will continue to commit that we would, of course, work with our partners there at the South Shore about any possible use of the infrastructure. Amtrak does have rights to use the infrastructure, but we would do so pursuant to the Federal rules and only as a result of cooperation and partnership.

So, a big choice here also will be the role of the State of Indiana and the other States and their interests in terms of investment. So, this is still an early phase, and we will work with Mike and the team there at South Shore as we consider this and other options.

Mr. YAKYM. Great. Thank you for that continued commitment, and we will certainly hold you to that.

Switching gears to another topic, Mr. Gardner. According to the most recent progress report on Amtrak's compliance with the Americans with Disabilities Act, or ADA, Amtrak has addressed its ADA responsibility in 119 of the 385 stations.

I know there is bipartisan frustration with Amtrak's lackluster compliance with the ADA, which was signed into law in 1990. My question is, Amtrak will get \$22 billion in funding from the Infrastructure Investment and Jobs Act, or IIJA. How much of that money will go toward complying with the ADA?

Mr. GARDNER. Great question. Of course, we share that frustration. And I think, over my tenure at the company, we have really done a lot to change that trajectory, investing over \$800 million in ADA improvements.

And right now, we have about 190 stations that are compliant either entirely or all the way except the platform, and that is another component. We have about 140, almost 150 stations in design. All the design will be done the end of next year. We have got another roughly 70 stations in construction in some form occurring this year. So, we are making great progress.

About \$1 billion, a little more than \$1 billion, of that \$22 billion is dedicated to these ADA improvements.

Mr. YAKYM. Great, thank you.

Mr. GARDNER. So, we are on track and working with FRA on that.

Mr. YAKYM. I know that Amtrak is looking to use some of the \$22 billion from IIJA to expand into potentially new service stations.

Will you commit that Amtrak will not inaugurate any new service stations on routes with stations that are not ADA-compliant?

Mr. GARDNER. So, typically, the FRA, when we go to start a new station, a requirement is that it is ADA-compliant before we do that. Now, we do have instances where we have temporary stations that are before a final station is complete.

But we always make sure it is accessible. So—but we are required to have compliant stations.

Mr. YAKYM. Thank you. And, Mr. Chairman, I yield back.

Mr. NEHLS. Thank you. Mr. Menendez, you are recognized.

Mr. MENENDEZ. Thank you, Chair.

Thank you, Ranking Member.

Thank you to our witnesses. Mr. Gardner, Mr. Coscia, it is always great to see you and to be able to partner with you on these incredibly important projects.

The Gateway Program is one of the largest and most urgent infrastructure projects in the country and will improve reliability and resiliency for some of the most heavily trafficked miles of railroad in the country, and our district is home to the bulk of this project in New Jersey.

Just this week, the Federal Transit Administration announced a full funding grant agreement for the Hudson Tunnel Project, which will build a new two-track Hudson River rail tunnel to connect New Jersey to Manhattan.

This agreement is a historic milestone for this project and is the next step towards finalizing the largest ever mass transit grant in U.S. history. This is incredible news for our district. It will not only make significant strides in improving rail service, but will bring tens of thousands of jobs to our region.

It is a privilege to sit on this committee and work with my colleagues on the committee and in our district to see this project to completion.

Mr. Gardner, can you expand upon how the IIJA has resulted in more reliable service for those who use intercity passenger rail on a regular basis?

Mr. GARDNER. Well, thank you, Congressman. And we are overjoyed at the investments that are coming here to propel the Gateway Program forward. And, as you say, it is an incredible program. It is really to take the biggest bottleneck on the North American system, really, the two-track main line between Newark and New York, which is the busiest main line in North America, and create a four-track crossing that is reliable and that can serve for decades; hopefully, centuries ahead, really. So, we are really excited by that work.

In addition to that project, there are a number of others in the region. There is the Portal North Bridge program, which is already underway, funded before IIJA. We have got the Sawtooth program, Dock Bridge, and a whole series of improvements that are being propelled because of the Bipartisan Infrastructure Law investments.

So, it has really been decades in the making, these deferred investments, many we inherited when we took over the corridor in 1976, and this is the first time we have had the dollars available to make these improvements, and in partnership with the States, because these are not just Amtrak and Federal investments. The States have, as my colleague here has said for North Carolina, we look for skin-in-the-game participants here who can invest as well.

So, in addition to those huge projects, we are spending a lot of money trying to rebuild the railroad today. So, we get more reliability. The same issue for the tunnels that exist at the track level, switches, signals, overhead catenary. These systems are in some cases from the 1930s.

So, we have got to rebuild them, and we are out there doing that and trying to balance that with service because it is hard to rebuild

the rail while you are running trains. So, we have got to find that right mix and be able to get more and more investment out in the railroad and have that show up as better, more reliable service for passengers.

Mr. MENENDEZ. Absolutely. And I just want to quickly, because I want to be respectful of the other Members, just give you an opportunity to follow up on this. Because we know about the incidents the last couple of weeks on the Northeast Corridor, et cetera.

You alluded to this in your prior answer, but just want you to be able to speak directly to the commuters, the residents of the district, and how does the IIJA funding towards the Northeast Corridor, how will it minimize and eventually eliminate incidents like what we have seen the last couple of weeks on the Northeast Corridor?

Mr. GARDNER. Yes. Well, so—thank you. The events of the last couple weeks were a combination of some infrastructure failures and some equipment issues on New Jersey Transit side. Again, we share this railroad today and 24 trains an hour. It is the busiest railroad service in the U.S. here in this section.

So, on the infrastructure side, the big issues we had were some of our overhead wires. Again, this system that supports the traction power for our trains is from the 1930s. We have fatigued, ancient, really, designs and old equipment here. And it is made more difficult because there are very little windows to be able to go and do the work.

So, what the IIJA is allowing us, in partnership with New Jersey Transit to do, is go out and programmatically address those known critical areas of failure so that we can remove them.

Meanwhile, these big projects are going to have huge improvements as well because we are going to put entirely new systems of power and signals in their locations and things like Portal Bridge today, which sometimes opens and gets stuck; those kind of delays which can throw a commute period into total chaos, they will be gone or dramatically reduced.

Now, it is going to take some time, but we apologize to those who have been impacted by this. Of course, it is the last thing we want to do is have unreliable service, and we are working hard. But we are digging out of a deep hole. And it is going to take a lot of money and time. Thankfully, Congress' support here has given us that pathway.

Mr. MENENDEZ. Absolutely. And I appreciate all the work. I know there is a lot more work to do.

I yield back. Thank you both so much.

Mr. NEHLS. Thank you.

Mr. Kean, you are recognized.

Mr. KEAN OF NEW JERSEY. Thank you. And I will follow up, Mr. Gardner and Mr. Coscia. It is good to see you both here.

The Northeast Corridor is the busiest rail line in the U.S. It is vital for over 51 million Americans. My constituents, it is extraordinarily important to their lives, livelihoods, and the economic growth and safety within the region.

However, struggles with aging infrastructure leading to the delays that we have just now recently discussed and a \$40 billion repair backlog, building on the previous question, what is next,

when you are looking at the importance of commerce and movement, what are the urgent needs that remain that have not already been authorized that Amtrak is looking for?

Mr. GARDNER. Well, thank you so much for the question and for your support here. I know how important this railroad is to New Jersey and to mobility throughout the region.

The big things that I think are remaining are, really, in three areas. One, we have only started this process of the catenary renewal and the signal system upgrade. And we need prolonged funding for that because already the big dollars in the IIJA have been dedicated to some of these massive projects. So, there is more work to do.

Now, these huge projects are going to deliver incredible benefits, but they don't resolve all of the issues. So, having funding that is going to take us into, sort of, the next tranche of investment is going to be really important coming out of this core investment.

Additionally, we do need to work together with our partners to create more time to undertake the construction work because that is a challenge. Tonight, there will be folks working out on the railroad, but they will probably get less than an hour of uninterrupted time before trains come by and they have to pull back from the railroad and go to—and that kind of on-again/off-again work makes it inefficient to get the work done, and some work is impossible to complete without shutting down the railroad entirely for a period on the overnight.

So, those are really important components. And I think the other element here is there is a need for additional capacity in targeted areas beyond the Gateway section just to accommodate the growth we anticipate coming from New Jersey Transit and Amtrak over the long haul.

Mr. KEAN OF NEW JERSEY. Thank you. I have got a question that I have asked you for a very long time, both on State level and now here in this room.

Amtrak Connects U.S. proposes new corridor service for 16 States and expansion of service in 20 States at a cost of \$75 billion. Similarly, CONNECT NEC 2037 proposed more frequent service, connections to new markets, additional capacity, and reduced travel time on the Northeast Corridor over 15 years.

The question here—still unresolved—is more Acela stops. At Trenton, right now, there are none. Metropark is, what, one a day perhaps, but phasing and going in one direction. And, if you are looking at future expansion, why are we not looking at doing a better job and more frequent access to New Jersey's State capital, to the economic and innovation entity that is around Metropark, and we are looking at more consistent and predictable service for the State of New Jersey?

Mr. GARDNER. So, Congressman, I know you are passionate about this. And we have—as you said, we have changed some of the service levels around the various stations in New Jersey.

In particular, we have seen an increase in service in New Brunswick and Princeton Junction and EWR at the airport rail station, and we have seen some reduction in the Acela service in Trenton, as you mentioned, and a small reduction in Metropark service.

Now, we are, as I committed before, as we introduce the new Acela service and also our additional regional new trains, the Airo sets that start showing up in 2026, we will have more capacity and be able to relook at all the service patterns.

Today, the demand has really shifted in these markets, but we will adopt a continual view at the demand here so we can get service in the right markets, because we understand how important it is to have service at Trenton, and we do think that there is an opportunity for Acela there.

Right now, given the limited frequencies we have, because, in part, we are waiting for more equipment, the priority has been on some of the other places that have produced more revenue and ridership—

Mr. KEAN OF NEW JERSEY [interrupting]. If we are going to do what is necessary for the economic growth of New Jersey's capital city and one of the main innovation centers both in and around Trenton, as well as in and around Metropark, we need more consistent service and more predictability and more stops over the course of the entire day.

Thank you. I yield back.

Mr. NEHLS. Thank you. Mr. Stanton, you are recognized.

Mr. STANTON. Thank you very much, Mr. Chairman. Thank you for letting me join for this important hearing today. I represent Phoenix, Arizona, one of the fastest growing cities and communities in the country, and the largest metropolitan area in the United States without access to passenger rail service. Amtrak's Sunset Limited travels between New Orleans and Los Angeles, running through Tucson in southern Arizona. Adding service in the Phoenix area will open up the entire State to important economic opportunities, opportunities to make our communities more accessible, more productive, and more internationally competitive.

This past December, we took the first step towards re-establishing service at the Federal level. The Arizona Department of Transportation was selected for the Federal Railroad Administration's Corridor ID Program and granted initial funding under our Bipartisan Infrastructure Law to develop a scope, a schedule, and cost estimate.

As you know, there is very strong local bipartisan support for re-establishing this connection. Mayors of a dozen Arizona communities along the proposed line have thrown their support behind the effort, including Phoenix, Mesa, Tempe, and Chandler, the communities that I represent in Congress.

And the State of Arizona has put substantial dedicated resources, \$3½ million, towards this critically important planning effort. Arizona is sending a clear message to Washington and to Amtrak: We are serious and ready to move on with this project.

Mr. Gardner, Phoenix and Tucson is just one Corridor ID project of many across the country, nearly 70 across 44 States, as referenced by my colleague from New Jersey.

While I know Amtrak may not engage with State DOT Corridor ID projects until phase 2, the service development plan, what is Amtrak doing right now to plan for the next phase of this project?

Mr. GARDNER. Well, thank you very much for the question. And it is a great corridor, one we are really excited about. Phoenix is

the largest city we don't serve directly here. And really it is a huge omission on our map and something we have long believed needed to be remedied. So, we are really excited.

I had a chance to meet with the Governor. I had a chance to meet with Mayor Gallego and Mayor Romero, a number of mayors across the corridor; as you say, incredible bipartisan local support here and excitement about the opportunity to bring passenger rail into this corridor.

So, the Corridor ID Program, as you said, is really the process by which this would be developed. We are supporting Arizona, and we will be able to undertake some additional work with them as they go through this program. We have, to date, given a fair amount of attention and focus on the opportunities here, but the FRA program will really set the pathway forward. But we continue to look for opportunities to partner with them. And then phase 2 is really when we can undertake additional studies and work with them to drive things like revenue ridership and other opportunities.

Similarly, we were leading the return to 7-day service on the Sunset route. There is obviously overlap here. So, this is an area in which we are excited to advance, and we are going to do that in partnership so that we can have an efficient planning process and get value from both projects together.

Mr. STANTON. I want to get to phase 2. If Amtrak is selected, and my expectation is they will be—you can't say that, but I can; I will expect that Amtrak will be selected—I look forward to engaging closely with you. One of the reasons this issue is so important to me is because passenger rail will boost our regional economies with better access to jobs, more private investment along this route. Maybe you can talk a bit about that in the little time I have left.

Can you talk about how expanded rail service drives private investment?

Mr. GARDNER. Absolutely. We have seen incredible investments that have followed the type of service introduction that you are describing here. Whether it is in Maine where the Downeaster service has established a whole transit-oriented development program and sort of revitalization of communities in New England, whether it is what we see being planned already in Colorado as they look to develop Front Range service, there is a huge amount of interest and density that gets developed, frankly, when we create this node of mobility with passenger rail.

So, we expect both immediate improvements to occur in the station area where folks locate both housing and commercial and office because they want that benefit of being able to connect efficiently to other markets. And then, beyond that, we see benefits in housing in community and overall attractiveness in terms of competitiveness for communities that have this kind of service, and particularly amongst the younger generation. I know the Congressman mentioned that folks are looking for a trip-time competitive service. We completely agree. But I would note that there are many folks who would rather take the train than drive, even if it is a little bit longer. Now we got to be in sort of the ballpark. But, frankly, people find the train more productive and more relaxing than

driving in many places, particularly, younger generations. And that is important for communities attract—

Mr. STANTON [interrupting]. Thank you so much.

Mr. Chairman, so we don't miss votes, I yield back.

Mr. NEHLS. Thank you. The gentleman yields. Are there any further questions from members of the committee that have not been recognized?

Seeing none, this concludes our hearing for today. I would like to thank each one of you for being here. The committee stands adjourned.

[Whereupon, at 4:04 p.m., the subcommittee was adjourned.]

SUBMISSIONS FOR THE RECORD

Statement of Michael Friedberg, Executive Director, Coalition for the Northeast Corridor, Submitted for the Record by Hon. Troy E. Nehls

The Coalition for the Northeast Corridor (CNEC) appreciates the opportunity to provide a statement for the record for the upcoming T&I hearing on Amtrak. CNEC proudly commends the historical and transformative impact of the Infrastructure Investment and Jobs Act (IIJA) on our nation's most critical transportation lifeline—the Northeast Corridor (NEC). As a coalition representing a broad spectrum of stakeholders, we have witnessed firsthand the diligent allocation of funds and the forward momentum of projects that are essential for the NEC's modernization.

The region served by the NEC—stretching from Boston to Washington, D.C.—is home to over 51 million Americans. Prior to the pandemic, more than 820,000 passengers rode approximately 2,200 trains through the NEC each day. The corridor boasts a regional GDP of \$5.8 trillion, ranking it third in the world if it were its own country, behind only the U.S. and China. Despite these impressive figures, much of the NEC operates on infrastructure dating back to the early 1900s, which is prone to unexpected failures that delay service and impact lives and the economy. The NEC's state of good repair (SOGR) backlog stands at well over \$40 billion. While the IIJA has provided a significant boost to our infrastructure, it is not a panacea.

The Northeast Corridor (NEC), a vital artery for commerce and connectivity, has seen significant advancements, reflecting the IIJA's commitment to modernizing our nation's infrastructure. Projects that were once visions on paper are now taking shape across the NEC, bringing with them enhanced safety, increased capacity, and improved reliability. These advancements are not merely improvements; they are the building blocks of a more prosperous future for the entire region.

However, the journey does not end here. The IIJA, while monumental, is but a stepping stone. There are still unaddressed needs within the NEC that require urgent attention—needs that were not within the scope of the IIJA. These include critical upgrades to aging infrastructure, major station development, expansion of capacity to meet growing demand, (both infrastructure improvements and the procurement of additional trains), trip-time and speed improvements, and the integration of innovative technologies to ensure the NEC remains a global standard-bearer for rail transportation.

CNEC urges Congress to recognize that the IIJA is a down payment on our infrastructure's future—a future that demands ongoing investment. The private sector is poised to continue its partnership with the public sector, working hand in hand to bring these generational projects to fruition. It is this collaboration that will ensure the success and sustainability of the NEC for years to come.

We call upon Congress to sustain its commitment to infrastructure investment. The NEC is not just a series of tracks and stations; it is the backbone of the Northeast's economy, supporting hundreds of thousands of jobs and serving as a critical conduit for commerce and mobility. Investing in the NEC is investing in the nation's economic vitality and competitive edge.

As we look to the future, let us do so with the understanding that infrastructure is the foundation upon which our society is built. It is the enabler of opportunity, the connector of communities, and the driver of innovation. The CNEC is dedicated to advocating for a NEC that meets the demands of today and anticipates the needs of tomorrow.

In conclusion, the CNEC thanks the committee for its attention to this vital issue and for its past support of the NEC. We implore you to continue championing infrastructure investment, recognizing that the prosperity of our region and our nation is inextricably linked to the health and functionality of the NEC.

Thank you for your consideration and for the opportunity to submit this statement for the record.

**Statement of James Tilley, President, Florida Coalition of Rail Passengers,
Submitted for the Record by Hon. Troy E. Nehls**

INTRODUCTION

My name is James Tilley. I am President of the Florida Coalition of Rail Passengers. The Coalition is a 501(c)3 and was formed in 1983 to preserve and to improve passenger rail service for Floridians and visitors to our state. Since FCRP's inception, we have been an all-volunteer organization made up entirely of citizen rail advocates. I am also a member of the Rail Passenger Association which advocates for passenger rail nationwide.

Prior to my retirement I held several positions dealing with railroad equipment including Vice President-Sales & Marketing for Bombardier's railcar financing affiliate. Additionally, I served as Vice President-Car Management for Genesee & Wyoming, an international holding company owning and operating more than 100 railroads. Finally, I was responsible for CSX Transportation's railcar leasing program as Assistant Treasurer.

THE SITUATION

There is a high probability that a shortage of long-distance cars will force Amtrak in the next several years to reduce service on its non-state supported National Network system. The shortage of bi-level Superliners will be most acute and will place the routes that use them—all seven in the West and two in the East—at greatest risk. Between FY19 and FY23, Amtrak scrapped ten of these cars and stored 35 more. Derailments since then—most caused by collisions with heavy trucks at grade crossings—have taken cars out of service faster than the Mechanical Department could repair them. As a result, Amtrak had 45 fewer Superliners in active service at the end of FY23 than it did before Covid and ten fewer than it had just two years ago.

Equally concerning is the probability that between now and the time Amtrak gets new equipment, future derailments will further reduce the number of serviceable cars.

When Amtrak will get this new equipment is uncertain. The current estimate—"early 2030s"—is both vague and years in the future. There is a good chance, also, that it will take much longer. Reflecting the complexity of Amtrak's RFP, the manufacturers invited to submit bids have already indicated they will not be able to meet the May 2024 bid deadline and Amtrak has, indeed, extended it. Nor have they confirmed that they can build the new equipment to Amtrak's specifications. Nippon Sharyo's failure to build a bi-level that meets American standards should raise a cautionary flag. In addition, the delays Amtrak has experienced with past equipment procurements make it prudent for management to anticipate—and plan for—the likelihood that delivery and commissioning of new equipment to take much longer than it currently expects.

DISCUSSION

The Five-Year Plan just released does not consider the reality of a permanently smaller long-distance fleet. Here are some examples:

- Achieving the goal of a 10% increase in long-distance seat miles in FY24 seems improbable. The Monthly Operating Report for January 2024 showed that the actual year over year increase in the first quarter was only 1.8%. That makes achieving a 10% increase for the year a bigger challenge—13% growth in each of the three remaining quarters.
- Achieving the goal of 4.44 million seat miles in FY29 seems equally unrealistic. That's 2% more than the 4.37 million seat miles Amtrak operated FY19 but with 58 fewer cars (Superliner, Viewliner and Amfleet II).

The FY25 Grant and Legislative Request similarly shows a lack of awareness of the serious long-distance fleet issues that exist today. This quote from the Request illustrates how detached from reality management seems to be.

"The company is not planning any reductions in Long-Distance service and does not currently anticipate having to temporarily decrease service frequency because of factors beyond the company's control (e.g., equipment and workforce limitations of the kind that temporarily affected service during FY22)."

Strangely absent from the request is any recognition, much less discussion, of the existing shortage of long-distance capacity that Mr. Gardner claims only additional federal funding can resolve. The silence is puzzling, deafening actually. It should be as obvious to management as it is to those of us outside Amtrak that in order for Congress to approve such funding, Amtrak's board and management must aggressively request it and dramatize the specific, positive benefits it will produce, and the negative consequences if it doesn't.

Despite ongoing work to restore previously discontinued long-distance routes and to upgrade both the Sunset Limited and the Cardinal to daily operation, Amtrak fails to mention or publicize the fact that the lack of equipment will remain an insurmountable obstacle for many years. Curiously, Amtrak, in its RFP for new long-distance equipment, directed prospective bidders to assume "*no increase in the scope of the existing long-distance network.*" Mr. Gardner has made it very clear that once Amtrak takes delivery of the new equipment, he has no interest in using any of the existing Superliner equipment to expand consists, increase frequencies, restore routes, or accommodate surges in traffic. Where he expects to obtain the additional equipment needed for any expansion remains a mystery.

Although the Mechanical Department exceeded its goal for overhauls in FY23, production was insufficient to reverse the downward trend the number of long-distance cars in the active fleet. Further, the goal for Superliner overhauls in the Annual Operating Plan for FY24 is 19% lower than the number actually achieved in FY23. In addition, Amtrak has kept more than a dozen Viewliner 1 sleeping cars stored, inactive for several years.

The Amtrak Inspector General recently reported how deficiencies in the way Amtrak manages its parts inventory impairs productivity in the Mechanical Department. It found that parts catalogs were inadequately detailed or provided inaccurate information. It especially criticized the practice of robbing parts from active cars to avoid late departures of other outbound trains, explaining that it caused significant dysfunction downstream including, for example, inaccurate information about actual quantities used that in turn resulted in either oversupply or out-of-stocks. Because mechanics were not always diligent about reporting that they had "borrowed" a part, reports overstated the number of cars actually ready for service. The adverse impact on morale in the Mechanical Department has been significant.

The OIG report confirmed many of the problems that I pointed out to Mr. Gardner when I met with him in New York nearly a year ago. Below is the recap of our discussion that I sent him in my letter of May 4, 2023.

"Internal Amtrak Sources Report that Field Personnel are hamstrung, and that industry is slow delivering current and prospective rail car orders.

- "Work orders and internal approvals that are needed to get work into and out of the shops are profoundly delayed."
- "Too many layers of managers and supervisors combined with a deeply broken set of processes for identifying problems and getting them fixed."
- "Industry is telling Amtrak, in general terms, that they might be able to begin fielding a first batch of new long-distance equipment in eight to 10 years."
- "Alstom is completely failing in delivering the new ACELA II train sets."

Allow me to share excerpts from an interview with former *Amtrak President David Gunn*, reported in *Train Newswire* on September 8, 2020, about the company's announced plan to cut most long-distance trains to triweekly operation. He predicted, correctly, that it would lead to a permanent reduction in the amount of serviceable rolling stock and cost the company the employee expertise necessary to run the system in the future.

"... with the way they are running the place [emphasizing cost cutting], the equipment not in use will be cannibalized, and you'll wind up with yards full of cars and locomotives full of missing parts."

"Mechanical people were being pushed to lower expenses," Gunn recalls. "If, say, an air compressor goes out and there's a piece of equipment parked there, you just grab something off of it instead of buying a new part. Your bottom line looks great to your bosses—for the short term—until you need that car or locomotive you just cannibalized."

"Congress thinks they're not subsidizing the Northeast Corridor except on capital, but the NEC is in more trouble than the long-distance trains," Gunn continues. "If you can't give Congress a reason for keeping the long-distance network together, then you can't give them a very good reason to subsidize that corridor."

On a related note, former Congressman Dan Lipinski summarized his views two weeks later on September 20, 2020.

“Too often it feels like Amtrak is happy to take money from Congress and then ignore Congress’ directives.”

CONCLUSION

I think it is fair to conclude that Amtrak can achieve the long-distance capacity and revenue goals contained in its latest Five-Year Plan only if it finds a way to increase the number of serviceable long-distance cars during the years between today and that uncertain time in the future when it can put new cars go into service. It needs to add such a plan—and the resources to execute it—to its planning documents and funding requests.

To paraphrase Benjamin Franklin, “Hope is not a plan, and no plan is a plan for failure.”

Federal Railroad Administration’s Corridor Identification and Development (Corridor ID) Program Selections, Submitted for the Record by Hon. Rick Larsen

The Federal Railroad Administration made Corridor Identification and Development selections that include routes in the following 44 states:

- | | |
|-------------------------|--------------------|
| 1. Alabama | 23. Mississippi |
| 2. Alaska | 24. Missouri |
| 3. Arizona | 25. Montana |
| 4. California | 26. Nevada |
| 5. Colorado | 27. New Hampshire |
| 6. Connecticut | 28. New Jersey |
| 7. Delaware | 29. New Mexico |
| 8. District of Columbia | 30. New York |
| 9. Florida | 31. North Carolina |
| 10. Georgia | 32. North Dakota |
| 11. Idaho | 33. Ohio |
| 12. Illinois | 34. Oklahoma |
| 13. Indiana | 35. Oregon |
| 14. Iowa | 36. Pennsylvania |
| 15. Kansas | 37. South Carolina |
| 16. Kentucky | 38. Tennessee |
| 17. Louisiana | 39. Texas |
| 18. Maine | 40. Vermont |
| 19. Maryland | 41. Virginia |
| 20. Massachusetts | 42. Washington |
| 21. Michigan | 43. West Virginia |
| 22. Minnesota | 44. Wisconsin |

APPENDIX

QUESTIONS TO STEPHEN GARDNER, CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK), FROM HON. TROY E. NEHLS

Question 1. Based on employee complaints, the Amtrak Office of Inspector General (OIG) conducted an investigation and issued a redacted report on criminal activities taking place at one of its facilities.¹ The report noted several security vulnerabilities at the site and further found that it may take years for Amtrak to implement adequate security measures.

Question 1.a. Please describe if Amtrak has addressed all the OIG's recommendations to address security vulnerabilities. If not, what is your timeline for completing them, to ensure a safe experience for both employees and passengers?

ANSWER. We are committed to addressing the OIG's recommendations and have already made significant progress:

- *Physical Security Upgrades:* Amtrak, through its Corporate Security (CS) and other groups, is actively working on security projects at seven of the ten facilities identified in the report. These projects encompass improvements like fencing, video surveillance, and access control systems. The targeted completion date for these projects is September 30, 2026, depending on the availability of federal funding.
- *Inventory Access Control:* Amtrak is implementing a new, more-stringent access control strategy for high-risk inventory facilities. All Materials Management locations across the country now have restricted access to internal customers, with some exceptions, using combination keypad access systems or Smart ID badge readers.
- *Monitoring Abnormal Inventory Use:* Amtrak has established within our Mechanical facilities a Production Control Team (PCT) responsible for monitoring inventory usage. The PCT generates reports to identify anomalies and investigate potential misuse. They also review material usage against planned maintenance needs. This process will be fully operational as of September 30, 2024.
- *Ordering Limits:* Amtrak is leveraging existing functionalities to implement ordering limits on inventory. Currently, limits are placed on total facility material orders and can be set for specific parts. We are working on further improvements to address limitations in multi-order scenarios and will utilize historical data to establish appropriate benchmarks. Full implementation of ordering limits is targeted for September 30, 2024.
- *Inventory Management Practices:* Weekly Integrated Supply Demand Planning (ISDP) meetings are being held to address material needs and usage across facilities. These meetings promote effective ordering practices and will be expanded to include all relevant Mechanical PM facilities. This initiative is already underway.

Amtrak is working diligently to address these identified vulnerabilities and is committed to keeping you informed of our progress. Thank you for your continued support of Amtrak's safety initiatives.

Question 1.b. It becomes difficult for law enforcement effectively provide security if police arrest criminal trespassers but prosecutors refuse to bring charges.

Question 1.b.i. How many instances of crime at Amtrak stations are perpetrated by repeat offenders?

ANSWER. While Amtrak does not currently publish specific data on the number of crimes committed by repeat offenders at stations, internal review shows for a

¹ AMTRAK, OFF. OF INSPECTOR GEN., OIG-MAR-2023-006, SAFETY AND SECURITY: OBSERVATIONS ON SECURITY AT THE [REDACTED] FACILITY (May 9, 2023).

three-year average, approximately 23 percent of incidents at Amtrak stations involve repeat offenders.

Repeat Offenders in APD Station Incidents by Calendar Year

	2022	2023	2024	Grand Total
Total Repeat Offender Incidents	369	533	245	1147
Total Overall APD Station Incidents	1788	2035	1054
% of Incidents Involving Repeat Offenders	21%	26%	23%

Amtrak actively uses the COMPSTAT process to analyze data and gain a clearer picture of recidivism rates and identify potential areas, or people of interest, for intervention.

Question 1.b.ii. Please describe the steps Amtrak is taking to ensure law enforcement on their trains and at their facilities have the resources they need to combat criminal activity.

ANSWER. Amtrak does believe generally that the criminal justice process, in some communities, could help achieve safer outcomes by pursuing charges for lower-grade offenses like trespassing.

This belief stems from the “broken windows theory,” which is founded on the experience that minor offenses, like trespassing, left unchecked lead to more serious crimes. This is a complex issue requiring an approach that addresses the root causes of crime and utilizes various strategies. While law enforcement cannot directly dictate prosecutorial decisions, we are committed to collaborative efforts that ensure public safety.

AMTRAK’S MULTIFACETED STRATEGY:

To effectively address trespassing and other lesser offenses, Amtrak and our APD has implemented a multi-pronged approach:

- *Enhanced Security Measures:* We are continuously investing in our security personnel and have achieved a nearly fully staffed Department. The use of canine detection teams and surveillance technology help support our significantly safe system.
- *Strengthened Partnerships:* Amtrak actively collaborates with law enforcement at the Federal level with DHS and DOJ and has a strong partnership with TSA. This collaboration involves joint patrols for improved visibility, information sharing and cross-training initiatives to ensure a coordinated approach.
- *Outreach Programs:* When local communities cannot adequately address critical issues like the those presented by the unhoused, APD has stepped up and engaged private social service providers to reduce quality of life issues at some key stations—in an effort by the Department and Corporation to stem “broken windows” that can lead to more serious crimes.

Question 1.c. What is Amtrak proactively doing at its facilities to address passenger and employee safety and security?

ANSWER. Amtrak, through its APD and other departments, prioritizes a data-driven, collaborative approach, emphasizing:

- *Modern Policing Practices:* Intelligence-led deployments, collaborative partnerships with stakeholders.
- *Investment in Officer Training & Well-Being:* Ongoing training, robust wellness programs.
- *Continuous Improvement:* Maintaining CALEA (Commission on Accreditation for Law Enforcement Agencies) accreditation, adapting to evolving threats.

ENHANCING SAFETY THROUGH DATA-DRIVEN STRATEGIES

We leverage data analysis to identify crime trends and strategically deploy personnel for a targeted response. This “precision policing” approach, based on the proven COMPSTAT model developed by Commissioner Bill Bratton and the NYPD, optimizes resource allocation and facilitates swift, effective interventions.

BUILDING TRUST THROUGH COLLABORATION

Amtrak recognizes the importance of fostering trust and partnerships with passengers, employees, and local law enforcement agencies. We achieve this through

targeted outreach programs that not only equip officers with the necessary skills but also strengthen relationships with the communities we serve.

INVESTING IN OUR OFFICERS' SUCCESS

Amtrak's Police Department prioritizes officer training and well-being. We offer comprehensive training programs in de-escalation tactics, cultural competency, and the latest law enforcement techniques. Additionally, robust wellness programs support the mental and physical health of our officers, ensuring they are well-equipped to handle the demands of their profession.

MAINTAINING THE HIGHEST STANDARDS

The APD maintains accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA), a rigorous process that guarantees adherence to the highest national standards for law enforcement agencies. This ongoing commitment to excellence ensures our policies, procedures, and operations are continually reviewed and optimized.

ADAPTABILITY IN A CHANGING LANDSCAPE

Recognizing that the nature of crime is constantly evolving, Amtrak remains agile in its approach. We consistently adjust strategies and resource allocation as needed to stay ahead of emerging threats and ensure the most effective use of resources.

ADDRESSING SPECIFIC CONCERNS

General National Trends

- *Violent Crime:* Homicides across America decreased 10% in 2023 compared to 2022, but remain 18% higher than pre-pandemic levels (2019). Aggravated assaults are down slightly from 2022 but still elevated compared to 2019.
- *Property Crime:* On the rise. Property crimes increased 7% nationally in 2022, with motor vehicle thefts showing the sharpest increase (11%).

While national crime trends may diverge from our experience, Amtrak proactively manages calls for service and officer activity data to pinpoint the causes of crime within the Amtrak system. This allows us to develop targeted solutions and address potential issues before they escalate.

Amtrak and APD's performance shows our focus and commitment:

Security Performance Over Time - Continuous Improvement							
Metric	FY20 Performance	FY21 Performance	FY22 Performance	FY23 Performance	FYD24 Performance	Variance to Current Goal	% Change FY20-FY24
Crimes Against Persons <i>Incidents per 100,000 passengers</i>	2.14	2.79	1.87	1.59	1.40	-3.39%	-35%
Crimes Against Property <i>Incidents per 100,000 passengers</i>	7.49	10.53	6.06	5.19	5.55	16.77%	-26%
On Board Train Security Operations <i>Incidents per 100,000 passengers</i>	5.14	11.96	7.01	4.75	5.15	18.60%	0%
Proactive Enforcement <i>Arrests per 100,000</i>	4.52	5.54	6.18	6.7	7.22	5.44%	60%

Amtrak is dedicated to providing a safe and secure travel experience for all Amtrak passengers and employees. Through our data-driven approach, collaborative partnerships, and unwavering commitment to officer training and well-being, we remain confident in our ability to continually improve passenger and employee safety across the Amtrak network.

Question 1.d. Fare evasion has become a major problem for many transit providers such as New York City's MTA and Washington, DC's WMATA. Does Amtrak track data on how many fare evaders they encounter each year or an estimate on how much revenue is lost as a result? If so, please provide the data for the past three years to the Committee.

ANSWER. Amtrak does monitor reported cases of fare evasion—those who attempt to ride our service without purchasing a ticket. We are currently pursuing an initiative to assess the impact of fare evasion on Amtrak operations and expect to have more data in the coming months. Given Amtrak's over 30 million passenger trips, fare evasion is not currently a significant cause of lost revenue. However, we are committed to enforcing fare rules and seeking additional opportunities to reduce this behavior.

Fare Evasions Reported to APD by Calendar Year

Train Route	2022	2023	2024 †	Grand Total
Grand Total	394	474	295	1163

† 2024 data represents the first 6 months of the calendar year

Question 1.e. Does Amtrak ensure that tickets are checked after each stop on a train? If not, please explain why.

ANSWER. Amtrak's conductors are required to check/scan each passenger's ticket after boarding the train. Conductors also "sweep" the train at each crew change point to ensure passengers are collected/scanned. In rare occasions, there may be situations where a conductor is unable to do so, such as working alone, or a scanning system failure. In those cases, the conductor would "force lift" all the tickets on the train. 'Forced Lift' is an automated back-of-house function that protects ticket revenue if conductors are unable to scan all tickets on the train. Unscanned tickets are processed by the 'Forced Lift' function, which triggers the revenue recognition process in Amtrak's accounting systems.

Question 2. As Amtrak ridership continues to increase post-COVID-19, it is essential that Amtrak continue to improve its service and, most importantly, its safety record. It is well known that grade crossings pose one of the high safety threats for both passenger and freight railroads.

Question 2.a. What trends has Amtrak seen in regard to grade crossing safety incidents?

ANSWER. Highway-rail and trespassing incidents account for 96.26% of all rail transportation mode fatalities. With regards to Amtrak trends, the bulk of train strikes occur on non-Amtrak controlled rail routes. Impacts with large industrial vehicles have been revealed as a significant source of risk due to the increased likelihood of customer and employee injuries and fatalities. 24 strikes with large industrial vehicles have occurred since FY 2021, and some of these strikes have resulted in major derailments. Congress's support for targeted Commercial Motor Vehicle grade crossing safety and awareness could be helpful in reducing risks here.

Question 2.b. How many safety incidents have occurred this past year that involved Amtrak trains?

ANSWER. Across the industry, grade crossing strike rates have remained flat. As pre-Covid highway vehicle and train traffic frequency returns, our grade crossing strike incidents have also returned to pre-pandemic levels.

Fiscal Year	Total Number of Strike Incidents (Entire Network, Including Host RR Track)	Strike Incidents (Amtrak Owned/Operated Track Only)	% of Total Incidents Resulting in Fatality
2019	151	1	34%
2020	133	0	32%
2021	97	1	25%
2022	151	2	33%
2023	158	1	30%

Question 2.c. What steps has Amtrak taken to improve its safety record at grade crossings?

ANSWER. Grade crossing incident reduction/elimination is an industrywide challenge beyond the ability of any one entity to address. However, Amtrak does believe that we have an opportunity and responsibility to influence decision making to improve safety in this space. Amtrak's efforts include:

- Adopting methods to identify and quantify hazards when highway and railroad operating conditions change.
- Improve identification and analysis of hazards before and after crossing incidents occur.

- Monitor and understand commercial and residential changes adjacent to our service routes.
- Strengthen external data sharing partnerships with large industrial vehicle companies, host railroad partners, law enforcement agencies, and local governments.
- Inform discretionary grant funding opportunities to allocate funds for crossing engineering improvements.

A practical example of how this approach improves safety on our service lines is present in Illinois on the Chicago to St. Louis corridor. On this route, Union Pacific, the Illinois Commerce Commission, Amtrak, and the Federal Railroad Administration have worked collaboratively to close 128 crossings since January 1st, 2000. Each crossing installation in high-speed areas on this route has been upgraded to include technology that communicates with approaching locomotives to warn of grade crossing appliance health. These efforts alone have resulted in a tangible improvement in grade crossing safety. On this route, there were 62 vehicle grade crossing strikes between 2000 and 2010. Between 2010 and 2018, there have been 38 grade crossing strikes with vehicles, with no grade crossing strikes occurring since 2018. The collaboration and investments observed and the results achieved are both exemplary and effective.

Question 3. “Amtrak Connect US,” proposes new corridor service for 16 states and expansion of service in 20 states at a cost of \$75 billion. Similarly, “Connect NEC 2037,” proposes more frequent service, connections to new markets, additional capacity, and reduced travel times on the NEC over 15 years.

Why has Amtrak chosen to dedicate resources to expanding service in unproven markets without first focusing on long-standing maintenance and safety improvements to the current system?

ANSWER. Amtrak Connects US was a visioning document developed by Amtrak in March 2021 to outline what expanded service could look like if funding was made available. The Infrastructure Investment and Jobs Act (IIJA) established the Federal Railroad Administration (FRA) Corridor Identification and Development Program (Corridor ID) to guide intercity rail development throughout the U.S. In December 2023, FRA selected 69 corridors to advance through Corridor ID. The expansion of service to new markets is being led and directed by FRA and the states, and Amtrak is supporting those corridors that choose Amtrak as an operator. 27 of the 69 corridors are existing routes, providing funding to improve the trip time, reliability, and frequency on those existing state-supported services. We believe that growing the intercity passenger rail network is a smart investment to strengthen mobility, improve the environment and support community development. While Amtrak’s first responsibility is to operate our current network as effectively as possible with the given resources we receive, we fully support the FRA’s efforts to develop new services, as smart network growth should allow Amtrak to both become more economically efficient over time and meet the changing needs of the United States as population grows, travel patterns change, and congestion continues in other modes of transport.

The Northeast Corridor Commission’s CONNECT NEC program is a capital investment plan to bring the NEC to a state of good repair and provide improvements that will result in a modern and resilient railroad with safe, reliable and more frequent service, with reduced travel time between communities. The program focuses first and foremost on replacing and repairing the aging, over 100-year-old infrastructure along the NEC. This includes major backlog projects such as Connecticut River Bridge Replacement Project (CT), Devon Bridge Replacement (CT), Saugatuck River Bridge Replacement (CT), Walk Bridge Replacement (CT), Pelham Bay Bridge Replacement Project (NY), East River Tunnel Rehabilitation Project (NY), Hudson Tunnel Project (NY/NJ), Sawtooth Bridges Replacement (NJ), Highline Renewal and State of Good Repair/ Dock Bridge (NJ); Susquehanna River Bridge Replacement Program (MD), Bush River Bridge Replacement Program (MD), Gunpowder River Bridge Replacement Program (MD), and Frederick Douglass Tunnel Program (MD). All of these projects were identified in the CONNECT NEC Program and received FY22–23 Fed-State Partnership-NEC awards.

In summary, both the FRA Corridor ID program and the NEC Commission CONNECT NEC Program dedicate resources to improve existing services and infrastructure.

Question 4. California just petitioned the Environmental Protection Agency (EPA) to allow it to implement its so-called In-Use Locomotive Regulation. This rule would effectively require all locomotives, including passenger locomotives, to operate in a

Zero Emissions configuration when operating in California. Currently, Amtrak does not operate electric trains in California.

Question 4.a. The public comment period on California’s proposed regulation closed in April. While all the other railroads submitted comments, Amtrak did not. Does Amtrak oppose this regulation?

ANSWER. Amtrak generally supports the aims of the proposed regulation—the transition away from carbon emissions in railroad industry—and has adopted its Net Zero Program as a pathway to eliminating greenhouse gas emissions by 2045. Amtrak’s commitment to sustainability is felt in California, as Amtrak has worked with its State partners to transition locomotives from traditional fossil fuel-based diesel to renewable diesel. While Amtrak supports CARB’s goal to transition from carbon emissions, it believes that this process should move forward in a way that maintains service and mobility in the industry and believes that its own Net Zero Program would be sufficient for accomplishing these goals.

Question 4.b. If the EPA approves CARB’s regulation, it could be adopted by a number of other states. What would this regulation do to the cost of providing that service?

ANSWER. Amtrak’s sustainability and environmental programs demonstrate that it is committed to reducing and eliminating its carbon footprint. This firm commitment means that Amtrak would be well-positioned to comply with the proposed regulation if it was approved by the EPA. Furthermore, while the original text of the CARB regulation could have threatened passenger rail viability in California, CARB provided passenger rail an alternative compliance option, the Alternative Fleet Milestone Option (AFMO), in its final regulation. If approved by the EPA, the flexibility provided by the AFMO will significantly reduce the cost to Amtrak of complying with the proposed regulation because it accords with the timelines already in place for Amtrak’s own sustainability goals.

That being said, Amtrak believes that its own Net Zero Program is sufficient in order to achieve the net zero emissions goals underpinning CARB’s proposed regulation. And Amtrak may incur additional expenses over its own programs if it needs to comply with CARB’s proposed regulation. While those expenses are speculative at this point, it is likely that any such expenses would be multiplied if other states adopted regulations similar to CARB’s.

Question 5. Amtrak recently put into service its new Venture cars on its San Joaquin’s Oakland to Bakersfield route in California. A recent media article noted that there is no dining service on the train, even though the full trip takes approximately six and a half hours.²

Question 5.a. Why is there no dining car service for such a long trip?

ANSWER. Amtrak partners with the San Joaquin Joint Powers Authority (SJJPA) and California State Department of Transportation (Caltrans) to operate the San Joaquins service. The SJJPA and Caltrans purchased and own the new Siemens Venture Cars used on the San Joaquins, and are utilizing the San Joaquins to pilot alternative food service delivery options with the new trainsets. Most of the items purchased in the café will be available in the future vending service.

Question 5.b. Why does Amtrak continue to post a Café Car menu on its website if the service is discontinued? The current notification that the service has been suspended is in small lettering. Should it not be clearer to passengers there is no dining car service?

ANSWER. The SJJPA and Caltrans are preparing a vending food service onboard their new Siemens Venture Cars which are operating on the San Joaquins intercity passenger rail corridor. The vending service will be provided on two cars per train and bring food service closer to the passenger and at a marketable price-point. As SJJPA and Caltrans prepare the vending service, the San Joaquins operating with the new Siemens Venture Cars are providing complimentary snacks and water to its passengers. As the new equipment is put into service, passengers may encounter trains with café service, or trains with complimentary snacks and water. To address any confusion caused by this mixed fleet, Amtrak and SJJPA have been working on different strategies to make passengers aware of the different café or food service options. The partners will continue to look for new ways to make this clearer to the passengers.

²Roger Rudick, *Review: Amtrak California Passengers are Starving for New Trains*, STREETS BLOG SF (Feb. 1, 2024), available at <https://sf.streetsblog.org/2024/02/01/review-amtrak-california-passengers-are-starving-for-new-trains>.

Question 6. Amtrak was on the path to profitability prior to the COVID-19 pandemic. However, Amtrak recently projected \$1 billion in annual losses through 2027, in its Five-Year plan through Fiscal Year 2027.

Question 6.a. Ridership has almost fully recovered to pre-pandemic levels. Please explain why Amtrak expects to post such staggering losses.

ANSWER. In FY2020, prior to the COVID-19 pandemic, Amtrak was on track to reach break-even on operations, with revenues exceeding operating costs. Amtrak has made significant strides in restoring ridership and revenue: both are above pre-COVID levels, and we anticipate continued increases as we work towards doubling our ridership by 2040. While our year-to-date revenues through May are nearly 5% higher than during the same period in FY2019, they continue to be impacted by reduced business travel since the pandemic, as virtual meetings have replaced many short-duration and short-distance business trips, and reduced capacity due to shortages of equipment and service disruptions not within our control.

Like other transportation providers, Amtrak's financial performance has been significantly impacted by inflation. The consumer price index has increased by 23% since 2019, and costs for many of the goods and services that drive Amtrak's operating expenses, such as diesel fuel, electricity and wages and benefits, have increased even more. Amtrak is also paying a larger share of the operating costs of state-supported routes due to updates in the methodology for allocating costs between Amtrak and states required by the IIJA, and incurring greatly increased costs in areas such as cybersecurity. The enormous increase in capital spending for major investments funded by the IIJA has been accompanied by many additional capital delivery-related costs that are considered operating costs under Generally Accepted Accounting Principles (GAAP).

Question 6.b. Does Amtrak have a plan for reversing this trend? If not, please explain how you can continue to ask the Federal Government for support and taxpayer resources without a strategy for profitability.

ANSWER. Yes, Amtrak does have a plan for our passenger train service to at least reach break-even by the end of the decade. This does not include operating costs associated with our capital delivery business, much of which we are doing as a result of enactment of the IIJA.

Question 7. In 2020, the Department of Justice (DOJ) and Amtrak reached an agreement which mandates that Amtrak create and implement an action plan to bring all service stations for which Amtrak is responsible into compliance with the Americans with Disabilities Act (ADA). As of 2024, only 30 percent of Amtrak stations are ADA compliant.

Question 7.a. How many stations operated or used by Amtrak are currently out of ADA compliance?

ANSWER. Amtrak serves 520 stations in the U.S., of which it has ADA responsibility for either the station, platform, or parking or combination thereof at 380 stations. Of those 380, 125 are compliant for the areas Amtrak has responsibility for as of the end of June 2024. There are an additional 67 where all but the platforms are compliant, and those platforms are under construction, in design, or scheduled to go into design.

Question 7.b. Does Amtrak have an action plan to bring service stations into compliance? If so, please provide a copy to the Committee.

ANSWER. Yes. For the remaining 265 stations Amtrak is executing the "ADA Sunset Plan", which is an annual submission to the FRA and DOJ that details Amtrak's plan to bring those stations into compliance. Amtrak's 2023 ADA Sunset Plan is attached. The 2024 Sunset Plan is currently in review with the FRA, and not yet final.

[Editor's note: Amtrak's 71-page "ADA Stations Program Sunset Plan" dated June 1, 2023, has been shared with Rep. Troy E. Nehls and is retained in committee files.]

Question 7.c. Does Amtrak have a timeline for implementation of this action plan? If so, when will all stations become compliant with the ADA?

ANSWER. Yes. Amtrak anticipates completion of the work in the ADA Sunset Plan by the end of 2029.

Question 7.d. If not, why and when can Amtrak be expected to be fully compliant with the ADA and fulfill its agreement with the DOJ?

ANSWER. Amtrak intends to fulfill its agreement with the DOJ by the end of 2029.

Question 8. An important feature of Amtrak stations is that these terminals are or can be developed into intermodal hubs for a variety of transportation modes that

connect and exchange passengers. This Committee would like to see Amtrak be a welcoming host to other transportation modes—both public and private.

What is Amtrak doing to encourage other modes to co-locate at its major terminals and will Amtrak be supportive of more intermodal access at stations you own or occupy?

ANSWER. Amtrak supports intermodal connectivity across our network in order to enable access to Amtrak services and encourage multi-modal trips. Amtrak currently provides intermodal connections at its large stations, with transfer opportunities to local transit, intercity buses, bikeshare, rideshare, taxis, and private cars. These stations include Amtrak's large hubs along the Northeast Corridor, including (but not limited to):

- *Boston South Station*, with connections to MBTA services;
- *New York Moynihan Train Hall*, with connections to NYC Transit, LIRR, and NJ Transit;
- *Philadelphia William H. Gray III 30th St Station*, with connections to SEPTA services, NJ Transit, and Martz buses; and,
- *Washington Union Station*—with connections to WMATA, MARC, and VRE, Greyhound, Megabus and more.

Beyond the Northeast Corridor, Amtrak also provides intermodal connections at numerous cities across the National Network, including (but not limited to):

- *Chicago Union Station*, with connections to both CTA and METRA;
- *Los Angeles Union Station*, with connections to LA Metro and Metrolink;
- *Dallas Union Station*, with connections to DART Light Rail and TRE;
- *Seattle King St Station*, with its connections to SoundTransit; and
- *Birmingham Station, AL* with connections to MAX transit and Greyhound.

Amtrak also provides intermodal connections to airports throughout its network, including direct station stops at Newark Liberty International Airport (EWR), Baltimore/Washington International Thurgood Marshall Airport (BWI), Milwaukee Mitchell International Airport (MKE) and Hollywood Burbank Airport (BUR). Furthermore, at select stations across its network, Amtrak provides direct rail to bus transfers through its Thruway service, bookable through a single fare journey, to extend its reach into communities off our passenger rail network, particularly in the upper Midwest, Rocky Mountains, Pacific Northwest, and across California.

Additionally, Amtrak is supportive of ensuring that passengers may continue to take advantage of these easy and convenient intermodal connections through its recent service additions and future planned projects. Some of these projects include:

- *Borealis Service*—launched in May 2024, *Borealis* brings passengers directly into Downtown St. Paul, Minnesota to Union Depot, where they can seamlessly transfer to Metro Transit's Green Line for further travel into Minneapolis and the Greater Twin Cities area. *Borealis* also connects riders to additional intermodal hubs, including Milwaukee Airport Station and Chicago Union Station. Since launching service, *Borealis* has served approximately 18,500 riders per month. It is anticipated to carry approximately 124,000 total passengers within its first year of service.
- *Goleta Depot*—Amtrak is working in cooperation with California State Transportation Agency, under the Transit and Intercity Rail Capital Program (TIRCP) to upgrade the existing Goleta, CA station along its Pacific Surfliner route into a full-service, multimodal facility. This new facility will create dedicated spaces for bus transit and local transportation services serving the Santa Barbara area, including the airport and University of California at Santa Barbara. The upgraded station will also see improved pedestrian access to the surrounding neighborhood (including full ADA compliance at the station), and dedicated bicycle facilities. By improving these important transit and pedestrian connections, both the city and Amtrak hope to increase station access and Pacific Surfliner ridership. Construction is anticipated to begin September 2024.
- *Detroit New Center Intermodal Facility*—Amtrak is working in cooperation with the Michigan Department of Transportation and the city of Detroit on a proposal to replace the existing Detroit Amtrak station and the current Greyhound depot with a consolidated intermodal facility with connections for rail, ridership, light rail, local transit and intercity bus.

Within the constraints of its operating requirements and the ability of our partner services or other stakeholders to appropriately share in the appropriate investment and operating costs, Amtrak strives to locate its new stations in areas with existing transit and intermodal access to facilitate easy and seamless transfers between its services and complementary transportation modes. When designing new stations, often with our state partners, Amtrak works to ensure that designs for new or renovated stations consider the potential for multi-modal access and connectivity for

both passengers within the facility and vehicles outside the facility. Doing so not only provides riders with the ability to continue their journey with as little inconvenience as possible, but also makes our stations and facilities easier and more convenient to access. Amtrak continues to work alongside its transit and intermodal transportation partners to ensure, together, that passengers may make these connections through clear signage and wayfinding, co-locating services within close proximity, and providing riders with ultimate choice in choosing their mode of transportation. Amtrak will continue to be supportive of enhancing multimodal access throughout our network and make possible connections that are efficient, feasible and convenient for customers and operators.

Question 9. Regarding Washington, DC Union Station, I understand Amtrak is in the process of acquiring large portions of the Station through eminent domain. Congress authorized the Union Station Redevelopment Act to create an independent Union Station Redevelopment Corporation (USRC) to develop the Station as an intermodal transportation hub as its primary mission (with economic development as a secondary mission).

Please describe how Amtrak respects the independent mission of the USRC board and supports a continued, expanding, and vibrant role for the other transportation modes at Union Station.

ANSWER. From its inception, Amtrak has been a strong supporter of and enabling partner to the Union Station Development Corporation (“USRC”) and its mission to redevelop and improve Washington’s historic train station headhouse. Amtrak has recently acquired, through eminent domain proceedings, the sublease interest (“Sublease”) of Union Station Investors, LLC (“USI”) at Washington Union Station (“Station”), which was USRC’s subtenant and Amtrak’s sub-sublandlord. USRC is now Amtrak’s sublandlord at the Station. USRC’s roles and responsibilities at the Station do not change. USRC’s Board of Directors (“USRC Board”) will continue to fulfill its oversight and governance obligations, as well as manage the station parking facilities and oversee the broad Station Expansion Plan. Amtrak will continue to work closely with USRC in our expanded role as USRC’s primary tenant as we continue to improve the experience of the traveling public.

Amtrak is now the subtenant of USRC. Amtrak is committed to ensuring the success of the Station and all modes of transportation located there. The Station is the second busiest station in Amtrak’s national intercity passenger rail network. Amtrak agrees that a successful and vibrant transportation center in Washington must preserve all of the modes of transportation presently at the station to serve the needs of the traveling public and the community that the station is located within. USRC’s Board will continue to fulfill its oversight and governance obligations, with Amtrak’s Board member being one of the five members of the USRC Board. As we have for the past 10-plus years that Amtrak’s Board member has served as the Vice Chair of the USRC Board, Amtrak will continue to work closely with other Board members to further the mission of USRC, improve the experience of the traveling public, and return the Station to a state of good repair and vibrant multi-modal transportation hub.

Question 10. You are set to take possession next month of the lease for the commercial space at Union Station. This will essentially make you the only tenant of the building. You have indicated in court filings and other venues that you plan to make some changes in the building. Please explain in detail what changes you plan to make at the station.

ANSWER. As stated above, Amtrak has acquired the Sublease and Amtrak is the subtenant of USRC. The Sublease provides for the subtenant to have overall management and operational control of the Station, in compliance with the terms of the Sublease. Any work Amtrak will do at the Station will be consistent with the terms of the Sublease as well as subject to the approvals required in the Sublease, by USRC and Federal Railroad Administration (“FRA”), as the authority having jurisdiction at the Station. Amtrak acquired the Sublease subject to all of the existing retail leases, licenses and other commercial agreements. All of these retail tenants and licensees continue to operate in the Station pursuant to the terms of their agreements.

More specifically, in the coming months, Amtrak plans to create temporary seating and waiting areas for passengers, improve ‘redcap’ services to assist customers, locate Amtrak customer service representatives throughout the Station, add temporary signage to guide passengers and visitors, and bolster security through both Amtrak police and contracted private security. Amtrak will balance the needs of the transportation public with streamlining changes to daily operations with the commercial enterprise of retailers offering goods and services to the travelling public as well as local residents.

Question 11. What percentage of the passengers who pass through the station every day are Amtrak passengers as compared to Metro, MARC and VRE? How would these changes benefit those passengers?

ANSWER. Any and all future changes that Amtrak makes at the Station, such as increased security and more passenger seating or waiting space, will be in consideration of the other stakeholders at the Station and will not diminish or negatively impact their operations. In fact, prior to Amtrak’s acquisition of the Sublease, MARC and VRE, have been, in effect, subtenants of Amtrak in the station, and all of the rail operations jointly shared the limited space made available under the sub-sub lease to Amtrak. Now as the Sublessee, Amtrak and these stakeholders have the opportunity and a mutual interest in developing a more vibrant and healthy Station that will benefit all of the traveling public. MARC and VRE, as well as Amtrak, are all seeing an increase in ridership, and their space needs at the Station are correspondingly increasing.

Amtrak Ridership

FY2023	4.7 M
FY2024 (through June 30)	4.1 M
FY2024 Average Daily Ridership (through June 30)	15,218

Virginia Railway Express Ridership

FY2024 Average Daily Ridership (through June 30)	2,600
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METRO Ridership

FY2024 Average entries per day (through June 30)	11,500
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MARC Ridership

FY2024 Average Daily Ridership (through June 30)	7,021
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Question 12. What is the role of your landlord, the Union Station Redevelopment Corporation, in the planning and execution of the changes you would like to make and the fulfillment of your responsibilities under the lease?

ANSWER. Amtrak has acquired the Sublease and Amtrak is now the subtenant of USRC. The Sublease clearly defines the area and services that Amtrak now controls. The Sublease provides for the subtenant to have overall management and operational control of the Station, subject to the terms of the Sublease including those related to the planning and execution of changes to the Station. Amtrak has the same roles and responsibilities at the Station as USI did. All of these retail tenants and licensees will continue to operate in the Station pursuant to the terms of their agreements.

Question 13. The fact that Amtrak will be the lessee of the building and the sublessee for the concourse facilities appears to create an inherent conflict of interest, and eliminates certain checks and balances. How can you perform both roles in a way that protects the interest of the riding public and the building owner—the American taxpayer? Please explain who is responsible for overseeing Amtrak, as the railroad, in its performance under the sublease for the concourse.

ANSWER. Amtrak’s acquisition of the Sublease actually creates a much clearer, balanced, and more conventional structure for management of the station, with no conflict of interest. Amtrak’s acquisition of the Sublease provides more checks and protections for the traveling public and the American taxpayer than have existed in the past. Like the prior Sublease holder, Amtrak will be subject to oversight by USRC. But unlike the prior Sublease holder, which was a private investor that did not have governmental oversight of its general activities within the station, Amtrak is subject to significant oversight by the Federal Railroad Administration (“FRA”) and Congress. Amtrak will continue to comply with the applicable terms of the Sub-

lease with USRC, and USRC will have oversight over Amtrak pursuant to the terms of the Sublease as Amtrak's sublandlord, as it did with USI.

Such an arrangement is not novel. Amtrak has experience in several large stations of both performing railroad operations and managing a station and commercial operations in a way that provides and enhances the transportation services and amenities for the traveling public and community surrounding the station. Amtrak has the same roles and responsibilities at the Station as USI did. Amtrak recognizes and agrees that as USRC's subtenant at the Station, Amtrak must comply with the applicable terms and conditions of the Sublease. USRC will maintain oversight of Amtrak through the terms and conditions of the Sublease. The only difference between USI and Amtrak in the Station is that Amtrak will now wear two hats—one as the manager/operator of the Station, and one as the intercity passenger train operator at the Station. This is not unlike several other transportation facilities Amtrak operates within like Chicago Union Station and New York Penn Station.

Question 14. What is your plan for following the requirement in the Union Station Redevelopment Act that the station be managed to maximize revenue flowing back into the building from the retail, office and food operations there? What, if any, specific experience does Amtrak have managing a mixed-use commercial real estate facility of this magnitude?

ANSWER. The USRA was put into place in the 1980s, with support from Amtrak, to save Union Station and address the need for the then-current redevelopment of the Station after the visitor center project was unsuccessful. Congress tasked the Secretary of Transportation ("Secretary") with "provid[ing] for the rehabilitation and redevelopment of the Union Station Complex primarily as a multi-use transportation terminal system serving the Nation's Capital, and secondarily as a commercial complex." 95 Stat. 1667, Second 112. In the 1980s, the United States Department of Transportation ("DOT"), in coordination with USRC and a private developer, redeveloped the Station. The USRA required that one of the goals of this redevelopment was to ensure "commercial development that will, to the extent possible, financially support, the continued operation and maintenance of [the] complex" but it did not mandate any specific mix of retail or business operations for that goal. Congress's policy statement at the start of the USRA states that "the purposes of this Act are to achieve the goals of historic preservation and improved rail use of Union Station with maximum reliance on the private sector and the minimum requirement for Federal assistance." Pub. L. No. 97-125, 95 Stat. 1667, § 2(7).

The USRA authorized, though did not require, the Secretary to enter into agreements with private entities to rehabilitate and redevelop Union Station and enter into lease agreements to manage and operate the property. It also set out as a goal "commercial development of the Union Station complex that will, to the extent possible, financially support the continued operation and maintenance of such complex" but it did not mandate any specific mix of retail or business operations for that goal. Congress expressly prioritized the USRA's purposes—it tasked the Secretary with "providing for the rehabilitation and redevelopment of the Union Station complex primarily as a multi-use transportation terminal system serving the Nation's Capital, and secondarily as a commercial complex." Thus, Amtrak's present and future goals for improving rail passenger service while maintaining the Station's commercial character are consistent with the USRA. In fact, Amtrak intends to work with USRC, FRA and DOT to invest the revenues from the Station back into the Station and is doing this because Amtrak has a vested interest in the success of the Station.

Question 15. The Federal Railroad Administration (FRA) conditioned their approval to permit Amtrak's use of Federal funding for the eminent domain proceedings on the need to renegotiate and restructure the lease with USRC, to the satisfaction of the FRA. This was intended to increase investment in the station, and improve capital project delivery, among other stated goals. With that being the case, what is the process for restructuring the lease and when will the restructuring be accomplished?

ANSWER. Amtrak appreciates the support that the FRA has provided for Amtrak's acquisition of the sublease, as well as its commitment to providing future funding. Amtrak reiterates its acknowledgment and agreement of this requirement and is planning to renegotiate a new sublease with USRC once the acquisition is complete as set forth in the 2022 FRA approval. The acquisition will only be complete once the eminent domain litigation has come to a close. We are looking forward to increasing the investment of revenues and other funds into the Station so that much needed state of good repair work, deferred maintenance work and capital improvements can be made to this important and historical facility.

Question 16. Looking ahead, there is a plan for Washington Union Station expansion. The Station Expansion Project recently received environmental impact approval and the Union Station Redevelopment Corporation (USRC) was designated the project sponsor. Given the magnitude of the planned project, it is apparent the USRC will be looking for the Federal Government to fund a significant portion of the project. At present, the USRC is not directly eligible to apply for Federal grants. As a member of USRC's Board of Directors do you think they should be made directly eligible to apply for and receive grants so they can fully serve the function as the project sponsor?

ANSWER. Amtrak reiterates its support for USRC as the Project Sponsor for the Washington Union Station—Station Expansion Project (“SEP”) and its support for USRC being made directly eligible to receive grants and other funding from the federal government for the SEP. Until this occurs, Amtrak is continuing to work closely with USRC and FRA to fund short-term smaller projects required prior to the full SEP implementation.

Question 17. I was glad to read in your testimony about the need for Amtrak to demonstrate it is a responsible steward of taxpayer funding given the historic levels of funding provided by the Infrastructure and Investment Jobs Act (IIJA). Unfortunately, there are numerous reports of Amtrak employees and others abusing their positions and Federal funding for personal gain. Examples include employees receiving bribes for Federal contract benefits, pandemic relief fraud, and misusing Amtrak resources, among others.³

Please describe Amtrak's plan to prevent these instances in the future and assure taxpayers the funding it receives will be used in the most effective manner possible.

ANSWER. At Amtrak we are committed to maintaining the highest ethical standards in all our activities. Throughout the years we have taken proactive steps to prevent fraud and corruption within our organization through several initiatives and programs:

- *Our Ethics Program:* Amtrak has long had an Ethics Office led by our General Counsel. The Ethics Office provides advice to employees on ethical concerns and administers our annual Conflicts of Interest reporting process.
- *Amtrak's commitment to OIG collaboration:* Amtrak is proud to have developed a successful, proactive, and transparent collaboration with our OIG partners. Leadership routinely interacts with OIG Audits and Investigative teams throughout their engagements and prepares written responses to their findings and recommendations. Leaders in Risk Management leverage information gathered during OIG investigations and institute changes to prevent or deter similar fraud or misconduct.
- *Fraud Management Program:* Amtrak's fraud mitigation strategy involves upholding ethical corporate culture and employing oversight of expenditures of federal funding. Recently, Amtrak has implemented several items explicitly aimed at strengthening the Company's fraud prevention posture.
 - *Fraud Awareness and Prevention training:* Designed to encourage reporting of misconduct and empower employees to observe and respond to fraud threats and/or incidents. This course is required during onboarding and annually thereafter.
 - *Anti-Fraud Policy:* Support's Amtrak's fraud prevention, detection, and response efforts. The policy sets expectations of conduct and establishes actions taken in response to fraud allegations and substantiated misconduct. When fraud or serious misconduct such as abuse of position is substantiated, Amtrak takes appropriate disciplinary action, up to and including termination of employment.
 - *Fraud & Ethics Campaign:* Working with Amtrak's leadership to organize activities to raise awareness of fraud risks and encourage ethical decision-making.
 - *Employee Hotline and Internal Investigation:* Enhancing intake and investigation standard operating procedures and guidance to improve efficiency and effectiveness of the process.
- *Strengthening its contract management governance structure:* Amtrak's approval processes for billing, payments, and disbursements are designed so that appropriate authority limits and segregation of duties are exercised, which limits the opportunity for funding to be misspent. Amtrak is currently strengthening its

³See various Amtrak OIG Investigative Reports, available at <https://amtrakoig.gov/investigation-reports?page=0>; See also, *Contractor on Amtrak Philadelphia station project faces bribery charges*, TRAINS.COM, (Mar. 6, 2024), available at <https://www.trains.com/trn/news-reviews/news-wire/contractor-on-amtrak-philadelphia-station-project-faces-bribery-charges/>.

contract management governance structure and policies and procedures, which will provide ongoing support and oversight for Capital Projects funded by IIJA.

- *Strengthened corrective action management:* Amtrak actively strengthened risk mitigation practices by tracking OIG findings, capturing measurable, achievable solutions, creating accountability, and reporting closed items back to OIG. This process ensures that we follow through on our commitments in order to maximize the value from the reports.
 - *Implemented an Internal Audit Function:* Amtrak established an internal systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
 - *Implemented Compliance Function:* Ensures Amtrak is in compliance with its outside regulatory and legal requirements as well as internal policies and by-laws.
 - *Integrated Risk and Compliance Function (IRCP) Cross-functional Collaboration:* Risk, Compliance, and Internal Audit leaders meet regularly to discuss enterprise risks and controls and to develop tactics to enhance risk and compliance culture.

Question 18. In your testimony, you discuss Amtrak's new role in implementing several large capital projects funded through the IIJA. What has been Amtrak's experience in the permitting approval process for these projects and are there areas where these processes can be expedited while preserving environmental and other protections?

ANSWER. Through Amtrak's recent experience in implementing these large-scale capital projects, we have observed some aspects of the permitting process that could be improved which we believe could result in expedited review times.

First, Agency understaffing can result in permitting delays. We recently had a project in Connecticut where the only agency personnel available to review our permit application were based in Alaska, and they were assigned to the project several months after the agency received the application and existing staff could not substantially progress the review.

Also, there is a need for agencies to develop Programmatic Consultation Pathways that can reduce the time spent consulting with outside resource agencies such as SHPOs or other state or federal environmental agencies.

Our last suggestion would be to standardize and increase delegation to states and other agencies which should result in more predictable, coordinated permit review requirements and timelines. Amtrak also believes that agency delegation of authority to Amtrak to lead EIS projects under NEPA would make for a more efficient process overall, without compromising environmental protections.

Question 19. Given the historic level of Federal investment in our transportation infrastructure through the IIJA, Congress and American taxpayers have an interest in understanding where these investments are being made and how funding is allocated across the country.

Question 19.a. Please describe the decision-making process that Amtrak has used for how IIJA funding for Amtrak's National Network has been allocated to specific locations, routes, and projects.

ANSWER. IIJA Supplemental funds appropriated to Amtrak were allocated to projects based on Amtrak's priorities, and in accordance with IIJA eligibility requirements. Funds were allocated for:

- acquiring new rolling stock to replace obsolete passenger equipment used by Long-Distance and State-Supported services, plus rehabilitations, upgrades, or expansions of facilities that maintain / store such equipment;
- bringing Amtrak-served stations into full ADA compliance;
- eliminating the deferred capital work backlog for Amtrak-owned non-NEC railroad assets; and,
- eliminating the backlog of obsolete Amtrak national rail passenger transportation system assets (e.g., systems for reservations, security, training centers, and technology).

The first two eligibility requirements align with Amtrak's ongoing efforts to replace fleet and related facilities work (acquisition of Airo and Long-Distance equipment and ALC-42 locomotives) and the ADA program. These projects account for the majority of the funding available, totaling \$14B out of \$15.6B available (\$16B net of the FRA and other take downs). The remaining funding was allocated to key digital technology priorities to eliminate the backlog of obsolete national assets, as well as to set up a programmatic contingency as required by the FRA. The following table summarizes the projects funded by the \$16B of National Network IIJA Supplemental funds.

Project/Program \$ in millions	National Network
Fleet (Airo, Long Distance, ALC 42)	9,861.0
Facilities (Maintenance and Crew Base)	2,726.7
Fleet and Facilities Program Management	103.5
ADA	1,290.0
National Assets Backlog	
Enterprise Asset Management	123.3
S4 HANA Implementation	200.0
Other Digital Technology Priorities	278.1
Operating Appropriate Cost	51.7
Programmatic Contingency	1,015.8
Total	\$15,650.0

Question 19.b. What is the sequence of approvals that occur within Amtrak leading up to the decisions about how and where funding is allocated?

ANSWER. Projects were approved at the department level. IIJA Supplemental funding for projects was discussed with Amtrak Finance, and the selection of projects to be programmed was discussed with and approved by the Amtrak Executive Leadership Team (ELT), and communicated to the FRA via the IIJA Supplemental Detailed Spend Plan. Projects were included in Amtrak's Annual Operating Plan (AOP) which is ultimately approved by Amtrak's Board of Directors.

Question 19.c. What role does the Amtrak Board of Directors play in this approval process?

ANSWER. Amtrak's Board approves the AOP. Amtrak's Board was also briefed specifically on the projects using the \$22B of IIJA Supplemental appropriations, and how the projects were selected.

QUESTION TO STEPHEN GARDNER, CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK), FROM HON. RUDY YAKYM III

Question 1. I understand that the Commuter Rail Coalition is proposing that the Surface Transportation Board act as the neutral third party to address disputes between Amtrak and commuter railroads. Does Amtrak support the CRC's recommendation? If not, why not?

ANSWER. It is not clear what CRC is recommending. Under existing law, the Surface Transportation Board is already responsible for adjudicating disputes between Amtrak and commuter railroads regarding compensation for continued commuter railroad operations on the Amtrak-owned portion of the Northeast Corridor and its branches and Amtrak-owned trackage in Chicago (49 U.S.C. 22903(c)(2)); Amtrak's access to commuter railroad-owned lines and facilities for existing and additional operations (49 U.S.C. 24308); and implementation of and compliance with the methodology for allocating Northeast Corridor costs between Amtrak and commuter railroads (49 USC 24905(c)(4)).

QUESTIONS TO STEPHEN GARDNER, CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK), FROM HON. STEVE COHEN

Food and Beverage Service

Question 1. In the Food and Beverage Working Group's report submitted to Congress, the group found that "delivering consistently good service is not achievable without first fixing the systems that are in play behind the scenes." The group de-

veloped more than 30 recommendations to improve onboard service, including opening dining cars on all trains for all passengers regardless of ticketed class. In November, Amtrak submitted its implementation plan for the recommendations of the Food and Beverage Working group.

Question 1.a. Can you summarize Amtrak’s progress toward implementing each of these recommendations?

ANSWER. Overall, Amtrak was aligned with most of the Food and Beverage Working Group’s (FBWG’s) high-level recommendations. Some activities related to the recommendations were already underway at the time of Amtrak’s response to the original FBWG report, or will be completed in FY24 and FY25. Other recommendations would require additional funding if they were to be advanced and, in those cases, Amtrak’s response suggested that we would work with our partners to secure additional funding from Congress. Accordingly, the company’s FY25 annual grant request seeks [https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/reports/Amtrak-General-Legislative-Annual-Report-FY2025-Grant-Request.pdf] \$27 million above base needs for relevant activities, in the form of a “Food & Beverage Service Improvements” modernization initiative; progress on many items will depend on whether such funding is provided. At the time of this response, the Fiscal Year 2025 Transportation, Housing and Urban Development, and Related Agencies appropriations bill that passed the House of Representatives Appropriations Committee on July 10, 2024, proposed reducing Amtrak’s annual appropriation by more than \$300 million and did not include any of the requested funding to implement the aforementioned food and beverage investments.

The non-exhaustive list below, covering twenty near-term recommendations discussed in Amtrak’s response to the FBWG report, discusses selected actions for which progress is possible without additional funding:

FBWG Recommendation	Sample Actions & Sample Action Statuses
1. Enhance Customer F&B Experience	<p>Hold “platform calls” (virtual meetings among F&B leadership, supervisors, and frontline OBS employees) that are focused on identifying problems with and improving food service onboard Amtrak trains and in the Metropolitan Lounges—<i>Complete</i> (Platform calls are being held on a regular cadence.)</p> <p>Hire regional chefs—<i>Under Review</i> (Hiring of regional chefs is under review (not included in FY 25 plan).)</p> <p>Install new multi-mode (impingement, convection and rapid cook) cooking devices in new Acela and Airo equipment—<i>In Progress</i> (Technical specifications are complete and new equipment is included in the procurement for Acela and Airo equipment.)</p>
2. Establish Comprehensive F&B Experience	<p>Carry out at-seat ordering pilot—<i>Complete</i> (No plans to expand due to limited customer take rate and no revenue upside—but note that customers who did use the service during the pilot program rated it very highly, especially when we tested a delivery-to-seat model.)</p>
3. Food Safety Compliance via Clear and Complete Ingredient Listing.	<p>See answer in FBWG Implementation Plan. (Ingredient lists are generally available online or on the packaging of the food/beverage item.)</p>
4. Install and Operate Satellite WiFi on All Amtrak Trains.	<p>Initiatives to improve onboard Wi-Fi service—<i>In Progress</i> (Amtrak recently issued requests for information (RFIs) regarding opportunities to advance high-speed Wi-Fi connectivity along the Northeast Corridor; based on what Amtrak learns from these NEC-focused RFIs, we will consider options to bring modern, reliable Wi-Fi to trains throughout the country.)</p>
5. Ongoing Oversight	<p>See #1 (“platform calls” action), #17, & #20.</p>
6. Retrofit Existing Cars and Maintain Fleet	<p>Refresh Superliner food service cars (e.g., galley equipment and dining car banquettes)—<i>In Progress</i> (Superliner equipment has active refresh projects in place.)</p>
7. Align Amtrak and Aramark Staff Roles	<p>See #1 (“platform calls” action).</p>
8. Waste Control and Recycling	<p>Introduce a new NEC recycling initiative (using on-board cleaners to collect F&B bottles/containers and other recyclable items)—<i>Complete</i> (New procedures issued and en-route cleaners are actively recycling, using two separate bags for collection.)</p>

FBWG Recommendation	Sample Actions & Sample Action Statuses
9. Define Vision/Strategy for All Three Service Lines.	Publish new five-year plans— <i>Complete</i> (The most recent plans were published in March, and lay out strategies and/or goals for each of Amtrak’s three operating service lines.)
10. Align Amtrak’s Onboard Service Culture	See #1 (“platform calls” action).
11. Establish a Rapid Cycle Process	See #1 (multiple actions).
12. Upgrade OBS Employee Training	Introduce new hospitality training for F&B and other customer-facing employees— <i>Complete</i> (New training program up and running; 700 employees already trained.)
13. Celebrate the Wins	Increase stakeholder communications and keep Congress apprised of important developments— <i>In Progress</i> (Periodic F&B update transmitted to Congress as part of FY 25 grant request; multiple press releases issued regarding F&B developments (e.g., May 2024 reinvention of Café Acela menu).
14. Long-Distance—Open Dining Car to All Passengers.	Monitor performance of traditional dining on Silver Service trains (recently added and made available to Coach class passengers) to determine if a similar service model could be adopted on other routes (not in FY 24 plans)— <i>In Progress</i> (Operating and customer satisfaction data are being gathered and analyzed; however, there were significant costs associated with adding a chef on these two routes. Additional funding via Amtrak’s annual grant would likely be needed in order to expand traditional dining to other routes.)
15. Increase Revenue While Meeting Needs	Fully exploring opportunities may require additional funding.
16. Localize Product Onboarding and Removal for Regional and State-Supported Routes.	Facilitate increased state partner involvement in F&B service on State-Supported routes via numerous initiatives, including issuing guidelines for adding new F&B products to facilitate addition of regional F&B items requested by states— <i>In Progress</i> (Process being evaluated; in the meantime, steps are already being taken to expand local product offerings where feasible (e.g., through introduction of local products on the Pacific Surfliner in Q3 2024.)
17. Expand Quality Control Efforts	Hire additional American Railway and Airway Supervisors Association (ARASA) supervisors to improve F&B quality with special attention to food preparation and service delivery— <i>In Progress</i> (ARASA supervisors riding the trains on a regular basis.)
18. NEC/Acela—Revitalize Acela	Make permanent the food service cart on selected Acela frequencies— <i>Complete</i> (cart service expanded from two to three carts; now available on six frequencies five days a week.) Implement STARR Restaurant partnership to elevate the Acela first class menu— <i>Complete</i> (Partnership well-established.)
19. Creation of a Modernized Amtrak Customer Advisory Committee.	See #20.
20. Amtrak Food and Beverage Advisory Committee.	Amtrak agreed on the creation of a Food and Beverage Advisory Council with membership from the same stakeholder groups as the FBWG. This Council is intended to meet annually to review progress of the implementation plan and to keep the dialogue ongoing between stakeholders, as established during the working group’s activities. Its first meeting has not been scheduled yet.

Amtrak can set up briefings should any members wish for updates on more potential actions discussed in Amtrak’s response to the original FBWG report, or on the report’s longer-term recommendations.

Question 1.b. How does Amtrak plan to define and implement a comprehensive vision and strategy for its food and beverage services across Long Distance, State-Supported, and Northeast Corridor/Acela service lines?

ANSWER. Amtrak’s reply to the report of the FBWG includes both 1) a high-level discussion of overall needs, benefits, and challenges relating to food and beverage service, and 2) responses to twenty-one discrete recommendations included in the

original report. This document is the most detailed and up-to-date discussion of Amtrak's food and beverage plans currently available. Many of the constituent responses contain information on specific plans for improving food and beverage service; the report also provides information on whether the feasibility of a given improvement depends upon the level of funding provided by Congress.

Additional information can be found in various public documents, as mentioned in the FBWG response. Pursuant to 49 U.S.C. § 24320, Amtrak publishes five-year plans for its service and asset lines every other year. The most recent plans [<https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Amtrak-Service-Asset-Line-Plans-FY24-29.pdf>] were published in March and lay out strategies and/or goals for each of Amtrak's three operating service lines (Northeast Corridor, State-Supported, and Long-Distance); each of these strategies discusses planned improvements to food and beverage service. Additionally, we typically include a food and beverage update in our annual grant request [<https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/reports/Amtrak-General-Legislative-Annual-Report-FY2025-Grant-Request.pdf>] to Congress; that update covers both recent and forthcoming initiatives. Both our five-year plans and our grant requests are publicly available online at: [Amtrak.com/reports](https://www.amtrak.com/reports).

Subject to resource constraints, Amtrak works to implement the strategies articulated in our five-year plans; more funding would enable us to do more, and our FY25 grant request specifically seeks \$27 million for "Food & Beverage Service Improvements" above and beyond our base needs. Assuming that base needs are fully met, if Congress provides these additional resources, we will be able to advance "actions that were favorably discussed in Amtrak's response to recent Food & Beverage Working Group (FBWG) recommendations, but for which necessary funding is not currently available"—potentially including further expansion of traditional dining.

Should members wish to receive more detailed information on current plans and opportunities, Amtrak can set up briefings.

Corridor ID Program

Question 2. The Federal Railroad Administration awarded a Corridor ID program grant to the Atlanta-Chattanooga-Nashville-Memphis Corridor, which would provide new service and connect these four major cities in Tennessee and Georgia.

Question 2.a. How is Amtrak supporting state and regional partners in the initial planning stages of the Corridor ID program as they develop the scope, schedule and cost estimate of the corridor?

ANSWER. Partnering with Amtrak in Corridor ID means we can provide technical assistance with many of the corridor planning activities. In Step 1, selecting Amtrak as the operator will drive many elements of the Step 2 Statement of Work and Service Development Plan (SDP) resources. Amtrak can provide specific technical resources in the SDP to help project sponsors develop ridership and revenue estimates as well as Sec. 209 operating cost estimates. These technical resources can be used instead of or in addition to consultant support. Amtrak is also developing methodology reports for these technical elements and has submitted them to FRA as a generic deliverable. Once approved they can be made corridor specific. Once the SDP begins, Amtrak staff can participate in technical review meetings of a technical advisory committee or to address specific questions regarding the different elements of a service development plan. Amtrak is also developing a SharePoint site with Corridor ID support tools to assist corridor partners as they navigate the Corridor ID Program. It will include overview information, such as: what is required to be a state-supported service, agreement templates and technical support for developing ridership, and revenue and operating cost estimates.

Question 2.b. What challenges has Amtrak encountered in assisting with the Scope 1 process, and what measures are being taken to mitigate these challenges?

ANSWER. To date we have not encountered challenges in assisting with Step 1 processes.

QUESTIONS TO STEPHEN GARDNER, CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK), FROM HON. HENRY C. "HANK" JOHNSON, JR.

Question 1. In my home state of Georgia, there are four long-distance trains with an on-time performance between 67% and 49%. We have heard plans for Amtrak to expand its service into Middle, GA, where many residents don't have access to passenger rail.

Question 1.a. What are the major obstacles to improving on-time performance on these new routes?

ANSWER. Amtrak services that operate through Georgia all suffer poor on-time performance throughout their route due to Amtrak's lack of control over the railroad beyond the Northeast Corridor. On nearly all of the National Network, Amtrak trains operate over other railroads ("Host Railroads") and are subject to their dispatching and operating rules. Over two thirds of delays incurred by Amtrak's long-distance services are caused by Host Railroad-related activities. The most common and impactful delays stem from prioritizing freight trains over Amtrak passenger trains and routing Amtrak trains through slower sections of track, among others. Improving on-time performance on existing Amtrak routes and ensuring healthy on-time performance on any future services generally requires better cooperation from host railroads to reduce delays to Amtrak trains.

Question 1.b. Can you talk about any plans to add additional routes in Georgia to increase access to surrounding states?

ANSWER. FRA is leading a Long-Distance Study which is evaluating the restoration of Long-Distance services and potential new services, greater than 750 miles. The Agency has identified 15 potential routes, three of which would serve the state of Georgia: Chicago-Miami, Houston-New York, and Dallas/Fort Worth-Atlanta. FRA will be issuing its report by the end of this year which will provide its long-term vision and identify funding that will be needed to move the recommended routes forward.

In addition, FRA selected three routes serving the state of Georgia in the Corridor Identification and Development Program (Corridor ID): Atlanta-Charlotte, submitted by the North Carolina Department of Transportation; Atlanta-Savannah, submitted by the Georgia Department of Transportation; and Atlanta-Chattanooga-Nashville-Memphis, submitted by the City of Chattanooga, Tennessee. While Amtrak has not been officially selected as the operator of these prospective services, we are excited for the future they represent for Georgia and the southeast. For any Corridor ID participants that select Amtrak as an operator, Amtrak will support those corridors in Step 2 of the program to provide the resources to assist in creating a Service Development Plan, including ridership, revenue, and operating cost analyses, as well as other technical support as needed.

QUESTIONS TO ANTHONY COSCIA, CHAIR OF THE BOARD, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK), FROM HON. TROY E. NEHLS

Question 1. How does the Amtrak Board set metrics for bonus awards that reflect meaningful performance goals, and what alternatives for incentive structures were considered and ruled out? Please provide the Committee with a copy of the metrics used to evaluate the latest round of bonuses awarded to Amtrak executives.

ANSWER. Congress expects Amtrak to improve service, increase productivity and maximize resources. Our incentive programs, like those of Publicly Traded Companies and other Government Sponsored Enterprises, support improving performance, reducing costs, and attracting and retaining the talent needed to deliver on these goals and is an "at-risk" program, meaning this compensation is not available if the company or individual underperforms.

This reward structure aligns with the marketplace for talent, as nearly 100% of large companies offer similar at-risk pay programs versus the more costly alternatives often found in the public sector that are not related to entity or company performance like retiree healthcare and pension plans.

SETTING METRICS

- Amtrak's Board of Directors approves Amtrak's Strategic Blueprint every 5 years (FY24–FY28) and Annual Operating Plan (AOP) at the beginning of each Fiscal Year that includes financial and operational metrics for short term and long-term success.
- The Amtrak Board, which is an independent governing body distinct from Amtrak's Executive Leadership Team (ELT), makes decisions from a position of financial stewardship with the long-term health of the company in mind and alignment with similarly sized comparators in Amtrak's industry as well as Government sponsored enterprises.

- Before the Board considers metrics for the short or long-term incentive plan for a given Fiscal Year, it first approves the company’s financial and operating plans.
- Amtrak’s ELT, in collaboration with an external compensation consultant, proposes short- and long-term incentive metrics to the Board driven by, and aligned with, the company’s financial and operational plans, with metric weights that align with similarly sized comparators in Amtrak’s industry as well as Government sponsored enterprises.
- In approving short- and long-term metrics, the Board considers current and anticipated industry conditions, prior company performance, and Amtrak’s 5-Year Strategic Blueprint.

MEANINGFUL PERFORMANCE GOALS

Amtrak’s Short-Term Incentive (STI) and Long-Term Incentive (LTI) program are based on performance metrics that are tied to the company’s overall metrics of delivering more trains to more places safely and with improved customer satisfaction and doing so with increasing financial and operational efficiency (lowering operating losses and reducing delays).

Like Amtrak’s comparator companies, that means leveraging incentive plans to place the largest focus (weight) of company performance on improved financial performance and the remaining focus on key customer service and operation metrics within Amtrak’s Strategic Blueprint that drive enterprise value that will benefit long-term financial performance.

The Government Accountability Office (GAO) and Congress encouraged Amtrak to develop a pay for performance incentive program for Amtrak management employees tied to achieving goals (Passenger Railroad Investment and Improvement Act (PRIIA) of 2008, Sec. 223). Amtrak also moved managers from end of year fixed cost of living adjustments to variable salary increases driven by merited performance.

In FY23 Amtrak delivered the following meaningful performance:

- *Ridership*: ~25% increase over FY22 to 28.6M with Q4 NEC ridership above pre-pandemic levels with resumed service on all routes suspended during the pandemic plus more trains on Northeast Regional, Piedmont, and Amtrak Cascades routes
- *Major Infrastructure Investment*: ~\$3B, largest annual capital investment ever creating 4,800 new hires to support service, growth
- *Adjusted Operating Earnings*: ~\$130M improvement over FY22, driven by strong revenue [Total Operating Revenue—20% increase over FY22, \$3.4B across all service lines (state, NEC, long-distance)] and cost containment

Our FY23 Short-Term Incentive Plan drove and is directly tied to these results:



- *Delight our customers*: Measured by Customer Satisfaction Index (in line with expectations given business conditions, but 0.4 points lower than aggressive threshold; no award)
- *Drive Transformation*: Measured by minimizing Amtrak Caused Delays eliminating ~50K minutes of FY23 delay (14 minutes per 10K train miles which was better than targets set)
- *Grow the Business*: Measured by lowering Adjusted Operating loss (~\$90M better than target)
- Resulted in award for company performance of ~88% which was 22% lower than the average market award of ~110%

Key Action	Metric	Threshold (75% Award)	Target (100% Award)	Superior (130% Award)	Results (FY23)	Award % (FY23)
Delight Our Customers	Customer Satisfaction Index (CSI); *30% Weight	80.0	81.0	82.0	79.6	0.0% = 0% x 30%
Drive Transformation	Amtrak Caused Delays (Minutes per 10,000 miles; *20% Weight)	463 Minutes	445 Minutes	418 Minutes	431 Minutes	23.1% = 115.6% x 20%
Grow the Business	Adjusted Operating Income (# Passengers; 50% Weight)	(\$885 M)	(\$859 M)	(\$773 M)	(\$772 M)	65.0% = 130% x 50%
Total of 88.1%						= 0.0% + 23.1% + 65.0%

Our 2021 Long-Term Incentive Plan (FY21–FY23) was also directly tied to these results and was an aggressive plan set during the depths of COVID when recovery was uncertain; despite this, Amtrak achieved results exceeding all but one target:

- *Drive Transformation*: Measured by delivering more trains to more places (3.2M more riders than target and 17M more riders than FY21) and efficiently deploying more capital with internal workforce which excludes large purchases (was within 5% of target over the 3-year period and more than \$1.5B more capital than the prior 3 fiscal years)

- *Grow the Business*: Measured by returning the NEC to profitability since COVID (~\$165M higher than target and \$475M in more income than FY21)
- Resulted in award for company performance of ~111% which was 1% lower than the average market award of ~112%

Key Action	Metric	Threshold (75% Award)	Target (100% Award)	Superior (125% Award)	Results (FY23)	Award % (FY23)
 Drive Transformation	Internal Capital Spend (\$Ms FY21)	\$1,390 M	\$1,590 M	\$1,765 M	\$1,023 M	0.0% = 0% x ~11.1%
	Internal Capital Spend (\$Ms FY22)	\$850 M	\$900 M	\$1,000 M	\$990 M	-13.6% = -122% x ~11.1%
	Internal Capital Spend (\$Ms FY23)	\$1,190 M	\$1,270 M	\$1,390 M	\$1,551 M	-13.9% = 125% x ~11.1%
 Grow the Business	Ridership (# Passengers FY23)	22.5 M	25.3 M	28.1 M	28.5 M	-41.7% = 125% x ~33%
	NEC Adjusted Operating Income (\$Ms FY23)	(\$150) M	\$ 0 M	\$ 50 M	\$163.5 M	-41.7% = 125% x ~33%
						Total of 110.8% = 0% + -13.6% + -13.9% + -41.7% = -41.7%

ALTERNATIVES

Congress expects Amtrak to improve service, increase productivity and maximize resources. Our incentive programs, like those of Publicly Traded Companies and other Government Sponsored Enterprises, support improved performance, reducing costs, and attracting and retaining the talent needed to deliver on these goals and is at risk if the company or individual underperforms.

Alternatives considered included continuing salary increases based on cost-of-living adjustments which are unrelated to performance, and maintaining a retiree healthcare and pension plan which are not tied to performance, more costly for Amtrak and taxpayers, and not aligned with talent needs. For the following reasons Amtrak and the Board agreed with Congress's recommendation to move more compensation to at risk and tied to the company's and individual performance:

- *Marketplace*: 100% of companies offer similar at-risk pay programs with only 10%–20% offering legacy rewards unrelated to performance (retiree healthcare and pension plans).
- *Talent Needs*: ~85% of recent senior leaders were hired from for-profit public and private companies where nearly all had incentive compensation and most did not have pension or retiree health care benefits; new employees seek growth driven by their performance and are not asking or seeking long-term rewards like retiree health care and pensions, given employees now change jobs every 4–5 years on average.
- *Cost Efficient*: Closing pension and retiree health benefits saved nearly \$470 million in debt and \$1.3 billion in future benefit payments. If these benefits had continued, these numbers would be closer to \$800 million in debt and \$2.2 billion in future benefits payments.
- *Stakeholder Interest*: In the Passenger Railroad Investment and Improvement Act (PRIIA) of 2008, Congress encouraged Amtrak to develop a pay for performance incentive program for Amtrak management employees (Sec. 223). Additionally, the Government Accountability Office (GAO) recommended that Amtrak adopt a pay for performance system in which compensation is tied to achieving goals.

Question 2. How does the Amtrak Board consider annual operating losses and net losses, and the proportionality of bonus awards, when those awards are necessarily funded by Federal taxpayers?

ANSWER. Congress expects Amtrak to improve service, increase productivity, and maximize resources. Our incentive programs, like those of Publicly Traded Companies and other Government Sponsored Enterprises, support improved performance, reduced costs, and attract and retain the talent needed to deliver on these goals, and put incentives at risk if the company or individual underperforms.

Like its comparator companies, Amtrak leverages incentive plans to place the largest focus (weight) for company performance on improved financial performance and the remaining focus on key customer service and operations metrics within Amtrak's Strategic Blueprint that drive enterprise value that will benefit long-term financial performance.


ANNUAL OPERATING LOSSES AND NET LOSSES

In FY23 Amtrak delivered meaningfully improved performance with regard to annual operating losses and net losses:

- **Adjusted Operating Losses:** ~\$130M improvement over FY22, driven by strong revenue [Total Operating Revenue—20% increase over FY22, \$3.4B across all service lines (state, NEC, long-distance)] and cost containment].
- **Net Losses:** \$77M improvement over FY22, driven by strong revenue [Total Operating Revenue—20% increase over FY22, \$3.4B across all service lines (state, NEC, long-distance)] and cost containment.
 - Amtrak delivered improvement of net losses *greater* than the majority of passenger transportation companies in their comparator group (JetBlue, Frontier, SkyWest, and Hawaiian Airlines).
 - The *majority* of passenger transportation companies in Amtrak’s comparator group operated as well with Net Losses in 2022 and 2023 (JetBlue, Spirit, Frontier, and Hawaiian Airlines) with financial awards up to 400% higher than Amtrak *despite* two of those companies *worsening* their net loss position (SkyWest, Hawaiian Airlines).
 - Of note, those passenger transportation companies, unlike Amtrak, are not responsible for much of the costs related to facilities that are present on Amtrak’s financial statements.

Our FY23 Short-Term Incentive Plan drove and is directly tied to these results:

- **Grow the Business:** Measured by lowering Adjusted Operating loss (~\$90M better than target) making up the majority of the weight of our short-term incentive plan.

Key Action	Metric	Threshold (75% Award)	Target (100% Award)	Superior (130% Award)	Results (FY23)	Award % (FY23)
 Grow the Business	Adjusted Operating Income (# Passengers; 50% Weight)	(\$85 M)	(\$85 M)	(\$73 M)	(\$72 M)	65.0% = 130% x 50%

Our 2021 Long-Term Incentive Plan (FY21–FY23) is also directly tied to these results and was an aggressive plan set during the depths of COVID when recovery was uncertain; despite this, Amtrak:

- **Grow the Business:** Measured by returning the NEC to profitability since COVID (~\$165M higher than target and \$475M in more income than FY21).

Key Action	Metric	Threshold (75% Award)	Target (100% Award)	Superior (125% Award)	Results (FY23)	Award % (FY23)
 Grow the Business	NEC Adjusted Operating Income (\$Ms FY23)	(\$150) M	\$ 0 M	\$ 50 M	\$163.5 M	~41.7% = 125% x ~33%

PROPORTIONALITY OF BONUS AWARDS

Amtrak’s at-risk incentive targets are largely informed through comparison to market comparators of similar industry and size and generally set at competitive levels recognizing:

- For our Executive Leadership Team current target awards are set at below market levels approximating not-for-profit status (~40% below for-profit comparators) despite our business mix between for-profit and for service may indicate ~20% below for-profit comparators as more appropriate.
- Considerable direct savings of moving from non-performance, non-market based awards of retiree healthcare and pension to performance, market-based awards to improve performance, lower costs, and retain the talent needed to deliver on Amtrak’s aggressive goals (e.g., closing pension and retiree health benefits saved nearly \$470 million in debt and \$1.3 billion in future benefit payments; if these programs had continued, these numbers would be closer to \$800 million in debt and \$2.2 billion in future benefits payments) before considering the indirect savings through improved company performance and talent attraction and retention.
- Amtrak’s incentive payments are at levels below market despite delivering improved net losses at higher levels than the majority of passenger airlines in our comparator group who operate with net losses.

Question 3. How does FRA provide oversight, if any, of Amtrak bonus awards through the annual Federal grant process or other means?

ANSWER. The FRA is aware that Amtrak uses federal funds for bonuses paid to employees. The FRA has full oversight of the activities for which annual grants are used. FRA grant agreements impose Federal Acquisition Regulations (FAR) Part 31.2 cost principles requirements on Amtrak under which bonuses are eligible expenditures. Amtrak, via the single audit process, submits the population of expenditures for which federal funds were used to our external auditor. Our external auditor and the Amtrak OIG both audit the calculation of bonuses if/when paid.

Question 4. How are the Amtrak Board and FRA encouraging efforts to reduce operating losses and net losses while honoring applicable legal requirements to operate Amtrak services?

ANSWER. Amtrak's Board sets the overall strategy and priorities for the Corporation and approves the company's Annual Operating Plan, Five Year Plans and other documents which establish the goals and key metrics for Amtrak, including Amtrak's Adjusted Operating Loss. These plans continue to set forth reductions in operating losses associated with our train operations and improved financial performance. Representatives of FRA sit on Amtrak's Board as representatives of the Secretary of Transportation, and through that role, they have the ability to influence, along with the other Board members, Amtrak's approach to operating losses while honoring applicable legal requirements to operate services.

Question 5. What alternative incentive structures to improve Amtrak service and profitability could the Amtrak Board of Directors provide to executives?

ANSWER. Please refer to the answer to Question 1 for a comprehensive response to this question.

Question 6. Amtrak Board of Directors meetings are held behind closed doors.

Question 6.a. Would the Board of Directors be willing to make its meetings and minutes available to the public? If not, why?

ANSWER. As Amtrak is subject to the Freedom of Information Act, we regularly make meeting minutes available to the public upon request.

Question 6.b. Would the Board be willing to annually make public all executive bonuses? If not, why?

ANSWER. Amtrak has disclosed executive compensation, including incentive pay, on its website. We will continue to post this information annually.

Question 6.c. Do the taxpayers who subsidized Amtrak's annual losses not deserve transparency with regards to Amtrak's business?

ANSWER. As a company operated and managed as a for-profit corporation that relies on federal funding, Amtrak is and aims to be appropriately transparent about its decisions and the information it makes available to the public through various reports to the FRA and Congress and in response to requests from the public. The Board agrees that our work should be transparent to the public and endeavors to achieve this while protecting the various deliberative and commercial matters that need to remain confidential.

Question 7. To comply with state statutes, senior state employee salaries must be publicly disclosed. Regarding State Supported Routes, this disclosure requirement provides transparency for a key component of the costs of providing passenger rail services. Amtrak, however, does not similarly disclose the salaries it pays its employees.

What steps are necessary to take to apply a consistent standard for public disclosure of salaries across Amtrak and state-government personnel?

ANSWER. As noted previously, Amtrak has always disclosed the annual compensation of its executives and will continue to do so.

QUESTION TO ANTHONY COSCIA, CHAIR OF THE BOARD, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK), FROM HON. STEVE COHEN

Food and Beverage Service

Question 1. You have publicly stated that the Amtrak Board supports long-distance passenger rail service and its expansion. Passengers on the long-distance system east of the Mississippi River have complained that the food provided is unhealthy and of poor quality, that the equipment is filthy, and the onboard staff is demoralized.

How does this reflect Amtrak's commitment to long-distance service?

ANSWER. As I have said before, Amtrak's Long-Distance routes provide vital links to communities across the country, and we are continually working to enhance those routes. Addressing each of these three topics—food offerings, cleanliness of rolling stock, and employee morale—in turn:

Food & Beverage—We've been actively working to improve food & beverage service on Eastern long-distance routes in recent months, and plan to continue that effort. Major steps have included:

- *Restoration of traditional dining to two Silver Service routes:* Following a successful pilot program, Amtrak in June of 2023 initiated a switch from "flexible

dining” (hot, ready-to-serve meals that first class passengers can enjoy in their compartments or in a communal dining/lounge area) to “traditional dining” (hot, chef-prepared meals, enjoyed in a dining car with table service) for first class/sleeper car passengers on the Silver Meteor and the Silver Star (both New York-Miami, via different routes). On both routes, traditional dining is also available to coach class passengers (as a fixed-price add-on) on a limited, “first come, first served” basis.

- *Initiation of “flexible-plus” dining on the Lake Shore Limited:* In April of 2024, the Long-Distance *Lake Shore Limited* (Boston/New York-Chicago) began providing “flexible-plus” dinner service to first class/sleeper car passengers as part of a pilot program. (The service is also available to coach class customers for an additional charge.) Flexible-plus dining uses the same ready-to-serve meals as flexible dining, but those meals are plated to improve presentation, and are served in a dining car featuring both table service and table fixings (e.g., linens, silverware rolls, and flowers). The goal of the pilot is to improve upon standard flexible dining without incurring additional (incremental) labor costs; we plan to expand that pilot to the *Texas Eagle*.
- *Restoration of a dining car to typical Crescent consists:* Beginning in June of 2024, first class passengers on the *Crescent* (New York-Atlanta) have been able to enjoy flexible-style meals in a Viewliner II dining car. (In recent years, the standard *Crescent* consist had included only an Amfleet café car.) To be clear, there has been no change to meal type—only to rolling stock.
- *Long-distance menu upgrades*—All on-board menus (traditional, flexible, café car, etc.) are routinely re-evaluated, and adjusted on a rolling basis with the goal of continuous improvement; as promised in Amtrak’s response to the recommendations of the independent Food & Beverage Working Group (FBWG), these adjustments reflect what we learn from “platform calls” that bring front-line employees and managers together to discuss issues relating to food and beverage service. Notably, both flexible and traditional long-distance menus include a growing number of healthy, high-quality options; all fourteen overnight routes offer at least one lunch or dinner option that is healthy (e.g., oven-roasted Atlantic salmon served with grains and vegetables) and at least one that is vegetarian (e.g., plant-based kofta kebabs).

All these initiatives have resulted in significant positive feedback from both customers and employees. For example, the president and CEO of the Rail Passengers Association said [<https://www.railpassengers.org/happening-now/news/blog/silver-services-latest-to-get-traditional-dining/>] that the restoration of traditional dining to Silver Service trains was “good news” that offered passengers an Eastern version of Western routes’ “highly popular service”; similarly, he called [<https://mailchi.mp/narprail/hotline1352>] the recent changes to *Crescent* dining “incredibly welcome news.”

Looking ahead, we are committed to continuing to improve food and beverage offerings in a way consistent with our congressionally-prescribed mission and goals, which include a directive to “maximize the benefits of Federal investments” in Amtrak by, among other efforts, “offering food service that meets the needs of [our] customers” and “controlling or reducing management and operating cost.” Notably, our FY25 grant request specifically seeks \$27 million for “Food & Beverage Service Improvements” above and beyond our base needs. Assuming that base needs are fully met, if Congress provides these additional resources, we will be able to advance “actions that were favorably discussed in Amtrak’s response to recent Food & Beverage Working Group (FBWG) recommendations, but for which necessary funding is not currently available”—potentially including further expansion of traditional dining.

Cleanliness of Rolling Stock—Amtrak is taking a number of actions to improve cleanliness onboard trains and equipment condition overall. New carwashes are being installed at major maintenance facilities, including three that maintain Eastern long-distance trains (New Orleans and Boston this summer, to be followed by Chicago). The company is changing its organizational structure to drive improved onboard cleaning at maintenance facilities and at intermediate stations where trains make longer stops. Interior refreshes are being performed on the passenger car fleets we operate on Eastern long-distance routes: a refresh of Amfleet II cars has been completed, a Superliner refresh is underway, and refreshes of Viewliner I cars will soon begin.

Employee Morale—I believe that Amtrak’s employee morale is actually quite positive overall. Amtrak’s workforce has faced many challenges and undergone a huge transformation as a result of the COVID-19 pandemic and the large number of new employees hired over the last three years: about 10,000, which is over 40% of Amtrak’s workforce. Providing all these new employees with the skills and coaching

they need, and addressing the corporate culture issues associated with adding so many employees who are new to Amtrak (and in most cases new to railroading as well) is still a work in progress. Nonetheless, Amtrak's new generation of employees is already proving to be a huge asset to the company, contributing to a significant improvement in safety and bringing great enthusiasm to Amtrak's workplaces. In August, Amtrak will begin an Employee Engagement Survey, in which all employees will be invited to participate, to help us identify employees' concerns and ways to improve employee engagement, working conditions, and training.

One factor that may impact the morale of employees who work onboard our trains is that, while Amtrak has reached agreements with the labor unions representing 80% of non-management employees that provide for increased pay and new benefits, the company has not yet been able to reach new agreements with the unions that represent conductors and onboard service employees. Those employees continue to be governed by their old agreements pursuant to the Railway Labor Act. I am hopeful that agreements will be reached soon.

QUESTIONS TO JULIE A. WHITE, DEPUTY SECRETARY FOR MULTIMODAL TRANSPORTATION, NORTH CAROLINA DEPARTMENT OF TRANSPORTATION, FROM HON. HENRY C. "HANK" JOHNSON, JR.

Question 1. Congratulations on receiving a planning grant to connect Charlotte to Atlanta. I was glad to see this news. It would create a new high-speed rail service between Charlotte and Atlanta, with potential stops at Greenville-Spartanburg International Airport, Augusta, and Athens.

Question 1.a. Can you please discuss how we can successfully execute the vision of the Southeast Corridor Commission without secure, long-term funding?

ANSWER. The funding provided by the Bipartisan Infrastructure Law is a great first step to start building segments of corridors that have been included in the Southeast Corridor Commission's vision. However, continued secure, long-term federal funding is needed to build out the Southeast Corridor and other corridors in the region. Additional appropriations are needed at minimum, and formula funding would be ideal so our member states can more confidently plan and implement individual elements of the Vision. Without sustained funding, the system cannot be delivered in a predictable timeframe.

Question 1.b. What will happen to these projects if there is no funding?

ANSWER. The Corridor Identification and Development Program establishes a method to plan and provide preliminary engineering on these projects. But without continued appropriations and support at the Federal level, these projects cannot be developed by states alone. The magnitude of the funding required and the need to align policies and move travelers across multiple state lines, across agencies, and multiple entities make developing corridors without Federal funds extremely challenging and different from other modes of transportation.

Question 2. Georgia was awarded the Corridor ID grant from the Federal Railroad Administration to fund the development of a passenger line connecting Atlanta to Savannah. The proposed corridor could greatly improve connectivity and accessibility with potential stops in Athens, Augusta, and Macon.

In your experience with the Southeast Corridor Commission, how will the Commission or our state work with regional partners to support this development?

ANSWER. GDOT is a member of the Southeast Corridor Commission. To date, with the GDOT representatives' help, the Commission has developed a regional rail plan, economic impact report, and development strategy for the region (see <https://www.southeastcorridor-commission.org/>). The Atlanta to Savannah corridor certainly is an element of that regional vision. The Commission can help communicate the importance of the connection in our collective vision. It should also be noted that corridors work best as a network that provides more potential destinations to its users. A Savannah to Atlanta corridor may perform well on its own, but the corridor will perform much better if there are additional high performance connections beyond Savannah to the south and beyond Atlanta to the northeast and northwest. Also, as it is currently organized, the Southeast Corridor Commission cannot receive Federal funds directly (as it is not established as a Compact pursuant to the Amtrak Reform and Accountability Act of 1997). However, the Commission can continue to support members in their efforts to pursue funding. Information sharing between member states and letters of support can also be provided. The Federal Railroad Administration considers the Southeast Corridor Commission's vision as important in making funding decisions on passenger rail in the southeast.

Question 3. In your testimony, you mentioned the inauguration of new passenger rail services, such as the Borealis route from Minneapolis to Chicago.

Could you speak on how these new services are impacting regional connectivity and economic development? Are you seeing the results predicted?

ANSWER. In North Carolina we have seen significant growth in ridership on our rail services from a wide demographic of users. Students, retirees, the mobility impaired, families, and those traveling for business purposes chose rail as a way to use their travel time productively and safely. Economic development activity is occurring at station sites both in rural and urban areas, such as in Raleigh with new high rises, retail, restaurant, hotel and entertainment venues within walking distance, and in Kannapolis where a sports venue, a research campus, residential and other related development are occurring around the station.

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