United States Government Accountability Office

GAO

Report to the Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate

April 2006

COMMUTER RAIL

Commuter Rail Issues Should Be Considered in Debate over Amtrak

GAO
Accountability * Integrity * Reliability

Highlights

Highlights of GAO-06-470, a report to the Chairman, Senate Committee on Banking, Housing and Urban Affairs

Why GAO Did This Study

Commuter rail agencies provide mobility to millions of people across the country, often using Amtrak infrastructure and services. Given these interactions, an abrupt Amtrak cessation could have a significant impact on commuter rail operations. Amtrak's chronic financial problems and recent budget proposals make such a cessation a possibility. GAO was asked to examine (1) the extent to which commuter rail agencies rely on Amtrak for access to infrastructure and services, (2) issues that commuter rail agencies would face if Amtrak abruptly ceased to provide them with services and infrastructure access, and (3) the options available to commuter rail agencies should Amtrak abruptly cease to provide them services and infrastructure access.

What GAO Recommends

GAO recommends that the Department of Transportation (DOT) further refine cost estimates of commuter rail directed-service scenarios. GAO also recommends that Amtrak improve its accounting practices as well as its financial reports. DOT generally agreed with the report's findings and the intention of the recommendation, but expressed concern about refining the cost estimate at this time because of data and resource limitations. Amtrak generally agreed with the report's findings, conclusions, and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-470.

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Z. Hecker at (202) 512-2834 or heckerj@gao.gov.

April 2006

COMMUTER RAIL

Commuter Rail Issues Should Be Considered in Debate over Amtrak

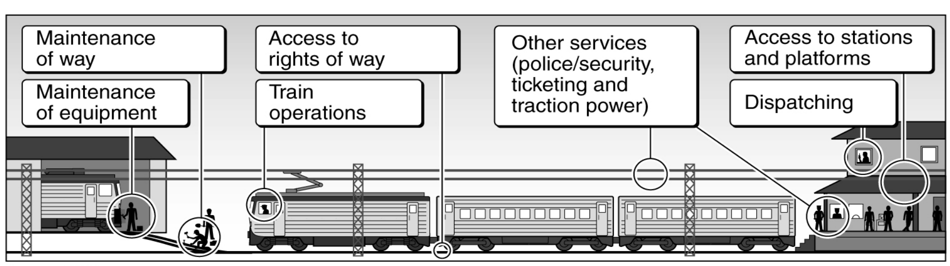
What GAO Found

Most commuter rail agencies rely on the National Railroad Passenger Corporation (Amtrak) for some level of access to infrastructure and services, particularly those that operate over Amtrak-owned portions of the Northeast Corridor (NEC). This reliance includes the use of key stations, access to the NEC, and equipment maintenance services (see figure below). Commuter rail agencies typically pay Amtrak for access to infrastructure and services, although their financial relationships with Amtrak vary and often lack clarity. Several issues contribute to the lack of clarity, including limitations in Amtrak's accounting practices, the lack of transparency in Amtrak's financial reports, and the structure of the financial arrangements between Amtrak and commuter rail agencies. This makes it difficult to fully understand the financial relationship between these agencies and Amtrak and whether they are contributing their fair share for improvements and maintenance of Amtrak's infrastructure. Also, this lack of clarity hinders Amtrak management's ability to make fully informed decisions about its commuter rail line-of-business.

An abrupt Amtrak cessation would raise two critical operational issues for commuter rail agencies that rely on Amtrak. Specifically, agencies would face the potential loss of skilled Amtrak labor and access to Amtrak-owned infrastructure, which could make it difficult for some to avoid severe service disruptions. For example, agencies both on and off the NEC could not continue to fully operate their services without continued access to Amtrak-owned track and other facilities.

Most commuter rail agencies that rely on Amtrak have identified ways to mitigate service disruptions in an abrupt Amtrak cessation. However, these options are largely dependent on retaining Amtrak employees and access to Amtrak's infrastructure. Federal agencies could provide short-term options to mitigate potential impacts on commuter rail agencies through their authority to order continued commuter service (called "directed service"), although federal officials stated that service disruptions are likely and the cost estimates are unreliable. Private transportation companies could provide options for commuter rail agencies in the long term; however, other issues would need to be addressed to ensure a smooth transition.

Types of Services and Infrastructure Access Provided by Amtrak to Commuter Rail Agencies



Source: GAO.

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Abbreviations

AAR	Association of American Railroads
Amtrak	National Railroad Passenger Corporation
APTA	American Public Transportation Association
ASLRRA	American Short Line and Regional Railroad Association
CETC	Centralized Electrification and Traffic Control
CSX	CSX Transportation
DELDOT	Delaware Department of Transportation
DOT	Department of Transportation
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
ICC	Interstate Commerce Commission
LIRR	Long Island Rail Road
MARC	Maryland Rail Commuter Service
MBCR	Massachusetts Bay Commuter Railroad Company
MBTA	Massachusetts Bay Transportation Authority
NEC	Northeast Corridor
NICTD	Northern Indiana Commuter Transportation District
NJT	New Jersey Transit
PENNDOT	Pennsylvania Department of Transportation
RFP	request for proposal
SEPTA	Southeastern Pennsylvania Transportation Authority
SLE	Shore Line East
STB	Surface Transportation Board
TRE	Trinity Railway Express
VRE	Virginia Railway Express

United States Government Accountability Office
Washington, DC 20548

April 21, 2006

The Honorable Richard Shelby
Chairman, Committee on Banking,
Housing and Urban Affairs
United States Senate

Dear Mr. Chairman:

Commuter rail is an important component of regional transportation systems throughout the country, accounting for over 400 million passenger trips in 2004. While most of these trips occurred in the densely populated Northeast, commuter rail services are now provided in eight urban areas outside of the Northeast. A total of 18 commuter rail agencies now exist, and seven more commuter rail systems are in planning or design stages throughout the country according to the Federal Transit Administration (FTA). Regardless of location, most commuter rail agencies interact with the National Railroad Passenger Corporation (Amtrak) for access to infrastructure or services, such as train crews and equipment maintenance. Given these interactions, there is concern that if Amtrak abruptly ceased to provide services and infrastructure, commuter rail operations could be adversely affected. Amtrak's chronic financial problems and recent budget proposals make such a cessation a possibility.

Although commuter rail agencies are typically owned and operated by state and local governments, there are several federal agencies involved in rail transportation and in specific aspects of commuter rail service. The Surface Transportation Board (STB) is responsible for the economic regulation of freight railroads and also has the authority to order other rail carriers to provide infrastructure and service(s) to commuter rail agencies (called "directed service") if Amtrak were to shut down. The Federal Railroad Administration (FRA), which is primarily focused on ensuring the safe operation of railroads, including commuter rail, would provide funding to STB to direct commuter rail service if ordered by STB. FTA helps fund the planning and development of commuter rail projects.

In response to your request, we examined (1) the extent to which commuter rail agencies rely on Amtrak for access to infrastructure and services, (2) issues that commuter rail agencies would face if Amtrak abruptly ceased to provide them with services and access to infrastructure, and (3) the options available to commuter rail agencies should Amtrak abruptly cease to provide them services and access to infrastructure. To address these objectives, we interviewed officials at all 18 existing commuter rail agencies and two of the seven proposed commuter rail services. We also visited seven commuter rail agencies and one proposed commuter rail service. During these site visits, we interviewed senior-level management and toured operation, dispatching, and equipment maintenance facilities. We interviewed officials at STB, FRA, FTA, and Amtrak, as well as representatives from the largest Class I railroads,[1] 10 of Amtrak's 15 railroad labor unions, all of the private transportation companies that currently operate commuter rail service in the U.S., and industry associations. Additionally, we reviewed federal laws, internal documents from the STB, FRA, and Amtrak, and contracts between Amtrak and various commuter rail agencies.

Our report focuses on the impact of an abrupt Amtrak cessation on commuter rail operations. For example, if policy makers acted on legislative proposals that end or substantially reduce federal funding, an Amtrak bankruptcy or shutdown could quickly follow. However, multiple bills to reform intercity passenger rail have been proposed in recent years—and these bills, if enacted, could result in outcomes other than an abrupt Amtrak cessation. We did not examine how other potential outcomes would impact commuter rail operations. We conducted our work from July 2005 through April 2006 in accordance with generally accepted government auditing standards. (See app. I for a more detailed discussion of the report's scope and methodology.)

Results in Brief

Most existing 18 commuter rail agencies rely on Amtrak for some level of access to infrastructure and services. Although the level of reliance varies among these commuter rail agencies, access to Amtrak's infrastructure or Amtrak services is critical to the operations of many commuter rail agencies. For example, seven of the nine commuter rail agencies in the Northeast operate over Amtrak-owned portions of the Northeast Corridor (NEC). According to officials from these agencies, access to Amtrak's infrastructure is essential to their services. Commuter rail agencies typically pay Amtrak for access to infrastructure and providing services, although the financial relationships between commuter rail agencies and

[1]Class I railroads are the largest railroads, as defined by operating revenue, and account for the majority of U.S. rail freight activity. There are three classes of railroads. The Surface Transportation Board (STB) designates the class of railroad and in 2004 defined Class I railroads as railroads with operating revenues of $289 million or more.

Amtrak vary widely and often lack clarity. Several issues contribute to the lack of clarity, including limitations in Amtrak's accounting practices, the lack of transparency in Amtrak's financial reports, and the structure of the financial arrangements between Amtrak and commuter rail agencies. The lack of clarity makes it difficult to determine the full extent of the financial relationship between commuter rail agencies and Amtrak and whether commuter rail agencies are contributing their fair share to the cost of capital improvements to Amtrak-owned infrastructure. Amtrak's fiscal year 2006 appropriation directs the Secretary of Transportation to assess a fee on commuter rail agencies that use the NEC. This fee is designed to compensate Amtrak for maintenance and capital expenditures resulting from commuter rail agencies' use of the NEC and has important budgetary implications for some commuter rail agencies.

An abrupt Amtrak cessation could raise two critical operational issues for commuter rail agencies that rely on Amtrak services and infrastructure. Specifically, commuter rail agencies would be confronted with the potential loss of skilled Amtrak labor and access to Amtrak-owned infrastructure. For example, some commuter rail agencies could not take over train operations or dispatching services provided by Amtrak employees because they do not have the workforce capabilities or expertise to do so in a short time period. Additionally, some commuter rail agencies on the NEC and in other parts of the country could not continue to fully operate service—or would cease service—without the ability to access Amtrak-owned tracks and other key facilities. Commuter rail agencies also identified other issues they would face if Amtrak abruptly ceases to provide services and infrastructure, such as the loss of revenue from Amtrak for the services or infrastructure that a few commuter rail agencies provide to Amtrak.

Most commuter rail agencies that rely on Amtrak services and infrastructure have identified options to mitigate service disruptions if Amtrak abruptly ceased to provide services and infrastructure access. However, these options are largely dependent on the ability to retain Amtrak employees and access Amtrak-owned infrastructure, particularly in the short term. STB could provide short-term options to mitigate potential impacts on commuter rail agencies in the event of an abrupt Amtrak cessation by using their directed-service authority to gain access to Amtrak's infrastructure and equipment, and, with the FRA, continue to fund affected commuter operations. Although directed service could be used as a short-term solution, federal officials stated that commuter rail service disruptions are likely under any directed-service scenario. Further, the costs of providing directed service are unknown, and the logistics and time required to implement directed services are unknown because STB has never issued directed-service orders for passenger rail. According to FRA officials, the major concern in a directed service scenario is whether former Amtrak employees will agree to work for the new provider. A longer-term solution in the event of an abrupt Amtrak cessation is for commuter rail agencies to contract with private transportation companies for the services currently provided by Amtrak. Private transportation companies with whom we spoke expressed interest in providing the services that Amtrak currently provides to commuter rail agencies. However, transitioning from Amtrak to private transportation companies would take months, not weeks. Moreover, labor and liability issues would need to be addressed to ensure a smooth transition.

To help ensure that policy makers have the needed information to make fully informed decisions, we recommend that the Department of Transportation (DOT), in consultation with STB and commuter rail agencies, further refine cost estimates of directed-service scenarios and that Amtrak improve its accounting practices—and financial reporting—to clearly show the revenues and costs of providing services and infrastructure access to commuter rail agencies. We provided draft copies of this report to DOT and Amtrak for their review and comment. DOT officials generally agreed with the draft report's findings and the intention of the recommendation. However, FRA officials expressed concerns about limitations in the data required to refine the estimates as well as limited staff resources to devote to such an effort. Consequently, FRA officials indicated their preference to focus on other priorities. We recognize that FRA, like other federal agencies, has resource constraints and must focus those resources on certain priorities. However, given previous and current debate over the future of Amtrak, we believe providing policy makers with accurate information as to the implications of directed service—including the costs of such services—is a worthwhile investment of agency resources and deserves some level of attention. Further, we believe that refinements to the cost estimates could be made using existing information from Amtrak and commuter rail agencies. DOT officials acknowledged that the current estimates are inaccurate, and most likely significantly underestimate the true costs of directed service. Therefore, any refinements would be a step in the right direction in providing better information to policy makers. Amtrak generally agreed with the report's findings, conclusions, and recommendations.

Background

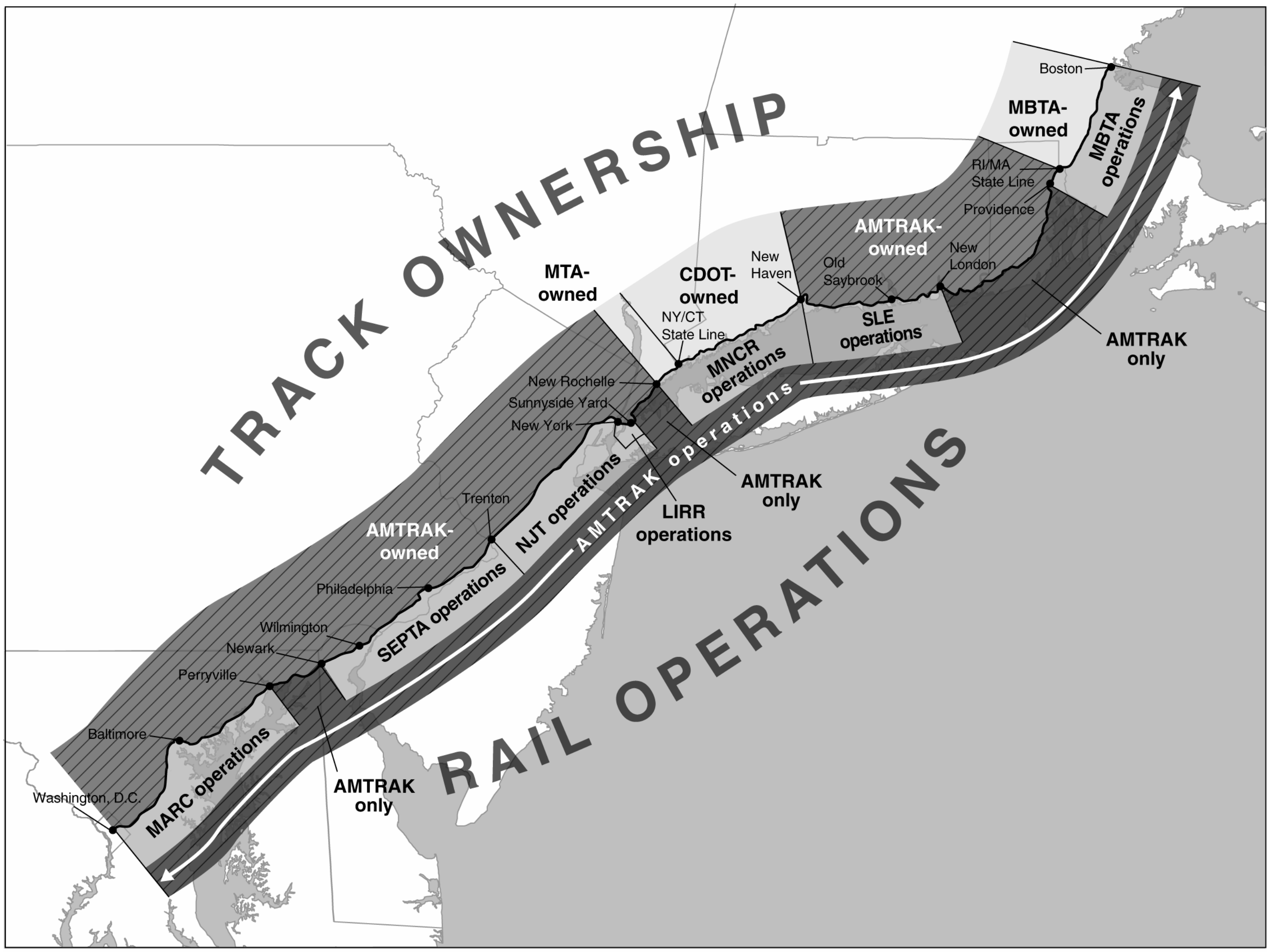
Commuter rail is a type of public transit that is characterized by passenger trains operating on railroad tracks and providing regional service (e.g., between a central city and adjacent suburbs). Commuter rail systems are traditionally associated with older industrial cities, such as Boston, New York City, Philadelphia, and Chicago. However, over the past decade, commuter rail systems have been inaugurated in such cities as Dallas and Seattle, and seven new systems are in various stages of planning in cities across the country. Currently, there are 18 commuter rail agencies throughout the country, and, in 2004, these agencies provided an average of 1.1 million passenger trips each weekday. Advocates of commuter rail contend that it provides a number of public benefits, including reductions in highway congestion, pollution, and energy dependence. Moreover, commuter rail service can operate on existing railroad rights-of-way,[2] which eliminates the time and significant expense associated with constructing new infrastructure.

Most commuter rail service uses rights-of-way (to run over tracks) that are owned by Amtrak, freight railroads, or are publicly owned. Amtrak owns most of the NEC between Boston, MA, and Washington, D.C., but there are several portions of the NEC owned by either commuter rail agencies or states. The NEC is also the busiest rail corridor in the U.S. For example, on an average weekday, over 1,800 commuter rail and Amtrak trains operate on the NEC.[3] Figure 1 shows the ownership of—and Amtrak and commuter rail operations on—the NEC. Commuter rail agencies located outside of the NEC for the most part use rights-of-way owned by freight railroads.

[2] Rights-of-way include the fixed infrastructure required for train operations, including tracks and signals.

[3] In addition, in fiscal year 2001, an average of 38 freight trains used the NEC each day.

Figure 1: NEC Ownership and Operations Map



Source: GAO.

Note: Only service on the main portion of the NEC between Washington, D.C., and Boston is shown. This represents commuter rail agencies' primary operating routes on the NEC and does not include smaller segments of their service operating over the NEC. For example, New Jersey Transit also operates over 7 miles of the NEC between Shore Interlocking and 30th Street Station in Philadelphia, and VRE operates over a small portion of the NEC into Washington Union Station. Amtrak's right-of-way from Harrisburg, PA, to Philadelphia, over which PENNDOT service operates, is not shown on this graphic. SEPTA also operates service over this portion of Amtrak's right-of-way between Philadelphia and Parkesburg, Pennsylvania.

Commuter Railroads

Long Island Rail Road (LIRR)
Maryland Rail Commuter Service (MARC)
Massachusetts Bay Transportation Authority (MBTA)
Metro North Commuter Railroad (MNCR)
New Jersey Transit (NJT)
Connecticut Department of Transportation's Shore Line East service (SLE)
Southeastern Pennsylvania Transportation Authority (SEPTA)
Virginia Railway Express (VRE)

Departments of Transportation

Connecticut Department of Transportation (CDOT)
Pennsylvania Department of Transportation (PENNDOT)

Three federal agencies—FRA, STB, and FTA—are responsible for different aspects of federal rail transportation policy, including freight, intercity passenger, and commuter rail service. FRA administers and enforces the federal laws and related regulations that are designed to promote safety on railroads, such as track maintenance, inspection standards, equipment standards, and operating practices.[4] Commuter rail agencies are subject to FRA regulations. FRA provides funding for Amtrak's operating and capital improvements, and since fiscal year 2003 has administered these funds through grants. STB is responsible for the economic regulation of freight railroads, which encompasses those instances when there is an impasse in negotiations over Amtrak's access to freight rail facilities. STB also has authority to issue directed (or emergency) service orders to continue rail service if a rail carrier is unable to provide service to its customers.[5] In 2004, this authority was amended to authorize such orders in the event that there is a failure of freight or commuter rail service due to a cessation of service by Amtrak. Directed-commuter-service orders could enable one or more operators to gain access to Amtrak's facilities and equipment. In addition, directed-service orders could provide these operators the ability to offer employment to former Amtrak personnel for the provision of essential commuter service.[6] The Secretary of Transportation, through the FRA, would be the funding agency for any STB directed-service order for

[4]The Federal Railroad Administration (FRA) exercises jurisdiction over all areas of railroad safety under title 49 U.S.C., chapter 201.

[5]STB has this authority under section 11123 of title 49 U.S.C. STB's predecessor, the Interstate Commerce Commission, also had this authority.

[6]"Final Report: Directed Service for Amtrak-Dependent Carriers," prepared by The Woodside Consulting Group, Inc., for the FRA (Palo Alto, CA: Oct., 2005), 2.

commuter rail operations.[7] According to STB staff, while the STB (and its predecessor agency, the Interstate Commerce Commission) have directed freight service in the past when freight railroads have experienced service failures, STB has not issued any directed-service orders explicitly for passenger rail service. Unlike FRA and STB, FTA is not principally a regulatory agency. FTA is the primary federal financial resource for supporting locally planned, implemented, and operated transit capital investments. As a form of public transit, commuter rail projects are eligible for FTA funding.

Amtrak has struggled to become financially solvent since its founding in 1971, receiving over $29 billion in federal funds for operational and capital improvements. Despite federal subsidies, Amtrak's financial situation reached critical points when it had to mortgage Pennsylvania Station in New York City in 2001 and obtain an emergency loan of $100 million in 2002 to meet expenses and continue operations. Although Amtrak has made progress in containing its operating expenses, its operating losses have increased to over $1 billion a year.[8] In light of Amtrak's continuing financial difficulties, different Amtrak reform proposals and legislation have been introduced, some of which could impact commuter rail agencies. For example, the administration's fiscal year 2006 budget proposal for Amtrak did not include any federal funds for Amtrak, however it did include $360 million to maintain commuter and freight service operated by Amtrak.[9] Other proposals and legislation included, among other things, curtailing money-losing operations and transferring Amtrak assets to other companies or directly to the federal government. (See table 1.)

[7]Congress directed the Secretary of Transportation to withhold $60 million for directed commuter and freight service from Amtrak's fiscal year 2004, 2005, and 2006 appropriations.

[8]GAO, *Amtrak Management: Systemic Problems Require Actions to Improve Efficiency, Effectiveness, and Accountability*, GAO-06-145 (Washington, D.C.: Oct. 2005), 6.

[9]Amtrak's fiscal year 2006 appropriation was $1.3 billion.

Table 1: Key Aspects of Recent Amtrak Reform Proposals and Legislation That Could Affect Commuter Rail Agencies

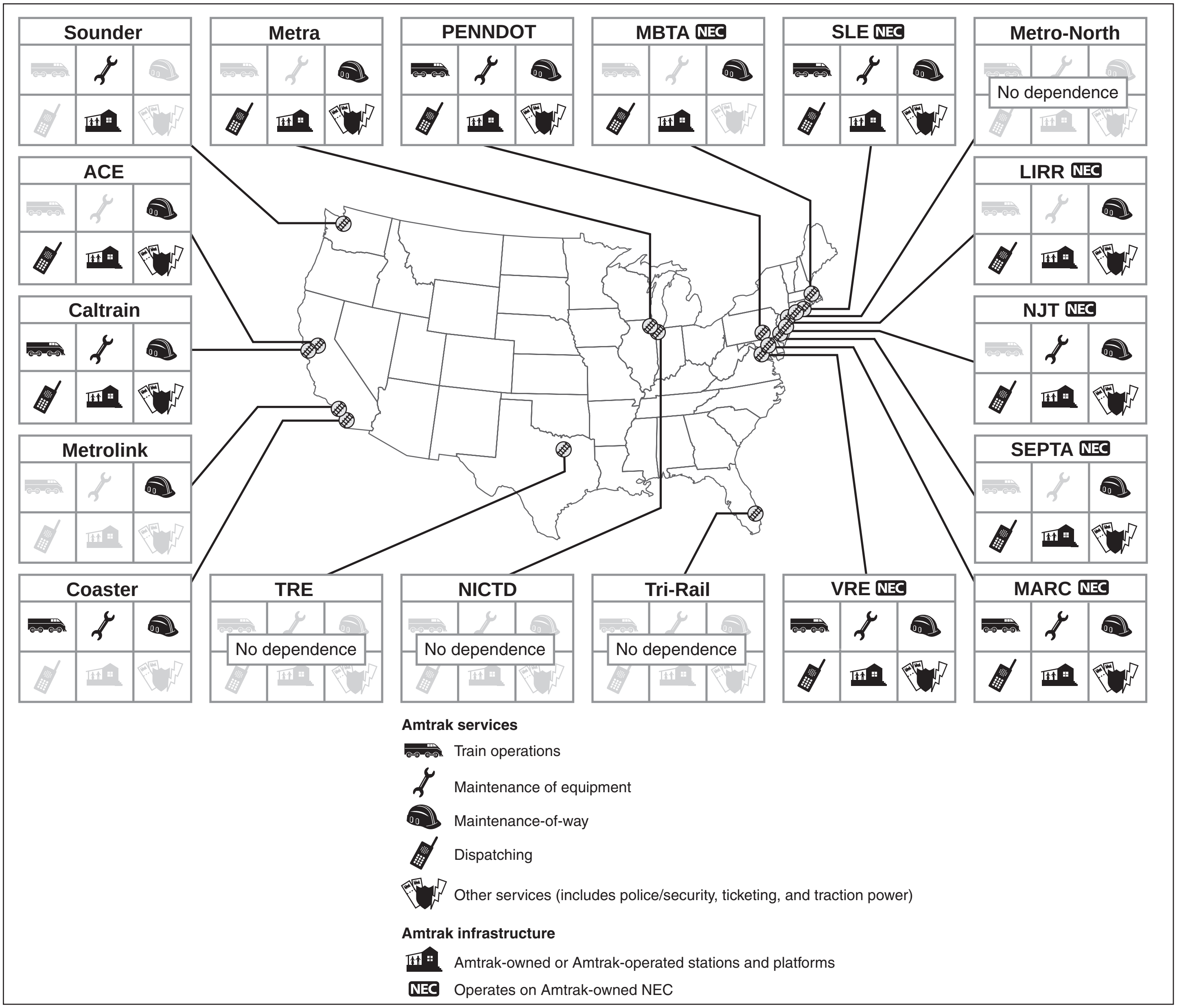
Key aspects of reform proposals	Description of proposed change
Zero funding	• No operating or capital federal funding for Amtrak • $360 million provided to STB to fund directed commuter and freight service
Infrastructure separation	• Separate Amtrak operations from infrastructure into different companies • Separate Amtrak infrastructure from operations by creating a subsidiary company under Amtrak's Board of Directors
NEC commuter rail fee	• Fee for maintenance and capital costs assessed on commuter rail agencies that use the NEC
Multi-state NEC compact	• Passenger rail operations on the NEC would be transferred to multi-state compact of Northeastern states
DOT ownership of NEC	• Ownership of NEC would be transferred to the Secretary of Transportation, who, in turn, would competitively procure contractors for maintenance and operations of NEC
Cost-reduction proposals	• Would require Amtrak to reduce losses on sleeper car, and food and beverage service
Accounting reforms	• Would require Amtrak to acquire a new accounting system that would enable Amtrak to assign revenue and expenses to each of its lines of business and to distinguish infrastructure revenue and expenses from its operational revenue and expenses

Source: GAO analysis of U.S. House and Senate bills from the first session of the 109th Congress.

Most Commuter Rail Agencies Rely to Some Extent on Amtrak for Access to Infrastructure and Services

Most commuter rail agencies rely on Amtrak to some extent for access to infrastructure and services. This dependence can range from heavy use of Amtrak infrastructure and services to limited reliance on Amtrak infrastructure and services. (See fig. 2.) Having access to Amtrak-owned infrastructure, rights-of-way, stations, platforms, equipment maintenance facilities, and storage yards is critical to many commuter rail agencies' operations. The reliance on Amtrak for infrastructure and services by many commuter rail agencies has led to a variety of financial relationships between commuter rail agencies and Amtrak. In general, these financial relationships are complicated and lack clarity. This lack of clarity makes it difficult to determine if commuter rail agencies are paying their fair share for access to infrastructure and services. Amtrak's fiscal year 2006 appropriation directs the Secretary of Transportation to levy a fee on commuter rail agencies that use the NEC as compensation for maintenance and capital expenditures resulting from their use of the NEC. This fee has important budgetary, and other, implications for commuter rail agencies.

Figure 2: Overview of Commuter Rail Agency Reliance on Amtrak for Infrastructure and Services



Source: GAO.

Note: This figure indicates whether a commuter rail agency relies on Amtrak for services or access to infrastructure. Darkened figures do not necessarily mean that Amtrak is the primary provider of a service; rather, it means that Amtrak provides some level of service or access to infrastructure. See appendix II for detailed data on the extent to which each commuter rail agency relies on Amtrak.

Access to Amtrak-owned Infrastructure Is Critical to Many Commuter Rail Agencies' Operations

Most existing commuter rail agencies (12 of 18) rely on Amtrak-owned or Amtrak-operated infrastructure, such as stations or platforms; rights-of-way; and maintenance facilities. Amtrak owns most of the NEC, which runs from Washington, D.C., to Boston. Of the nine commuter rail agencies in the Northeast, eight agencies—including the Long Island Rail Road (LIRR) and New Jersey Transit (NJT), two of the largest commuter rail agencies in the country—operate over Amtrak-owned infrastructure.[10] Seven of these nine commuter rail agencies operate on the NEC between Washington, D.C., and Boston.[11] On an average weekday, these seven commuter rail agencies run approximately 1,630 trains on the NEC, which represents over 90 percent of all passenger train traffic on the NEC. According to officials from the commuter rail agencies that operate over Amtrak-owned portions of the NEC, access to this infrastructure is essential for their services. In addition to providing access to the Amtrak-owned portions of the NEC, Amtrak also maintains its rights-of-way and dispatches all trains on its rights-of-way, including commuter rail traffic; these are critical services for commuter rail agencies using the NEC. For example, from its centralized dispatching center in Boston, Amtrak dispatches all of the Massachusetts Bay Transportation Authority's (MBTA) trains on one of its lines and provides initial dispatching for two-thirds of all other MBTA trains, as well as its own intercity trains. Amtrak also distributes power to commuter rail agencies that use electrically powered trains on the NEC. These trains, which may be hauled by locomotives or made up of self-propelled, multiple-unit cars, require electric power (called "traction power") delivered directly from overhead power lines.[12]

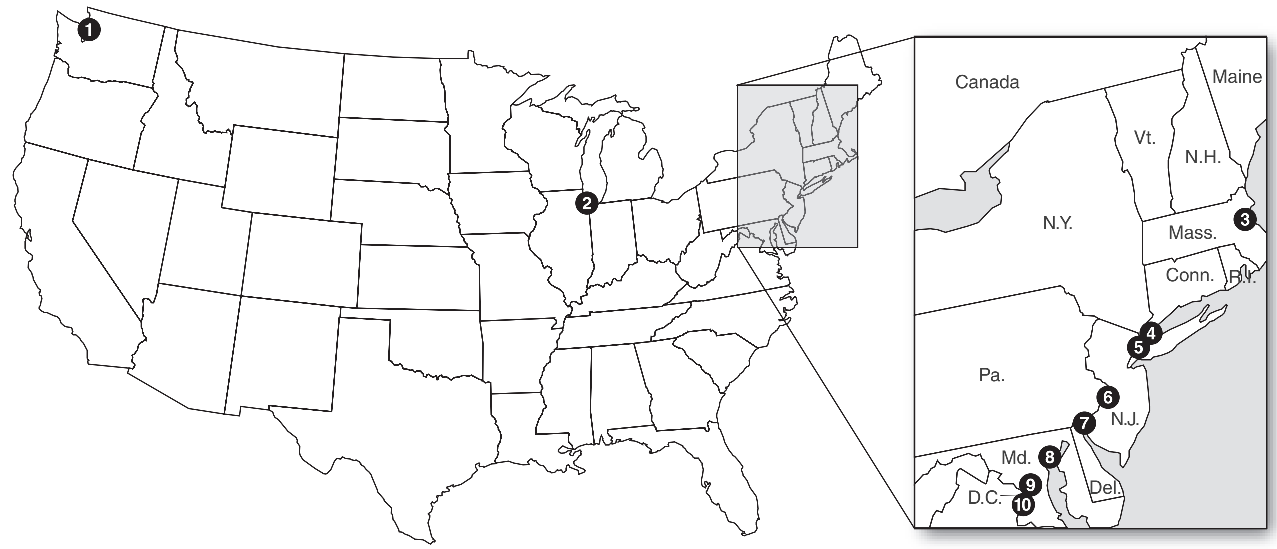
[10]The nine commuter rail agencies in the Northeast are the Long Island Rail Road, the Maryland Transit Administration's MARC Commuter Service, the Massachusetts Bay Transportation Authority, Metro-North Railroad, New Jersey Transit (NJT), the Pennsylvania Department of Transportation's Keystone Service from Harrisburg to Philadelphia, the Southeastern Pennsylvania Transportation Authority (SEPTA), the Connecticut Department of Transportation's Shore Line East service, and the Virginia Rail Express. Metro-North, which operates in New York and Connecticut, is the only commuter rail agency in the Northeast that does not use any Amtrak-owned track or infrastructure.

[11]The Pennsylvania Department of Transportation service uses Amtrak-owned infrastructure from Harrisburg, PA, to Philadelphia that connects with the NEC.

[12]Amtrak also provides traction power for one SEPTA-owned line in its entirety (other than those lines that are on the NEC) and for certain other NJT lines.

In addition to owning most of the track comprising the NEC, Amtrak also owns or controls a number of key facilities both on and off the NEC, many of which are critical to commuter rail service. (See fig. 3.)

Figure 3: Amtrak's Key Facilities for Selected Commuter Rail Agencies



❶ Holgate Yard	❷ Chicago Union Station		
Location: Seattle, Washington **Type of facility:** Maintenance **Used by:** Amtrak, Sounder **Train movements per day:** N/A	**Location:** Chicago, Illinois **Type of facility:** Passenger **Used by:** Amtrak, Metra **Train movements per day:** **Amtrak** 48 **Commuter** 268		
❸ Route 128 Station	**❹ Sunnyside Yard**	**❺ New York Penn Station** CTEC	**❻ 30th Street Station** CTEC
Location: Boston, Massachusetts **Type of facility:** Passenger **Used by:** Amtrak, MBTA **Train movements per day:** **Amtrak** 34 **Commuter** 73	**Location:** New York, New York **Type of facility:** Maintenance **Used by:** Amtrak, NJT **Train movements per day:** N/A	**Location:** New York, New York **Type of facility:** Passenger **Used by:** Amtrak, LIRR, NJT **Train movements per day:** **Amtrak** 127 **Commuter** 919	**Location:** Philadelphia, Pennsylvania **Type of facility:** Passenger **Used by:** Amtrak, SEPTA, NJT, PennDOT **Train movements per day:** **Amtrak** 100 **Commuter** 277
❼ Wilmington Station	**❽ Baltimore Penn Station**	**❾ Washington Union Station**	**❿ Ivy City Yard**
Location: Wilmington, Delaware **Type of facility:** Passenger **Used by:** Amtrak, SEPTA **Train movements per day:** **Amtrak** 84 **Commuter** 37	**Location:** Baltimore, Maryland **Type of facility:** Passenger **Used by:** Amtrak, MARC **Train movements per day:** **Amtrak** 84 **Commuter** 48	**Location:** Washington, D.C. **Type of facility:** Passenger **Used by:** Amtrak, MARC, VRE **Train movements per day:** **Amtrak** 86 **Commuter** 116	**Location:** Washington, D.C. **Type of facility:** Maintenance **Used by:** Amtrak, MARC, VRE **Train movements per day:** N/A

Source: Amtrak.

These facilities include many of the busiest passenger stations in the country, such as Pennsylvania Station in New York City and Chicago Union Station, as well as the platforms and train storage facilities outside of Washington Union Station. For example, according to LIRR officials, LIRR and NJT trains account for 87.4 percent of the trains coming into Pennsylvania Station in New York City, while Amtrak intercity trains represent the remaining 12.6 percent.[13] Amtrak also owns or controls a number of equipment maintenance and storage yards that are strategically located near key urban or downtown stations. For example, some commuter locomotives and coaches used by Virginia Railway Express (VRE) and Maryland Transit Administration, which owns Maryland Rail Commuter Service (MARC), are maintained at Amtrak's Ivy City Yard, just north of Washington Union Station. These trains are also stored in Washington, D.C., during midday so that they can make evening rush hour trips. This allows VRE and MARC to avoid running trains back out to storage yards in outlying areas during the middle of the day—a practice officials from both agencies said would make the service too costly to provide. Similarly, Sound Transit in Seattle relies on Amtrak to maintain and store its trains during the midday at Holgate Yard, an Amtrak maintenance facility near Sound Transit's King Street Station in downtown Seattle, which serves both Sound Transit and Amtrak trains. (See fig. 4 for a picture of Holgate Yard.) According to Sound Transit officials, the use of Amtrak's facility saved Sound Transit the one-time cost of building its own multi-million dollar maintenance facility.

[13]Based on passenger counts, LIRR and NJT account for 92.6 percent of arriving passengers, while Amtrak accounts for 7.4 percent.

Figure 4: Sound Transit Trains in Amtrak's Holgate Yard, Seattle, WA

Source: GAO.

Many Commuter Railroads Rely on Amtrak for Services, with Reliance on Amtrak Greater along the NEC

Out of the 18 existing commuter rail agencies, 14 rely on Amtrak for some level and type of service—including the operation of commuter trains, maintenance of equipment (i.e., locomotives and train cars), maintenance-of-way (i.e., track and related infrastructure), train dispatching, and other services such as ticketing and security. Although most passengers ride commuter rail lines that use their own in-house employees for services critical to the operation of their service, Amtrak is a key player when commuter rail agencies do contract with other providers for services, compared to other individual companies (see table 2).

Table 2: Percent of Commuter Rail Passengers Served by Railroad Service Providers

	Dispatching	Maintenance of equipment	Maintenance-of-way	Train operations
Commuter rail agency in-house employees	51.2%	71.5%	64.4%	74.7%
Amtrak	30.4%	8.2%	11.7%	4.7%
Freight	17.9%	7.2%	14.1%	8.1%
BNSF Railway	1.7%	1.7%	1.6%	2.1%
Union Pacific Railroad	6.0%	5.2%	6.3%	5.2%
Other freights	10.1%	0.3%	6.2%	0.8%
Private operators	0.6%	13.2%	10.0%	12.6%
Herzog	0.6%	1.6%	2.8%	1.3%
Massachusetts Bay Commuter Railroad	N/A	8.9%	7.2%	8.9%
Other	N/A	2.7%	N/A	2.4%
Total	**100.1%** [a]	**100.1%**	**100.2%**	**100.1%**

Source: GAO analysis of commuter rail agency information.

Note: This table estimates the percentage of services provided by the various railroad service providers to commuter rail agencies. In order to account for the relative size of the commuter rail agencies, we weighted the percentages in our calculations. Specifically, we used the total number of passengers riding each commuter rail agency during July – September 2005 as a rough proxy for the size and service requirements of each agency. Totals may not add to 100% due to rounding.

[a]Data on dispatching was not available for MBTA, and MBTA was excluded from the dispatching column. MBTA data was available, and was included in the other service categories.

However, the extent to which commuter rail agencies rely on Amtrak for services varies. In general, those commuter rail agencies that use Amtrak-owned segments of the NEC have a greater level of reliance on Amtrak for services than those who do not. For example, all eight commuter rail agencies that use Amtrak-owned portions of the NEC rely on Amtrak for services related to that infrastructure—specifically, dispatching and maintenance-of-way—and they also are more likely to contract with Amtrak for additional services. Five of the eight commuter rail agencies accessing the Amtrak-owned NEC also contract with Amtrak for train operation and maintenance of equipment. By comparison, three of the ten commuter rail agencies, which do not operate over Amtrak-owned portions of the NEC, contract with Amtrak for train crews and maintenance of equipment.[14]

As shown in table 3, we classified the commuter rail agencies we contacted based on their level of reliance on Amtrak for services in one of four categories—heavy reliance, moderate reliance, limited reliance, or little to no reliance on Amtrak. Specifically:

Table 3: Commuter Rail Agency Reliance on Amtrak Services

	Heavy reliance	Moderate reliance	Limited reliance	Little to no reliance
Existing commuter rail agencies				
Altamont Commuter Express (ACE)			X	
Connecticut Department of Transportation's Shore Line East and New Haven Lines (SLE)	X			
Maryland Transit Administration (MARC)	X			
Massachusetts Bay Transportation Authority (MBTA)		X		
MTA Long Island Rail Road (LIRR)		X		
MTA Metro-North Rail Road				X
New Jersey Transit Corporation (NJT)		X		
North County Transit District (Coaster)	X			
Northeast Illinois Regional Commuter Railroad Corporation (Metra)			X	
Northern Indiana Commuter Transportation District (NICTD)				X
Peninsula Corridor Joint Powers Board (Caltrain)	X			
Pennsylvania Department of Transportation (PENNDOT)	X			
Sound Transit, Central Puget Sound Regional Transportation Authority (Sounder)		X		
Southeastern Pennsylvania Transportation Authority (SEPTA)		X		
Southern California Regional Rail Authority (Metrolink)			X	
Tri-County Commuter Rail Authority (Tri-Rail)				X
Trinity Railway Express (TRE)				X
Virginia Railway Express (VRE)	X			

[14]This number will be reduced to two in 2006, as Amtrak was not selected to be the service provider for San Diego's Coaster service.

	Heavy reliance	Moderate reliance	Limited reliance	Little to no reliance
Proposed commuter rail agencies				
Nashville Music City Star				X
New Mexico Rail Runner Express				X

Source: GAO analysis.

Notes:

(1) We determined the level of reliance on Amtrak for services through interviews with commuter rail agencies in which we discussed to what extent Amtrak provided services critical to the commuter rail operations, the results of which are summarized in appendix II. For the purposes of this classification, we considered train operation crews, maintenance of equipment, maintenance-of-way, and dispatching, as services critical to commuter rail operations.

(2) We used the following definitions to classify the commuter rail agencies:

Heavy reliance: Commuter rail agency contracts with Amtrak for at least half of two (or more) of the services critical to the commuter rail agency's operations.

Moderate reliance: Commuter rail agency contracts with Amtrak for at least half of one service critical to the commuter rail agency's operations.

Limited reliance: Commuter rail agency contracts with, or in some other way relies on, Amtrak for less than half of any service critical to the commuter rail agency's operations.

Little to no reliance: Commuter rail agency does not contract with, or in some other way rely on, Amtrak for any services critical to the commuter rail agency's operations.

- **Heavy reliance on Amtrak**: We classified six commuter rail agencies as having a heavy reliance on Amtrak for services. For example, Caltrain—a commuter rail service connecting San Francisco and San Jose—contracts with Amtrak for all train operations, maintenance of equipment, and dispatching services. In addition, Amtrak provides maintenance-of-way services for about 65 percent of the track Caltrain uses. Commuter rail agencies that rely heavily on Amtrak services told us they would face significant challenges, such as having to conduct emergency procurement for replacement service providers and potential service shutdowns, if Amtrak suddenly ceased to provide these services. Of these six agencies, four use the Amtrak-owned NEC.

- **Moderate reliance on Amtrak**: We classified five agencies as having a moderate reliance on Amtrak for services. For example, the Southeastern Pennsylvania Transportation Authority (SEPTA), a service linking Philadelphia to its outlying suburbs and Newark/Wilmington, Delaware, contracts with Amtrak to maintain almost 40 percent of the track that SEPTA traverses, and to dispatch more than half of SEPTA's trains.[15]

[15] The remainder of the services (e.g., train operations, equipment maintenance, and the rest of the dispatching) are provided by SEPTA employees.

Amtrak also provides traction power for many SEPTA trains. One of these five agencies classified as having moderate reliance on Amtrak—Sound Transit in Seattle, which contracts with Amtrak for all of its maintenance of equipment service—does not travel on Amtrak-owned NEC tracks. The impact of an abrupt Amtrak shutdown on agencies with moderate reliance is the most uncertain and depends on the particular circumstances of a shutdown. For example, if an Amtrak shutdown included discontinuation of propulsion power to the NEC, SEPTA's service would cease. However, if power remained, SEPTA could potentially operate its service, although other challenges such as dispatching services currently provided by Amtrak would still need to be addressed.

- **Limited reliance on Amtrak**: We classified three agencies as having limited reliance on Amtrak for service. None of these agencies use the NEC, and these agencies could likely cope with an abrupt shutdown of Amtrak services by using existing resources until more resources became available. For example, Metra, a commuter rail agency in Chicago, relies on Amtrak for dispatching services and access to infrastructure in and around Chicago Union Station—a key station for several of Metra's lines that is owned and operated by Amtrak. Provided that Metra was granted the authority to assume responsibility for Chicago Union Station and obtained information regarding the employees it would need to hire to operate the station, a senior Metra official stated that it would be able to take over the operation of the station, and could do so over a weekend if necessary.

- **Little to no reliance on Amtrak**: We classified six commuter rail agencies, including two proposed commuter rail services, as having little to no reliance on Amtrak. These agencies either have their own in-house employees or they contract for services with private transportation companies or freight railroads. For example, the Northern Indiana Commuter Transportation District (NICTD) operates commuter rail service from South Bend, Indiana, to Chicago with its own employees and equipment on its own track. In addition, none of the agencies require access to Amtrak-owned NEC tracks, and all reported that they could continue service with minimal or no disruption in the event of an abrupt Amtrak cessation of services. Although these six agencies do not rely on Amtrak for services, most of these agencies have some kind of relationship with Amtrak. For example, the Fort Worth Transportation Authority—one of the two transit agencies that owns Trinity Railway Express (TRE)—built a multi-modal transportation facility that serves as a train, bus, and cab station for commuters in Fort Worth, Texas. In developing the center, Amtrak requested a number of features that would allow its intercity trains to use the station, and in turn Amtrak agreed to a 10-year operating lease of the station. According to TRE officials, the transportation authority would stand to lose a revenue stream of more than $500,000 per year if Amtrak ceased to use the station.

Financial Arrangements between Amtrak and Commuter Rail Agencies Vary and Lack Clarity

The reliance on Amtrak for infrastructure and services by many commuter rail agencies has led to a variety of financial arrangements between these parties. While information on these arrangements could help decision makers in their efforts to reform Amtrak, these arrangements vary significantly and frequently lack clarity. As a result, it is difficult for Amtrak's internal and external stakeholders to identify the overall amount of revenues Amtrak generates, and the costs it incurs, in providing services and infrastructure access to commuter rail agencies. Several factors contribute to the lack of clarity, including limitations in Amtrak's accounting practices, lack of transparency in Amtrak's financial reports, and the structure of some of the arrangements. Amtrak's fiscal year 2006 appropriations bill directs DOT to levy a fee on commuter rail agencies that use the NEC to compensate Amtrak for maintenance and capital expenditures resulting from their use of the NEC. This fee could increase the transparency of Amtrak's—and commuter rail agencies' financial—arrangements, but it does pose some challenges.

Financial Arrangements between Commuter Rail Agencies and Amtrak Vary

The financial arrangements between commuter rail agencies and Amtrak vary. One reason for this variation is the negotiation process. Although some financial arrangements have grown from the historical relationships between Amtrak and commuter rail agencies, most of today's arrangements are the product of individual negotiations. Through these negotiations, Amtrak and a commuter rail agency reach agreement on the terms and conditions—including price—for the commuter rail agency's use of Amtrak services and infrastructure. This agreement is typically documented in a contract between Amtrak and the commuter rail agency. The specific contract terms and conditions vary due to a number of factors, such as the comparative bargaining power of each party, the specific services and infrastructure used, and the extent of competition for the contract.[16]

According to Amtrak officials, another factor that influences the specific terms and conditions of some of Amtrak's commuter rail contracts is the Interstate Commerce Commission's[17] 1983 ruling known as Ex Parte 417. This ruling governed compensation for access to the NEC for some commuter rail agencies, but not necessarily others.[18]

- Amtrak officials stated that NEC commuter rail agencies that were established prior to the ruling—namely, LIRR, SEPTA, NJT, MBTA, and MARC—start from an *avoidable cost basis* in NEC-access negotiations with Amtrak. Avoidable costs refer to only those expenses above what Amtrak would pay if the commuter rail did not use Amtrak infrastructure.
- Amtrak officials stated that other commuter rail agencies must negotiate NEC-access agreements from a *fully allocated cost basis*, which could include all of Amtrak's costs for running commuter rail trains over the NEC (e.g., including avoidable costs, depreciation, and overhead). These agencies include PENNDOT, SLE, and VRE.[19]

Commuter rail agencies' financial arrangements with Amtrak also vary in relation to the terms of their capital contributions for shared infrastructure. Some commuter rail agencies contribute significantly more

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[16]Commuter rail contracts can either be a product of a competitive or non-competitive process. In a competitive process, a commuter rail agency requests proposals for a certain set of services and several companies submit offers to provide that service. The companies may be given feedback and an opportunity to refine their offers. One or more companies are ultimately selected for a contract. Where Amtrak owns the infrastructure necessary for commuter service, commuter rail agencies have entered into non-competitive contracts with Amtrak—for example, to access the Amtrak-owned NEC, Chicago Union Station, or Holgate Maintenance Yard in Seattle. A non-competitive contract is one in which the cost is developed through negotiations with a single provider such as Amtrak.

[17]STB is the successor to the Interstate Commerce Commission (ICC).

[18]According to STB staff, no commuter rail agency has petitioned the Board to apply the ICC ruling. Nevertheless, it serves as an option should Amtrak and those commuter rail agencies subject to the ruling fail to reach agreement as to the terms and conditions of access. Moreover, a senior Amtrak official stated that commuter rail agencies covered by the ICC ruling use it as the basis for access negotiations.

[19]SEPTA provides commuter rail service for the Delaware Department of Transportation between Newark/Wilmington, DE, and Philadelphia, PA. This service was initiated after Amtrak's inception, and therefore, Delaware's Department of Transportation also negotiates a price for accessing the NEC.

to capital projects that benefit both the commuter rail agency and Amtrak than others. For example, NJT has negotiated a $600 million, 10-year (1997-2006) joint benefit capital investment program with Amtrak. In contrast, SEPTA made over $30 million in capital investments on Amtrak-owned portions of the NEC between fiscal years 1995 and 2005.[20]

The financial arrangements between Amtrak and commuter rail agencies also vary in terms of how they are structured. For example, Amtrak may have separate contracts for services, infrastructure access, and capital investment with one commuter rail agency, while another agency might have only one contract that bundles several services and access fees together in a fixed price. In addition, a few commuter railroads have entered into “quid-pro-quo” exchange arrangements with Amtrak. For example, Sound Transit and Amtrak have an exchange arrangement where monetary values are not established for maintenance of the two stations they share—that is, Amtrak uses the Tukwila Station, which is maintained by Sound Transit, and in turn Sound Transit uses the King Street Station, which is maintained by Amtrak. No recognition is given to this exchange in Amtrak’s financial records and reports. Similarly, Amtrak grants MBTA commuter service access to 5.7 miles of track that Amtrak owns and maintains; in exchange, MBTA grants Amtrak the right to run intercity trains over 37 miles of track owned by MBTA. No money is exchanged between Amtrak and MBTA for the use of those portions of track.

Financial Arrangements between Amtrak and Commuter Rail Agencies Lack Clarity

The financial arrangements between Amtrak and commuter rail agencies also lack clarity. That is, although such information could help decision makers consider potential reforms to Amtrak, it is difficult for commuter rail agencies, Amtrak’s management, and external stakeholders (such as Congress and DOT) to identify the overall amount of revenue Amtrak generates and the costs it incurs in providing services and infrastructure access to commuter rail agencies. It is also difficult to determine whether commuter rail agencies are being over- or under-charged for services and infrastructure access. Several factors contribute to the lack of clarity, including limitations in Amtrak’s accounting practices, a lack of transparency in Amtrak’s financial reports, and the structure of some of the arrangements. Specifically:

[20]SEPTA and Amtrak are finalizing an agreement to invest $380 million on portions of the Amtrak-owned Keystone Corridor over 11 years.

- **Limitations in Amtrak's accounting practices**: Limitations of Amtrak's cost-accounting practices produce a lack of clarity in the financial relationships between commuter rail agencies and Amtrak—particularly with respect to Amtrak's ability to clearly show all of the costs it incurs in providing access to infrastructure and various services. While Amtrak can support amounts in periodic billing statements to some of its commuter rail customers, it cannot identify (and does not allocate and bill) the full cost of providing these services or access. In prior reports, we noted that Amtrak has insufficient unit cost metrics to measure the full costs of its core functions, such as train operations or infrastructure maintenance. Amtrak officials acknowledged that the methods for assigning its costs are not exact, and some commuter rail agencies with whom we spoke expressed dissatisfaction with Amtrak's ability to clearly document these costs. For example, officials from one commuter rail agency explained that Amtrak relied on historical cost data from prior negotiations and regularly adjusted these amounts for inflation rather than on clear and transparent actual annual costs. As a result, these commuter rail agency officials believed that Amtrak significantly overcharges for some items and significantly undercharges for others. In October 2005, we recommended that Amtrak enhance financial management transparency by lines-of-business (which include commuter operations) and establish unit cost measures, which could help Amtrak increase the accuracy of its cost information in providing services and infrastructure access to commuter railroads.[21] Amtrak received $5 million in its fiscal year 2006 appropriations to develop and implement a new managerial accounting system, which could also help improve its financial transparency.[22]

- **Lack of clarity in Amtrak's financial reports**: Amtrak's financial reports do not clearly and transparently present useful information for all amounts of revenue generated and all costs incurred for providing infrastructure access and services to commuter rail agencies. Amtrak has made some progress in showing its revenues and costs in its monthly performance reports; however, the total amount of revenue and costs from providing infrastructure access and services to commuter rail agencies is still unclear. For example, income generated from Amtrak's operation of commuter rail service is shown as commuter revenue; however, infrastructure access fees from commuter rail agencies are included with other railroads' access fees as infrastructure management revenue.

[21] GAO-06-145.

[22] According to FRA officials, they are currently working with Amtrak to develop a plan for revamping its accounting system.

Similarly, Amtrak's audited consolidated financial statements—while they properly report all items of revenue, cost, and offsets to capital items from commuter rail activities—Amtrak's management does not separately disclose all of this activity in one place, which would increase its usefulness. The lack of transparency in Amtrak's financial reports is due, in part, to limitations in Amtrak's accounting practices. Although commuter rail activities are not the focus of Amtrak's financial reports, the lack of transparency about the revenues and costs incurred as a result of Amtrak's commuter rail activities makes it difficult for Amtrak's management and external stakeholders to make fully informed decisions about its commuter line-of-business.

- **Structure of financial arrangements**: The structure of Amtrak's financial arrangements with commuter rail agencies also contributes to the lack of clarity. For example, as noted above, some commuter rail agencies have a single contract for both infrastructure access and services. According to Amtrak officials, while these contracts separate charges for infrastructure access and services, commuter rail agencies are not able to identify Amtrak's specific costs associated with these charges. As a result, several commuter rail agencies stated that this makes it difficult to determine the value of the specific services or access that they are purchasing from Amtrak. In addition, the "quid-pro-quo" arrangements are not recorded as revenues or expenses by Amtrak. Because these arrangements are not assigned monetary values, it is difficult to quantify the financial value or impact to Amtrak's or commuter rail agencies' bottom line.

Officials from Amtrak acknowledged that there is a lack of clarity in the current financial arrangements between Amtrak and commuter rail agencies. In particular, officials noted that because of Ex Parte 417 and the practice of some (but not all) commuter rail agencies contributing to capital projects, there is a built-in imbalance in access fees and capital contributions paid to Amtrak from commuter railroads on the NEC. Amtrak officials said they would welcome a uniform capital contribution and access fee policy from the federal government.

New NEC Fee Could Improve Transparency but Poses Potential Challenges

As part of Amtrak's fiscal year 2006 appropriation, Congress directed the Secretary of Transportation to assess a fee on commuter rail agencies using the NEC. According to the statute, the fee will be based on annual NEC maintenance and capital costs—net of any current contributions from commuter rail agencies—attributable to commuter rail use of the infrastructure. The statute directs the Secretary of Transportation to calculate the fee based on relative use of the NEC (e.g., train mile usage or another factor). The revenue generated from this fee would be used to support capital projects on the NEC. As of March 2006, FRA was working to develop and implement the fee.

FRA and FTA officials identified several challenges in implementing this new fee. First, FRA officials stated that developing a formula for assessing the fee could be complicated; several factors could be used as a basis for the fee, including ridership or train miles—both of which are already used in other federal funding formulas—or other factors. Second, FTA officials noted that most commuter rail agencies already have negotiated agreements with Amtrak concerning cost-sharing approaches for capital investments, which will complicate the development of a separate formula for assessing the fee. Finally, FTA officials stated that they will need clarification regarding whether the Congress intended this fee as a rescission to federal funding of capital projects from FTA to commuter rail agencies, or as a new federal funding source to Amtrak.

Commuter rail agencies using Amtrak-owned NEC share many of these concerns—especially that the contracts they have negotiated with Amtrak already establish their contribution for infrastructure access and capital contributions. These agencies also noted to us that their state fiscal year 2006 budgets have already been passed and did not include any funding for such a fee. As a result, these agencies may face difficulties in securing funding to pay the fee if DOT levies the charge as directed during the remainder of fiscal year 2006. In addition, because commuter rail agencies and Amtrak use the NEC in different ways (e.g., Amtrak high-speed intercity trains require more costly maintenance-of-way requirements as compared to slower commuter trains) and have different levels of use, commuter rail agencies argue that there are valid reasons for cost differentials between commuter rail agencies and Amtrak. Finally, officials from several commuter rail agencies expressed concern that they were not consulted prior to the enactment of this fee and believe that Amtrak, the federal government, and representatives of the affected states and commuter rail properties should cooperatively develop a formula for determining and allocating costs and compensation for shared-track operations on the NEC. According to FRA officials, FRA is in the process of meeting with commuter rail agencies to develop a methodology to calculate and apply this fee.

Abrupt Amtrak Cessation Could Raise Critical Issues for Some Commuter Rail Agencies

Decisions made by federal policy makers in the debate over Amtrak will play a critical role in whether or not Amtrak abruptly ceases to provide services and infrastructure to commuter rail agencies. In the event that Amtrak abruptly ceases to provide services and infrastructure, commuter rail agencies would face two critical operational issues that could make it difficult for some to continue operations and avoid severe service disruptions. One critical issue they would face would be the potential loss of Amtrak skilled labor. Another critical issue would be the potential loss of access to Amtrak-owned infrastructure. Some commuter rail agencies also described facing additional issues, such as the loss of revenue or a strain on capacity.

Decisions Made by Federal Policy Makers Will Play a Critical Role in Whether Amtrak Abruptly Ceases to Provide Infrastructure and Services to Commuter Rail Agencies

Decisions made by federal policy makers will play a critical role in whether or not Amtrak abruptly ceases to provide services and infrastructure to commuter rail agencies.[23] The most likely cause for an abrupt Amtrak cessation is bankruptcy. Amtrak has been on the edge of bankruptcy several times. For example, in 2001, Amtrak lost over $1.2 billion and had to mortgage a portion of Pennsylvania Station in New York City to generate enough cash to meet its expenses. As we reported in October 2005, Amtrak's financial troubles have continued since that time, with operating losses now totaling over $1 billion per year.[24] Given Amtrak's precarious financial position, federal policy makers' decisions could either usher Amtrak into bankruptcy or prevent Amtrak from slipping into bankruptcy. For example, if policy makers acted on legislative proposals that end or substantially reduce federal funding, an Amtrak bankruptcy or shutdown could quickly follow. Specifically, Amtrak officials have stated that proposals with zero funding for Amtrak operating or capital costs would promptly trigger an Amtrak bankruptcy. In contrast, federal policy makers could also act to prevent Amtrak from declaring bankruptcy, as was the case in July 2002 when DOT approved an emergency loan because the railroad was running out of cash.

[23]Our report focuses on the impact of an abrupt Amtrak cessation on commuter rail operations. For example, if policy makers acted on legislative proposals that end or substantially reduce federal funding, an Amtrak bankruptcy or shutdown could quickly follow. Multiple bills to reform intercity passenger rail service have been proposed in recent years—and these bills, if enacted, could result in outcomes other than an Amtrak cessation. However, we did not examine how these other outcomes or scenarios would impact commuter rail operations.

[24]GAO-06-145.

If federal policy makers allow an Amtrak bankruptcy to occur, a trustee would be appointed to oversee the bankruptcy proceedings. Under current law, the trustee, along with the bankruptcy court, would make decisions about Amtrak's future.[25] Although it is difficult to predict what decisions a bankruptcy court would make, there is no guarantee that all of Amtrak services—such as the services it provides to commuter rail agencies—would continue. In October 2005, we suggested that as a first major step toward implementing and rationalizing the provision of intercity passenger rail service, Congress should consider establishing a clear national policy for intercity passenger rail service that would address, among other things, the interests of the diverse set of Amtrak stakeholders and limit unintended consequences to these parties.[26] Commuter rail agencies are one kind of stakeholder, and the effect of an abrupt Amtrak shutdown on commuter rail agencies could be one such unintended consequence.

One Critical Issue Commuter Rail Agencies Would Face Would Be the Potential Loss of Skilled Amtrak Labor

For those commuter rail agencies that contract with Amtrak to provide services, an abrupt Amtrak cessation could result in a shortage of qualified labor needed to maintain commuter service and avoid severe disruptions or a shutdown of service. Amtrak employees provide a number of services to commuter rail agencies that support a wide range of commuter rail functions. In addition, these employees have institutional knowledge regarding the use and maintenance of the equipment and infrastructure needed to provide safe and efficient passenger rail service. If Amtrak employees no longer provided these services, commuter rail agencies would need to replace Amtrak labor with other experienced railroad employees or hire new employees and train them. However, the narrowed available pool of qualified rail employees due to the recent increase in freight traffic as discussed by freight railroad officials, as well as the time required to train new employees, could limit the ability of commuter rail agencies to replace Amtrak employees in the short term.

STB staff placed Amtrak employees that provide services to commuter rail agencies in the following categories based on the type of service they provide to commuter rail agencies:

[25]For more information on issues involved in an Amtrak liquidation, see GAO, *Intercity Passenger Rail: Potential Financial Issues in the Event That Amtrak Undergoes Liquidation*, GAO-02-871 (Washington, D.C.: Sept. 20, 2002).

[26]GAO-06-145.

- Dedicated-contract employees: these employees are mainly dedicated to a single commuter rail service and include conductors, engineers, and maintenance of equipment personnel. For example, the Amtrak engineers and conductors that operate VRE commuter trains are dedicated to this service by contract, although they may occasionally work on Amtrak service.

- Cross-cutting employees: these employees provide services, such as maintenance-of-way, signals and communications, or dispatching, for more than one passenger rail service. For example, Amtrak and LIRR dispatchers working in Pennsylvania Station Central Control facility in New York City are jointly managed by Amtrak and LIRR. These dispatchers control the movement of Amtrak intercity trains as well as LIRR and NJT commuter trains.

- Overhead employees: these employees take care of functions such as payroll and training, and provide support to both Amtrak and the various commuter operations. These employees support dedicated, cross-cutting, and other overhead functions. It is unclear how many of these employees would be needed to support each individual commuter service contract.

According to STB staff, dedicated-contract employees may be easier for commuter rail agencies to replace or assume in the short term than employees that provide either cross-cutting or overhead functions. For instance, dedicated-contract employees are easier to identify because they generally work for only one commuter rail service. In addition, the costs associated with dedicated-contract employees, such as salaries and benefits, are easier to quantify than costs associated with employees that support functions for more than one passenger rail service.

If Amtrak abruptly ceased to provide services and infrastructure to commuter rail agencies, officials from a few commuter rail agencies told us they might be able to replace the Amtrak employees who are dedicated to their particular commuter rail service with employees from another railroad. For example, SLE, which operates between New London and New Haven, Connecticut, may be able to replace Amtrak train and engine crews with Metro-North employees that are already familiar with SLE's operation in 6 to 12 months. Similarly, according to a senior Coaster official, the Coaster service operating between San Diego and Oceanside, California, would be able to replace Amtrak maintenance-of-way employees more quickly than other employees because either Burlington Northern Santa Fe, a Class I freight railroad, or local contractors could step in to perform this type of work.

In most cases, however, commuter rail agencies told us they could not quickly replace current Amtrak employees because of workforce limitations, such as the availability of a qualified labor pool. For example, according to officials from several Class I freight railroads, their current workforce is already strained due to a growing demand for freight rail transportation and a narrow labor pool of qualified applicants. In addition, freight railroad employees could not immediately take over services provided by Amtrak employees without first obtaining training on commuter rail equipment. According to officials from one freight railroad, it would take at least 9 months to train someone to safely operate commuter service if existing Amtrak train crews were unavailable. Commuter rail agencies also told us they do not have the workforce capabilities or expertise to take over the services provided by Amtrak (especially overhead, dispatching, or maintenance services) in the short term. As a result, some commuter rail agencies would have to limit or shut down service in the short term unless current Amtrak employees could continue providing these services. For example:

- Caltrain bundles the services required to operate, maintain, and dispatch its commuter trains into one contract with Amtrak. According to one Caltrain official, if Amtrak no longer provided these services, Caltrain would likely go out of business and discontinue its commuter operations, because, among other things, Caltrain employees are not equipped to assume overhead functions currently provided by Amtrak, such as payroll, training, and human resources. Moreover, because of the small size of the commuter operation, it would be cost-prohibitive for Caltrain to handle these overhead functions compared to Amtrak, which can centralize such functions for its national network and all of its commuter services.

- While MBTA no longer contracts with Amtrak for operations and maintenance of equipment services, Amtrak personnel still provide some services, including maintenance-of-way, signal maintenance, and dispatching for some of its trains. In particular, Amtrak employees dispatch MBTA trains at the joint Centralized Electrification and Traffic Control (or CETC) center in Boston's South Station. The technical skills required to dispatch trains take time to develop and could not be replaced in a short time period. An official from the Massachusetts Bay Commuter Railroad Company (MBCR), the contract operator of the MBTA commuter service, stated that if Amtrak no longer provided dispatching services for MBTA trains, it would need to hire 18 dispatchers—and hiring and training these dispatchers would take about 15 months if it could not hire the existing, qualified Amtrak employees. Until these dispatchers were trained and in place, MBTA's service would be limited.

Other commuter rail agencies on the NEC that rely on Amtrak's skilled workforce would also face issues in the event of an abrupt Amtrak cessation. For example, NJT relies on Amtrak employees to dispatch some of its trains out of the CETC center in Philadelphia's 30th Street Station. SEPTA also relies on Amtrak dispatchers to provide overhead electric power and dispatch both power and some of its trains out of this CETC center. According to NJT and SEPTA officials, these employees could not be replaced in the short term because of the training and expertise required to provide these services.

Potential Loss of Access to Amtrak Infrastructure Is Another Critical Issue Commuter Rail Agencies Would Face

To avoid disruptions or shutdowns, commuter rail agencies would need to be able to continue accessing Amtrak-owned infrastructure if Amtrak abruptly shut down. Commuter rail agencies on the NEC, in particular, could face severe service disruptions without the ability to access Amtrak-owned track and stations along the NEC. For example:

- Officials from LIRR stated that without access to Pennsylvania Station, which is the LIRR's major access point to downtown New York City, about 87.4 percent of LIRR's daily passengers would have to be taken to temporary west-end terminals and transferred to various subway stations in order to complete their trips into Manhattan.

- NJT officials estimated that over 77 percent of its daily passengers would be affected each day if it could no longer operate its trains over the NEC. According to these officials, there are not enough suitable alternative transportation options to accommodate these passengers because of capacity limitations on area highways and lack of additional bus equipment.

- According to a SEPTA official, almost all of its passengers would be affected without access to Amtrak-owned right-of-way and traction power, which is provided through the CETC Center in Philadelphia's 30th Street Station. This is because almost all SEPTA passengers begin or end their commute in the city center, where all of SEPTA's routes are connected through a central tunnel that has traction power provided by Amtrak. If access to Amtrak-owned infrastructure and power is unavailable, limited bus service to SEPTA heavy rail and light rail lines might be available to some passengers.

As discussed previously, Amtrak also owns and controls infrastructure outside the NEC, including stations and maintenance yards that are used by commuter rail agencies. These commuter rail agencies would also need continued access to these facilities in order to limit service disruptions if Amtrak abruptly ceased service. For example, over half of Metra's commuter rail lines could not complete their trips without access to Chicago Union Station. In Seattle, Sound Transit officials stated that they would have to obtain access to another maintenance facility, which would likely cause severe service disruptions, or discontinue service if access to Amtrak's Holgate maintenance yard was unavailable due to an abrupt Amtrak cessation.

Commuter Rail Agencies Also Described Other Issues They Would Face with Abrupt Amtrak Cessation

While access to labor and infrastructure present critical issues for commuter rail agencies that rely on Amtrak, a number of other issues could also face commuter rail agencies in the event of an abrupt Amtrak cessation. These include loss of revenue and a strain on capacity.

- **Loss of revenue**: some commuter rail agencies could lose revenue received from access fees paid by Amtrak to operate its trains over tracks owned by the commuter authority. For example, the Coaster service in California receives $1.9 million a year from Amtrak to operate over infrastructure owned by Coaster. According to one Coaster official, without this revenue, service reductions or fare increases would likely result.

- **Strain on capacity**: some commuter rail agencies could also face a strain on capacity as a result of an abrupt Amtrak cessation. For example, some commuter rail services may have to accommodate passengers from Amtrak's intercity service or take over portions of Amtrak's intercity service. However, commuter rail agencies may not have adequate resources or the capacity to accommodate additional intercity passengers. For example, both Metro-North and Metrolink expect they would have to add equipment to their service in order to accommodate Amtrak intercity passengers. However, according to a Metrolink official, it is uncertain how quickly it could procure additional equipment to meet increased demand in the short term. In addition, some commuter rail agencies have cross-ticketing programs with Amtrak that allow one or both parties to increase capacity on their lines without having to add cars or trains to their service. For example, both Coaster and Metrolink have initiated "rail-to-rail" ticketing programs with Amtrak that allow commuters who hold monthly passes to ride Amtrak trains within the commuter rail's service territory. This effectively increases the number of trains that Coaster passengers can use each day from 22 to 44. An Amtrak cessation, therefore, would significantly reduce these commuter rail agencies' capacity.

Some Options Are Available to Commuter Rail Agencies in the Event of an Abrupt Amtrak Cessation, but Service Disruptions and Financial Difficulties Would Be Likely

Most commuter rail agencies that rely on Amtrak services and Amtrak-owned infrastructure have identified short- and long-term options to mitigate service disruptions in the event that Amtrak abruptly ceases operations. However, those options are largely dependent on the ability to retain Amtrak employees and access to Amtrak's infrastructure, particularly in the short term. Federal agencies could provide short-term options to mitigate potential impacts on commuter rail agencies in the event of an abrupt Amtrak cessation. However, service disruptions are likely and the cost of funding such options is unknown. Private transportation companies could take over commuter rail services provided by Amtrak; however, labor and liability issues, among others, would need to be addressed.

Most Commuter Rail Agencies Have Identified Contingencies for an Amtrak Cessation that are Largely Dependent on Access to Amtrak Employees and Infrastructure

Contingencies identified by commuter rail agencies to respond to an abrupt Amtrak cessation vary depending on the reliance of that agency on Amtrak for services and access to infrastructure. Commuter rail agencies that have little to no reliance on Amtrak would be able to continue operating commuter service with little or no service disruption if Amtrak abruptly ceased to provide services and infrastructure. Nevertheless, some of these agencies have identified some options to mitigate the potential non-service impacts, such as the potential strain on capacity as a result of an Amtrak cessation. For example, Metro-North would add train cars to its current service in order to accommodate passengers from Amtrak's intercity service.

Commuter rail agencies with limited to heavy reliance on Amtrak, however, could face minor to severe service disruptions depending on their ability to retain Amtrak employees and use Amtrak infrastructure—which is particularly critical for commuter rail agencies on the NEC. Commuter rail agencies identified short-term contingencies ranging from assuming portions of the service to curtailing or shutting down service if Amtrak abruptly ceases to provide services and access to infrastructure to them.

- **Assume portions of service**: In some cases, commuter rail agencies may be able to assume management of some of the services provided by Amtrak. For example, MBTA has the option to add dispatching and infrastructure maintenance functions to its contract with MBCR. These functions are currently provided by Amtrak on those portions of the NEC that MBTA operates commuter service. However, MBTA stated it would prefer to hire the current Amtrak personnel or would need the current workers to continue to provide these services until other workers were hired and trained—a process that could take more than 1 year.

- **Find alternate service provider**: A few commuter rail agencies would make arrangements for an alternate provider to take over services provided by Amtrak. For example, a commuter rail agency official told us that they would either conduct an emergency procurement to replace the current contract with Amtrak or would go directly to another operator and ask them to fill in. However, this process would likely be very expensive because there would not be sufficient time to competitively procure the contract. It would also require the willingness of Amtrak employees currently dedicated to that commuter rail agency's service to hire on with the new contractor.

- **Curtail or shut down service**: Several commuter rail agencies, particularly on the NEC, stated they would either have to curtail portions of their service or shut down service entirely, particularly if access to Amtrak employees and infrastructure were unavailable. For example, MARC officials told us if MARC could no longer access Washington Union Station, they would run only the trains that operate over CSX Transportation (CSX) infrastructure to stations outside of Washington, D.C., and passengers would need to transfer to subway or bus lines to complete their trips into Washington, D.C. Other commuter rail agencies told us they would likely shut down service if Amtrak abruptly ceased to provide services and infrastructure. For example, a Caltrain official stated that it would likely end all of its commuter rail service because it does not have the workforce capabilities to take over all of the services provided by Amtrak.

Commuter rail agencies also identified long-term contingencies in the event of an Amtrak cessation. Commuter rail agencies that use Amtrak for services would issue request-for-proposals (RFP) to hire new contractors to replace Amtrak. However, several commuter rail officials told us that the procurement process takes an average of 18 months from the time the RFP is issued to the time the new contractor can begin providing service. These contractors would also need to hire a qualified workforce, which may or may not include Amtrak employees, and would require access to Amtrak-owned infrastructure in order to provide services to commuter rail agencies.

Federal Agencies Could Provide Short-Term Options for Commuter Rail Agencies, but Service Disruptions Are Likely and Costs Are Unknown

STB has the statutory authority to direct a rail carrier to provide services, previously provided by Amtrak, to commuter rail agencies in the event of an abrupt Amtrak cessation of services. According to the statute, in order for STB to issue a directed-service order (1) a commuter rail agency must be adversely affected by an Amtrak shutdown and (2) funding must have been appropriated for directed service. The statute also establishes parameters for the use of directed service. For example, a single directed-service order cannot last more than 270 days (about 9 months). In addition, in a directed-service scenario, STB must require the use of the employees who would have normally performed the work, to the extent practicable. Such employees could be former Amtrak employees or employees from another railroad,[27] including commuter or freight railroads. The statute also gives STB the authority to direct a service provider to take over the provision of infrastructure functions related to operations, such as traction power, dispatching, and maintenance. Therefore, according to STB staff, STB could direct service over the NEC so that current commuter rail agencies could continue to operate on the NEC for a limited period of time. However, STB's authority to direct service for commuter rail agencies has never been used, and a number of uncertainties about directed service—such as the time required to implement a directed service order and the costs of such efforts—exist. Consequently, FRA officials believed that service disruptions under a directed-service scenario would be unavoidable and could be either brief or extended, depending on the particular situation of the commuter rail agency.

Companies that could be directed to provide the services now performed by Amtrak for commuter rail agencies include freight railroads, the commuter rail agencies themselves, and possibly other entities. For example, Metra in Chicago might be directed to take over the operation, maintenance, and dispatching for Chicago Union Station—a responsibility Metra officials stated they would be able to do. STB staff did note that even though STB has the authority to direct entities to serve as a directed service provider, it would have to weigh their willingness to perform this task. For example, although STB can direct a freight railroad to provide train crews to operate commuter rail service, freight railroad officials with whom we spoke have consistently expressed a lack of interest in being

[27] According to the statute, "[for purposes of the section with regard to directed service,] the National Railroad Passenger Corporation and any entity providing commuter rail passenger transportation shall be considered rail carriers subject to the Board's jurisdiction." 49 U.S.C. § 11123(e).

directed-service providers. STB staff did note, however, that the freight railroads operating in the Northeast do have an interest in Amtrak's continued operations. For example, Norfolk Southern (NS) relies on Amtrak dispatching and infrastructure to provide freight service over some of the NEC to several major mid-Atlantic markets. According to a Norfolk Southern official, the NEC is the only practical route NS freight trains can use to reach Baltimore, Wilmington, and the Delmarva Peninsula,[28] which are all major rail markets. STB staff recognize that directing an unwilling entity to provide service is an undesirable situation that could result in service delays, and STB staff stated that they would prefer to avoid this type of scenario.

STB staff and FRA officials believe that directed service would be highly problematic and should be avoided if at all possible.[29] FRA officials stated that the current directed service implementation plan contains some questionable assumptions, particularly the assumptions about labor and the cost of directed commuter service. For example, implementation plans assume that Amtrak employees (especially on the NEC) would be willing to continue performing their same duties for the directed-service provider. However, according to FRA and FTA officials as well as STB staff, former Amtrak employees would have no legal obligation to accept an employment offer from the directed-service provider. The labor unions we spoke with stated that they believed that in a directed-service scenario, Amtrak employees would be much more likely to accept jobs with employers that participate in the railroad retirement-system, such as freight railroads. These jobs would be more secure and would allow

[28]The Delmarva Peninsula refers to the peninsula between the Chesapeake Bay and the Atlantic Ocean made up of territory from the states of Delaware, Maryland, and Virginia.

[29]STB staff have been working with FRA officials to identify possible implementation plans, but STB staff said that there has been no need for a meeting of the working group tasked with this activity since Amtrak's fiscal year 2006 appropriation was passed, which provided Amtrak nearly $1.3 billion. The Secretary of Transportation holds an additional $40 million that may be released to Amtrak for efficiency incentive grants. This appropriation made Amtrak's financial situation potentially less dire and significantly reduced the chance that Amtrak would be in a bankruptcy situation in fiscal year 2006.

employees to remain in the railroad retirement-system.[30] Not all commuter rail agencies participate in the railroad retirement-system, which would make jobs with those commuter rail agencies less desirable to employees currently covered by the retirement system. According to FRA officials, the biggest concern and unknown in a directed service scenario is whether former Amtrak employees will agree to work for the new provider.

In addition, FRA officials stated that the estimates of the costs of providing directed service are unreliable and not based on a robust set of assumptions. In fiscal years 2004 - 2006, Congress directed the Secretary of Transportation to withhold $60 million from Amtrak's federal grant to use if STB issued a directed-service order.[31] According to STB staff and FRA officials, the $60 million figure is a rough estimate of the cost of providing directed service that FRA developed based on Amtrak's overall cash burn rate per month. However, because of the assumptions used to calculate the estimate, officials from FRA and STB staff questioned the reliability of the estimate and the length of time this level of funding could cover. For example, FRA officials suggested that $60 million could cover no more than 2 months—and likely far less—of directed commuter rail service. These officials stated that this estimate assumed only minimal services for the 2-month period. For instance, according to FRA officials, this level of funding would not allow for any significant mechanical work on any piece of commuter rolling stock, which would force any equipment requiring such servicing to be parked until additional funding was made available. Taking equipment that needs maintenance out of service is not sustainable for more than a few months. In addition, STB staff and FRA officials stated that the estimate reflects only the operational costs associated with providing directed service, and therefore, did not include funding for capital maintenance or for the backlog of capital improvements on the NEC. It also does not account for the access fees commuter rail agencies would presumably continue paying to the residual Amtrak (or new

[30]The railroad retirement-system provides retirement and disability benefits to the nation's retired railroad workers and their survivors, including those of Amtrak. If employees leave a company that participates in the railroad retirement-system, they may face reduced retirement benefits. Employees moving from one participant company to another (e.g., from Amtrak to a freight railroad) would retain their full benefits. For more information on the railroad retirement-system, see GAO, *Intercity Passenger Rail: Potential Financial Issues in the Event That Amtrak Undergoes Liquidation*, GAO-02-871 (Washington, D.C.: Sept. 20, 2002).

[31]In fiscal years 2004 and 2005, this money was released to Amtrak in the fourth quarter when it was clear that Amtrak would not run out of money and enter into bankruptcy before the end of the fiscal year.

infrastructure owner) for the use of its infrastructure. STB staff and FRA officials stated that long-term directed-service scenarios (i.e., when directed service lasts longer than 1 or 2 months) would require additional funds for train operations, equipment maintenance, and capital funding for critical infrastructure. Some commuter rail agencies noted that directed service would probably be needed for more than a few months due to the time required to transition to a new service provider.

Although the accuracy of the $60 million estimate for 2 months of directed service is questionable, it was used to calculate the costs of providing directed service for 12 months in the administration's fiscal year 2006 budget proposal. Specifically, the administration's fiscal year budget proposed that no capital or operating funds be provided to Amtrak, and that $360 million be set aside for directed service for commuter and freight rail. According to FRA officials, the $360 million was based on FRA's 2-month estimate and multiplied out to cover an entire year. However, as the original estimate was not based on robust assumptions, officials do not think that $360 million would be able to cover 1 year of directed commuter rail service in the event of an Amtrak shutdown, much less commuter and freight rail services.

Private Transportation Companies Could Provide Options for Commuter Rail Agencies, but Challenges Exist

In addition to Amtrak, freight railroads and other private transportation companies currently provide services, including train operations, equipment maintenance, infrastructure maintenance, and dispatching, to commuter rail agencies. Freight railroads typically provide some level of services to commuter rail agencies in cases where the commuter service operates in part (or entirely) over infrastructure owned and maintained by the freight railroad. For example, Burlington Northern Sante Fe provides access to—and maintenance of—its infrastructure for Metrolink, Sounder, and Metra. In addition, private transportation companies, including Bombardier, Connex, and Herzog, provide services to seven commuter rail agencies. These companies provide a range of services, including operations, equipment maintenance, infrastructure maintenance, and dispatching.

While some freight railroads currently provide services to commuter rail agencies, most are not actively pursuing additional commuter rail contracts and would be hesitant to take over services provided by Amtrak if it abruptly ceased to provide services and infrastructure. Freight railroad officials told us they have limited resources to dedicate to commuter rail service because the freight industry continues to grow and expand. The growth of freight traffic also presents a greater opportunity for freight railroads to make a profit and limits the capacity freight railroads have to add commuter trains on their infrastructure. In addition, most of the freight railroad officials with whom we spoke told us liability is an issue in providing commuter rail service.

Private transportation providers, on the other hand, expressed interest in expanding their role in the commuter rail market and in taking over services provided by Amtrak if Amtrak was to abruptly cease providing services and infrastructure access to commuter rail agencies. However, officials from some private transportation companies told us that they would need sufficient time to ensure a smooth transition, noting it would take months to work out all the operational and administrative details, such as complying with FRA safety regulations—particularly if the new operator was unable to hire Amtrak employees. For example, in taking over Metrolink's service from Amtrak in July 2005, Connex had to take responsibility for all regulatory requirements pertaining to the operation of the railroad, including, among other things, setting up a drug and alcohol testing regime, obtaining engineer certification, and setting up operating rules. According to Metrolink officials, it took Connex about 4 months to satisfy these regulatory requirements from the time the contract was awarded.

In addition to addressing these issues, private transportation companies would need time to secure a workforce to provide the services. The private transportation companies do not have a pool of available and qualified rail employees to take over commuter rail services. Rather, these companies would need to hire, and possibly train, employees. Officials from the private transportation companies told us that the quickest and easiest option would be to hire the Amtrak employees currently providing the commuter rail services. Hiring these employees would provide the private transportation company a qualified workforce that is knowledgeable about the specific service, and therefore help ensure a smooth transition, according to officials from these private transportation companies. However, there is no guarantee that the Amtrak employees would want to switch to the private transportation company providing the commuter service. For example, in taking over MBTA's services from Amtrak, MBCR entered into labor agreements with 14 separate unions representing 1,600 Amtrak employees within 6 months of winning the contract.[32] According to union representatives, MBCR was successful in hiring Amtrak employees because it was willing to “come to the table” and negotiate a fair contract that continued to participate in the railroad retirement-system and offered higher wages to employees than what they received working for Amtrak. As a result, MBCR was able to reach an agreement with all Amtrak employees in 3 months. In contrast, Bombardier was unable to hire sufficient Amtrak employees when it took over Amtrak’s maintenance-of-equipment contract with Metrolink. According to union representatives, this situation can be expected as experienced railroad labor seeks to remain in the railroad retirement-system and retain other labor protections—conditions that Bombardier did not offer. As a result, Bombardier had to hire new maintenance staff with very little railroad experience and train them on Metrolink’s procedures and equipment. According to Metrolink officials, this contributed to a “turbulent” and lengthy transition.

The labor union representatives with whom we spoke told us that many senior Amtrak employees would be hesitant to accept a job offer from a private transportation company that did not have Amtrak’s experience and understanding of the railroad business. In accepting an offer with another company, Amtrak employees may not only lose their employee benefits and collective bargaining agreements, but also could lose their seniority. That is, these employees would not likely transition to a new service provider and expect to maintain the same level of seniority they had with Amtrak. As a result, despite Amtrak’s long-term financial uncertainty, Amtrak employees are cautious about taking on the risk of working for a private transportation company.

In addition to securing a workforce, officials from private transportation companies with whom we spoke identified several other challenges, such as the regulatory process, in competing for or assuming commuter rail services. The most frequently cited challenge was liability. According to private transportation company officials, they carefully review liability and insurance language in evaluating whether or not they will bid on a particular commuter rail contract; although, according to an official from one private transportation company, liability and insurance language has never prevented it from submitting a bid for a commuter rail contract.

[32]As part of its request for proposal process, MBTA required all bidders to offer comparable positions to the existing workforce, including key terms of the current contract, such as wages and benefits.

These factors are particularly important when negotiating with a commuter rail agency that operates its service over infrastructure owned by freight railroads. According to an official from one private transportation company, freight railroads require public entities, including commuter rail agencies, to carry upwards of $200 million for liability insurance to operate over their track and also include expensive indemnification language in commuter contracts. Therefore, some commuter rail agencies are now using shared-liability contracts for services, in which the operator and commuter rail agency share exposure to liability risk. For example, in taking over the train operations contract from Amtrak, one commuter rail agency required its private operator to assume some of the liability if it was found to have shown willful misconduct in causing an accident. Specifically, if that operator is found responsible for an incident causing over $500,000 in damages, the operator is responsible for contributing $500,000 toward the damages up to two times a year.

Some Commuter Rail Agencies Are Moving away from Amtrak to Provide Services, but Others Like Having Amtrak as an Option

Seven commuter rail agencies currently contract with private transportation companies to provide services, such as operations and equipment maintenance. Of these seven commuter rail agencies, two agencies had contracted with Amtrak for services in the past, but in one case, moved away from Amtrak because of dissatisfaction with the service Amtrak was providing and its unresponsiveness in meeting the needs of the commuter rail agency. In the other case, Amtrak withdrew from the commuter rail agency's most recent procurement process and did not submit a proposal in response to the agency's RFP to continue providing services.

Other commuter rail agencies have also expressed interest in moving away from contracting with Amtrak for services, including commuter rail agencies on the NEC. These agencies cited a number of reasons, including Amtrak's unstable federal funding and long-term planning challenges, in their decisions to reduce their reliance on Amtrak—either by conducting more of their services in-house, or by contracting with a private transportation company. For example, one commuter rail agency constructed its own maintenance facilities so it would not have to rely entirely on Amtrak to service its equipment at Amtrak facilities. In addition, another commuter rail agency recently conducted a procurement process and recommended that a private transportation company be awarded the contract to provide the services previously provided by Amtrak. According to officials from the American Public Transportation Association, Amtrak's threatened service shutdown in 2002 over the level of federal funding for Amtrak may also have caused some commuter rail agencies to contemplate other service providers more seriously.

Although some commuter rail agencies have moved away from contracting with Amtrak for services, officials from a few commuter rail agencies stated that they would like Amtrak to continue providing services to commuter rail agencies. According to these officials, Amtrak has a history of providing services to commuter rail agencies and its employees are knowledgeable about the commuter rail business. In addition, commuter rail agencies would like to have a number of firms or companies to choose from when competitively procuring service contracts. Two commuter rail agency officials mentioned that having more competition provides commuter rail agencies more flexibility in choosing a service provider, and can reduce costs.

Conclusions

Given the dependence of most commuter rail agencies on Amtrak for services and infrastructure, an abrupt Amtrak cessation would likely result in major disruptions or shutdowns of commuter rail services throughout the country. This could strain regional transportation systems, as hundreds of thousands of regular commuter rail passengers would be forced to seek alternative forms of transportation. Although commuter rail agencies have some contingency plans and the STB has the authority to direct commuter rail service, an abrupt Amtrak cessation would create a worst-case scenario for many commuter rail agencies, especially those that use Amtrak-owned infrastructure in the densely populated NEC.

Certainly, commuter rail issues should not drive or derail policy-makers' efforts to reform Amtrak. However, given the importance of commuter rail services to many regions and the negative impact an abrupt Amtrak exit would create, it seems appropriate that these issues are included as federal policy makers consider the debate over Amtrak. In our October 2005 report on Amtrak's management,[33] we suggested that Congress consider establishing a nationwide policy for intercity passenger rail that would address, among other things, the interests of the diverse set of Amtrak stakeholders and limit unintended consequences to these parties. Given the complex relationships between commuter rail agencies and Amtrak, commuter rail agencies are one such stakeholder, and the effect of an abrupt Amtrak shutdown on commuter rail agencies would be an

[33] GAO-06-145.

unintended consequence of some Amtrak reform proposals. Any such negative impact on commuter rail agencies should be taken into account when developing any national policy for intercity passenger rail.

Our work indicates that two critical issues for commuter rail agencies that would need to be addressed in the event of an abrupt Amtrak shutdown are (1) the potential loss of Amtrak's skilled labor force and (2) access to Amtrak-owned infrastructure. Without access to key infrastructure, such as the NEC, and a skilled labor force to crew trains and maintain the right-of-way, among other things, commuter rail service disruptions throughout the nation are inevitable. A related issue is the time that commuter rail agencies need to transition from Amtrak to other operators in the event of an Amtrak shutdown. According to some commuter rail agencies and private transportation operators, a transition between qualified operators takes months, not weeks. To date, the various Amtrak reform proposals do not comprehensively address these issues. As deliberations about Amtrak move forward, such issues should be considered and addressed so that disruptions to commuter rail service can be minimized.

To fully understand the relationship between commuter rail agencies and Amtrak, it will also be important to obtain better information on the costs Amtrak incurs—and the revenue it earns—in providing services and infrastructure access to commuter rail agencies. Although Amtrak has made some progress in improving its accounting systems and practices, its current practices do not allow for full transparency. In particular, Amtrak's financial reports do not clearly show the revenues earned and costs incurred for providing services and infrastructure access to commuter rail agencies. Moreover, Amtrak lacks a methodology to adequately allocate shared costs to different commuter rail users. Consequently, it is difficult to determine what Amtrak's true costs are in providing services and infrastructure to commuter rail agencies, and whether commuter rail agencies are paying their "fair share." Furthermore, the lack of this type of information clouds the negotiation process between commuter rail agencies and Amtrak—that is, commuter rail agencies do not necessarily know if they are being over- or undercharged for services. Likewise, Amtrak management cannot make fully informed decisions about competing for commuter rail contracts.

As Amtrak's precarious financial position raises the possibility of an Amtrak cessation of service, it is prudent that commuter rail agencies and the responsible federal agencies plan for such an event. These plans are in place in many commuter rail agencies and include a range of options—from shutting down service to taking over control of key infrastructure by the commuter rail agency. STB and FRA's ability to order and fund directed service for commuter rail agencies is a limited, short-term option. However, directed service is not a panacea—rather there is agreement that service disruptions would occur in a directed-commuter-service scenario. Moreover, the cost of providing directed service is unknown. Current estimates of providing this service—including the $60 million estimate for 2 months of directed service, or the $360 million estimate for an entire year of service—are, at best, rough estimates of how much such service would cost. Without accurate cost estimates, federal policy makers cannot make fully informed decisions about directed service.

Recommendations

In order to provide more information to federal policy makers involved in the debate over Amtrak, we recommend that the Secretary of Transportation direct FRA, in consultation with STB and commuter rail agencies, to further refine cost estimates of commuter rail directed-service scenarios.

To ensure that Amtrak provides useful information to both its internal and external stakeholders, including commuter rail agencies that contract with Amtrak, we recommend that the president of Amtrak improve its accounting practices, as well as its financial reports, to clearly show all revenues earned and all costs incurred when providing services and infrastructure access to commuter rail agencies. This information could increase the clarity of Amtrak's costs for providing services and access to infrastructure to Amtrak management, commuter rail agencies, and Congress. It would also allow for a more informed debate about how commuter rail agencies interact with Amtrak and compensate it for access to critical infrastructure and services.

Agency Comments

We provided DOT officials a copy of our draft report for their review and comment. On April 6, 2006, we met with DOT officials, including DOT's Audit Liaison, FRA's Assistant Chief Counsel, and an FTA Economist; as well as STB staff, including the Associate Director for the Office of Economics, Environmental Analysis, and Administration, to obtain their comments on our draft. These officials and staff represented the views of their respective agencies. Overall, they generally agreed with the draft report's findings and the intention of the recommendation. DOT officials indicated that the draft report provides useful information about the implications of directed service for commuter railroads. Further, they indicated that the draft report does a good job of explaining how Amtrak's internal costing and contracting systems do not adequately or accurately identify the costs incurred and the revenues received for specific lines-of-business, such as those provided for commuter railroads. DOT officials recognized that these Amtrak accounting systems were not designed with this intent in mind. As a result, DOT officials stated that until Amtrak accounting and contracting systems provide better documentation and greater clarity with respect to individual lines of business, further refinements of cost estimates associated with various commuter rail directed-service scenarios will continue to prove problematic. According to FRA officials, in light of the data limitations, attempting further refinements in the cost scenarios associated with the unlikely event of an Amtrak shutdown does not represent the best possible use of the limited staff resources. FRA officials indicated their preference is to continue focusing their resources on priorities related to maintaining and improving Amtrak operations. FRA and FTA officials and STB staff also provided technical clarifications to the draft report, which we incorporated as appropriate.

We recognize that FRA, like other federal agencies, has resource constraints and must focus those resources on certain priorities. However, given previous and current debate over the future of Amtrak, we believe providing policy makers with accurate information as to the implications of directed service—including the costs of such services—is a worthwhile investment of agency resources and deserves some level of attention. Moreover, although the limitations in Amtrak's accounting systems that we detail in the report would prevent the development of a precise cost estimate of directed service, we believe that refinements could be made using existing information from Amtrak and commuter rail agencies. Further, as FRA works with Amtrak to improve its accounting systems—and thus improve its cost data—it could further refine the directed service cost estimates. DOT officials acknowledged that the current estimates—which are based on a limited set of assumptions—are inaccurate, and most likely significantly underestimate the true costs of directed service. Therefore, any refinements would be a step in the right direction in providing better information to policy makers.

We also provided Amtrak officials a copy of the draft report for their review and comment. Amtrak generally agreed with the report's findings, conclusions, and recommendations. Amtrak provided technical clarifications to the draft report, which we incorporated as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to congressional committees with responsibilities for commuter rail issues; the Secretary of Transportation; the Acting President of Amtrak; the Administrators of FRA and FTA; the Chairman of STB; and the Director, Office of Management and Budget. We also will make copies available to others upon request. In addition, this report will be available at no charge on GAO's Web site at http://www.gao.gov.

If you or your staff have any questions on matters discussed in this report, please contact me on (202) 512-2834 or at heckerj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report can be found in appendix III.

Sincerely,

JayEtta Z. Hecker
Director, Physical Infrastructure Issues

Appendix I: Scope and Methodology

To address our objectives, we contacted officials from all existing (and two proposed) commuter rail agencies, the four largest Class I railroads, and private transportation companies that currently operate commuter rail service in the U.S. To identify the universe of existing and proposed commuter rail systems, we used information published by and provided to us by the American Public Transportation Association (APTA). We reviewed this information with APTA in order to identify transit agencies that are currently providing commuter rail services and proposed commuter rail agencies that were the closest to becoming operational. APTA categorized proposed commuter rail agencies as either "immediate," "midway," or "later"; those in the immediate category were considered closest to becoming operational. Using these sources we identified 18 existing commuter rail agencies and 2 proposed commuter rail agencies. While APTA considered 8 proposed commuter rail agencies as immediate, we selected the 2 proposed commuter rail agencies APTA officials indicated were likely to begin operations during the course of our review. To identify the four largest Class I railroads, we reviewed the February 2005 Surface Transportation Board (STB) Report of Railroad Employment and information provided by the Association of American Railroads (AAR). AAR also provided contact information for each Class I railroad. To identify private transportation providers, we interviewed officials from APTA, the National Railroad Passenger Corporation (Amtrak), freight railroads, and commuter rail agencies to ask about companies that currently operate commuter trains or provide other services. We subsequently interviewed officials at all of the private transportation companies identified by these officials. Table 4 lists the names and locations of the commuter rail agencies, freight railroads, and private transportation providers we contacted.

Table 4: Names and Locations of Commuter Rail Agencies, State Departments of Transportation, Class I Freight Railroads, and Private Non-Railroad Companies Interviewed

Name	Location
Existing commuter rail agencies	
Altamont Commuter Express	Stockton, CA
Connecticut Department of Transportation (Shore Line East line)	New Haven, CT
Maryland Transit Administration (MARC)	Baltimore, MD
Massachusetts Bay Transportation Authority (MBTA)	*Boston, MA*
MTA Long Island Rail Road	New York, NY
MTA Metro-North	New York, NY
New Jersey Transit Corporation	*Newark, NJ*
Northeast Illinois Regional Commuter Railroad Corporation (Metra)	*Chicago, IL*

Name	Location
North County Transit District (Coaster)	*Oceanside, CA*
Northern Indiana Commuter Transportation District	Chesterton, IN
Peninsula Corridor Joint Powers Board (Caltrain)	San Francisco, CA
Pennsylvania Department of Transportation (PennDOT)	Harrisburg, PA
Southeastern Pennsylvania Transportation Authority (SEPTA)	Philadelphia, PA
Southern California Regional Rail Authority (Metrolink)	*Los Angeles, CA*
Sound Transit, Central Puget Sound Regional Transportation Authority	*Seattle, WA*
Tri-County Commuter Rail Authority	Pompano Beach, FL
Trinity Rail Express	Dallas, TX
Virginia Railway Express	*Alexandria, VA*
Proposed commuter rail agencies	
Nashville Regional Transportation Authority	Nashville, TN
New Mexico Rail Runner	*Albuquerque, NM*
State Department of Transportation	
Delaware Department of Transportation (DELDOT)[a]	Wilmington, DE
Class I railroads	
BNSF Railway	Fort Worth, TX
CSX Transportation	Jacksonville, FL
Norfolk Southern	Norfolk, VA
Union Pacific Railroad Company	Omaha, NE
Private transportation providers	
Massachusetts Bay Commuter Railroad	Boston, MA
Bombardier, Inc.	Montreal, Quebec, Canada
Connex North America	Silver Spring, MD
Herzog Transit Services	St. Joseph, MO
Washington Group International	Boise, ID

Source: GAO.

Note: The commuter rail agencies that we visited are listed in italics.

[a]In addition to its regular commuter rail service, SEPTA also provides a “turnkey,” or contracted commuter rail service, for the Delaware Department of Transportation (DELDOT) between Newark/Wilmington, DE and Philadelphia, PA. Information on SEPTA’s use of Amtrak services and infrastructure for the Delaware service are included in SEPTA’s data. Therefore, we did not consider DELDOT as a separate commuter rail agency.

We conducted site visits to seven existing commuter rail agencies and one proposed commuter rail agency. We selected these agencies based on their dependence on Amtrak for services and access to infrastructure, as well as their location. Specifically, based on interviews with each commuter rail agency, we divided each commuter rail agency’s relationship into several categories based on their reliance on Amtrak's infrastructure and services, and their current or past relationship with Amtrak. These categories included: the extent to which commuter rail agencies rely on Amtrak for infrastructure and services, whether the commuter rail agency operates on the Northeast Corridor (NEC), whether the commuter rail agency no longer contracts with Amtrak for services, and whether a newer commuter rail agency chose not to contract with Amtrak. Some commuter rail agencies were placed into multiple categories. Using this categorization, we selected commuter rail agencies that represent a range of reliance on Amtrak and are geographically disperse. During the site visits, we interviewed senior level management and toured operation, dispatching, and maintenance facilities. In addition to the site visits, we conducted semi-structured interviews with officials from all 18 existing commuter rail agencies and 2 proposed commuter rail agencies. We analyzed the information we collected from the site visits and semi-structured interviews to identify shared concerns across the commuter rail agencies we interviewed.

In addition, to obtain information on the options commuter rail agencies will have if Amtrak abruptly ceased to provide services and infrastructure access, we conducted semi-structured interviews with all of the existing commuter rail agencies and asked them to identify short- and long-term contingencies if Amtrak abruptly ceases to provide services and infrastructure to commuter rail agencies. We also interviewed representatives from the American Short Line and Regional Railroad Association (ASLRRA) to get an understanding of non-Class I railroads' interest in providing services to commuter rail agencies. We analyzed the information we collected from the semi-structured interviews to determine private transportation companies' and freight railroads' interest in entering the commuter rail market, as well as barriers to doing so.

We also conducted informational interviews with the Federal Railroad Administration, STB, the Federal Transit Administration, and Amtrak; and with representatives from industry and government associations, including AAR, APTA, ASLRRA, the Coalition of Northeastern Governors and the National Railroad Construction and Maintenance Association. We also interviewed representatives from 10 of Amtrak's 15 total labor unions. (See table 5.) In addition, we interviewed a representative from the Law Office of Jenner and Block to get background information on railroad bankruptcy law.

Table 5: List of Labor Unions

Name
Brotherhood of Locomotive Engineers and Trainmen
Transport Workers Union of America
United Transportation Union
Transportation Workers Union
Sheet Metal Workers International Association
American Train Dispatchers Association
International Brotherhood of Electrical Workers
Brotherhood of Maintenance of Way Employees
Transportation Communications International Union
Brotherhood of Railroad Signalmen

Source: GAO.

Finally, we reviewed statutes, government reports on Amtrak, recent Amtrak reform proposals from the 109th Congress, and our past reports. Additionally, we reviewed Amtrak, STB, FRA, and APTA documents and statistics, as well as contracts and requests for proposals for services and access to infrastructure between several commuter railroads and Amtrak (or other operators).

To ensure the reliability of the information presented in this report, we corroborated information provided from commuter rail agency officials and Amtrak officials about aspects of their contractual relationship with other sources. For example, we compared information we obtained from commuter rail agencies about the extent to which they rely on Amtrak for access to infrastructure and services against information obtained from Amtrak, as well as statistics compiled by STB staff and FRA. Based on our assessment, we concluded that the information provided from commuter rail agency officials and Amtrak officials about aspects of their contractual relationship was sufficiently reliable for the purposes of this report.

A limitation of our review is that we only focused on the impact of an abrupt Amtrak cessation on commuter rail operations. For example, if policy makers acted on legislative proposals that end or substantially reduce federal funding, an Amtrak bankruptcy or shutdown could quickly follow. Multiple bills to reform intercity passenger rail have been proposed in recent years—and these bills, if enacted, could result in outcomes other than an Amtrak cessation. However, we did not examine how these other outcomes or scenarios would impact commuter rail operations.

Appendix II: Commuter Rail Agency Use of Amtrak Services and Infrastructure

Table 6: Commuter Rail Agency Use of Amtrak Services and Infrastructure

	Train operations	Maintenance of equipment	Maintenance-of-way	Dispatching	Amtrak-owned or Amtrak-managed stations and platforms	Other services	Does this commuter operate over Amtrak-owned NEC?
Existing commuter rail agencies							
Altamont Commuter Express (ACE)	0%	0%	7%	7%	Minimal	Minimal	No
Connecticut Department of Transportation's Shore Line East and New Haven Lines (SLE)	100%	100%	100%	100%	Significant	Significant	Yes
Maryland Transit Administration (MARC)	50%	83%	50%	50%	Critical point	Significant	Yes
Massachusetts Bay Transportation Authority (MBTA)	0%	0%	7%	N/A[a]	Minimal	None	Yes
MTA Long Island Rail Road (LIRR)	0%	0%	3%	50%	Critical point	Significant	Yes
MTA Metro-North Rail Road	0%	0%	0%	0%	None	None	No
New Jersey Transit Corporation (NJT)	0%	19%	27%	55%	Critical point	Significant	Yes
North County Transit District (Coaster)[b]	100%	100%	100%	0%	None	None	No
Northeastern Illinois Commuter Railroad Corporation (Metra)	0%	0%	2.3%	0.5%	Critical point	Minimal	No
Northern Indiana Commuter Transportation District (NICTD)	0%	0%	0%	0%	None	None	No
Peninsula Corridor Joint Powers Board (Caltrain)	100%	100%	65%	100%	Significant	Significant	No
Pennsylvania Department of Transportation (PENNDOT)	100%	100%	100%	100%	Significant	Significant	Yes
Sound Transit, Central Puget Sound Regional Transportation Authority (Sounder)	0%	100%	0%	0%	Minimal	None	No
Southeastern Pennsylvania Transportation Authority (SEPTA)[c]	0%	0%	39%	54%	Minimal	Significant	Yes
Southern California Regional Rail Authority (Metrolink)	0%	0%	5%	0%	None	None	No
Trinity Railway Express (TRE)	0%	0%	0%	0%	None	None	No
Tri-County Commuter Rail Authority (Tri-Rail)	0%	0%	0%	0%	None	None	No
Virginia Railway Express (VRE)	100%	66%	1%	2%	Critical point	Minimal	Yes

	Train operations	Maintenance of equipment	Maintenance-of-way	Dispatching	Amtrak-owned or Amtrak-managed stations and platforms	Other services	Does this commuter operate over Amtrak-owned NEC?
Proposed commuter rail agencies							
New Mexico Rail Runner Express	0%	0%	0%	0%	None	None	No
Nashville Music City Star	0%	0%	0%	0%	None	None	No

Source: GAO analysis of commuter rail agency responses.

[a]With the exception of one route dispatched entirely by Amtrak, all of MBTA's routes are dispatched by more than one company. Because of this, MBTA officials stated that it is not possible to represent the percent of trains dispatched by each of its dispatching service providers. MBTA officials indicated that Amtrak provides dispatching for MBTA's 34 Attelboro line trains, and the initial dispatching for about two-thirds of all other MBTA trains before transferring them to another provider.

[b]Coaster's contract with Amtrak expires on June 30, 2006. Amtrak was not selected to continue the service beyond this point.

[c]In addition to its regular commuter rail service, SEPTA also provides a "turnkey," or contracted commuter rail service, for the Delaware Department of Transportation between Newark/Wilmington, DE and Philadelphia, PA. Information on SEPTA's use of Amtrak services and infrastructure for the Delaware service are included in SEPTA's data.

Table Definitions:

"Other services" includes police/security, ticketing, and traction power.

The following definitions refer to the station and platform category and other services .

None = No reliance on Amtrak for access to—or management of—stations and platforms. No reliance on Amtrak for "other services."

Minimal = Amtrak provides access to—or management of—less than 25 percent of the stations and platforms used by the commuter rail agency. Amtrak provides less than half of one "other service."

Significant = Amtrak provides access to—or management of—more than 25 percent of the stations and platforms used by the commuter rail agency. Amtrak provides more than half of one or more of the "other services," or provides less than half of one or more "other services"—but the service allows the commuter rail agency to access a critical point for its operations (e.g., a critical station).

Critical point = Although the commuter rail agency may rely on Amtrak for access to—or management of—less than 25 percent of the stations and platforms it uses, one of these Amtrak-owned stations is critical to the service (e.g., a majority of riders enter or exit the commuter service at this point, or the station is a terminus for several of the agency's lines).

Appendix III: GAO Contact and Staff Acknowledgments

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