

AMTRAK'S CAPITAL NEEDS

(110-56)

HEARING
BEFORE THE
SUBCOMMITTEE ON
RAILROADS, PIPELINES, AND HAZARDOUS
MATERIALS
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS

FIRST SESSION

JULY 11, 2007

Printed for the use of the
Committee on Transportation and Infrastructure



U.S. GOVERNMENT PRINTING OFFICE

36-687 PDF

WASHINGTON : 2007

For sale by the Superintendent of Documents, U.S. Government Printing Office
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Committee on Transportation and Infrastructure
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July 9, 2007

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SUMMARY OF SUBJECT MATTER

TO: Members of the Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM: Subcommittee on Railroads, Pipelines, and Hazardous Materials Staff
SUBJECT: Hearing on Amtrak's Capital Needs

PURPOSE OF HEARING

The Subcommittee on Railroads, Pipelines, and Hazardous Materials is scheduled to meet on Wednesday, July 11, 2007, at 10:00 a.m., in Room 2167 Rayburn House Office Building, to receive testimony on Amtrak's capital needs.

BACKGROUND

Congress last reauthorized Amtrak in 1997; that authorization expired in 2002. The Subcommittee is reviewing Amtrak's capital needs in preparation for a reauthorization bill.

Amtrak has different capital needs across its national passenger rail network, including bringing the Northeast Corridor and the rest of its rail network to a state of good repair, making service enhancements along portions of track owned by host railroads, and procuring new equipment or making better use of existing equipment.

STATE OF GOOD REPAIR

In 2005, Amtrak completed a comprehensive catalog of its capital needs entitled *Engineering State of Good Repair*. The analysis shows a \$4.2 billion backlog of investment (in 2005 dollars) to bring the Amtrak engineering infrastructure system to a state of good repair ("SOGR"), excluding some major bridge and tunnel work. With the backlog of major bridge and tunnel work, the backlog approaches an estimated \$6 billion. The current SOGR backlog is based on the population of assets (e.g., rail, bridges, ties, cable, transformers) beyond their current design life at the current unit cost to

replace those assets. There is a corresponding annual incremental investment needed to maintain the infrastructure once at SOGR.

Even with adequate funding, resources, and additional equipment, Amtrak estimates the backlog of work will take a minimum of 10 years to complete to maintain a reliable level of rail service as the construction is completed. Based on a 10-year catch-up scenario, the Amtrak capital funding needed during this period would be approximately \$715 million per year through fiscal year 2011 and \$600 million annually for the period of fiscal years 2012 to 2016 (using 2005 dollars). This estimate is separate from the major bridge or tunnel replacement programs. In addition, a few of the major asset categories will not be in a SOGR by FY 2016 because of the extensive use of this track in Amtrak operations. These asset categories include the interlocking renewal program and ballast undercutting.

Amtrak defines SOGR as when each asset is maintained and replaced within the design life of that asset. This is the state where the average age of each asset and the annual replacement rate is equal to the total asset population divided by the useful life of that component.

For example, expected design life for rail is 50 years. The average age of the rail on Amtrak-owned track is 25 years old, with a level distribution of rail age from new to 50 years old as the population in that asset. If assets exist in service beyond their useful life, that component or asset is not in SOGR.

Considerations for site-specific anomalies that impact useful life are factored into the particular component in question. A rail example would be areas where high-degree curves exist which curtail and reduce the average useful life for rail. Additional items that factor into useful life and SOGR analysis include traffic density; passenger volumes; manufacturers' recommended useful life; industry standards; fatigue/environmental factors; weather; geographic and regional impacts; maintenance rail grinding; and train speeds.

Amtrak's SOGR analysis does not include system enhancements or improvements for increased speeds, increased capacity, new facilities, investments as a result of regulatory requirements, or upgrades for technical advances. These improvements are normally advanced on their individual merits.

In 2005, the Government Accountability Office ("GAO") criticized Amtrak's approach to capital investment as being based on "outputs, not outcomes." GAO went on to state that, "[w]hile individual pieces of information, such as the number of concrete ties laid, may indicate work accomplished, these data are not useful as an oversight mechanism if they are not set in the context of specific goals, objectives, and performance targets that must be accomplished to achieve a state of good repair."

A synopsis of Amtrak's capital needs based on service corridor or service region follows:

Northeast Corridor. The Northeast Corridor ("NEC") was conveyed to Amtrak on April 1, 1976, from the Penn Central Railroad. The Penn Central had been in bankruptcy since 1970 and in a difficult financial condition for two decades prior to 1976. Investment in the corridor had been deferred for more than 20 years.

Amtrak completed two major capital projects to improve the condition of the NEC infrastructure since 1976. Between 1977 and 1984, the Northeast Corridor Improvement Program (“NECIP”) partially reversed the deferred investment and improved operating speeds and reliability between Boston, Massachusetts, and Washington, DC. Most significantly, the NECIP funded replacement of deteriorated track built on wooden ties with more robust track built on concrete ties, establishing the foundation for today’s high-speed train service; communications and signaling systems improvements, principally through creation of centralized traffic control of trains and the replacement of some, but not all, of the antiquated signal equipment in the Corridor; and various structures and electric traction facility improvements.

Between 1992 and 2000, the NEC High Speed Rail Investment Project further improved performance within the corridor, extending electrification and renewing track between New Haven, Connecticut, and Boston, Massachusetts. A few high-speed interlockings were also installed to improve trip time performance. This project also funded a supplemental signal system necessary for high-speed operation.

Notwithstanding the investments made during these two projects, the level of investment necessary to renew assets on the NEC has not been met. For example, high-voltage electrical equipment which is more than 70 years old supports delivery of 200 million watts of power daily to 1,100 Amtrak and commuter agency trains; 70-year-old control towers, still manned by tower operators and outside of the central traffic control system, still control some switches and signals; portions of the main track have restrictions on track speeds that reduce train speed by as much as 50 miles per hour; critical movable bridge structures that must open thousands of times per year are in constant jeopardy of mechanical failure; and improvements required by modern code to provide fire and life safety in the tunnels in New York, New Jersey, Baltimore, and Washington, DC, have not been completed.

Amtrak estimates the SOGR backlog for the NEC is \$2,748.4 million (in 2005 dollars), including \$583.1 million for track work, \$703.3 million for electric traction systems, \$117.1 million for communication and signal system work, and \$1,344.9 million for structural improvements.

Northeast Corridor and Other Feeder Lines. Amtrak also acquired the Northeast Corridor feeder lines on April 1, 1976. Their condition varied from “very poor” for the Philadelphia-Harrisburg Line to “poor” for the New Haven-Springfield Line and “marginal” for the New York-Albany Line.

Philadelphia-Harrisburg Corridor. The Philadelphia-Harrisburg Corridor, like the NEC, had been neglected for decades prior to 1976, but unlike the NEC, it has not benefited from the two significant improvement programs the NEC has experienced. Between 2002 and 2007, Amtrak and the Commonwealth of Pennsylvania are funding capital improvements along this line, but the investments fall far short of what is required to bring the line into a SOGR. Additional recapitalization is required for track, signal, communications, structures, and electric traction assets.

Amtrak estimates the SOGR backlog for the Philadelphia-Harrisburg Corridor is \$565.4 million (in 2005 dollars), including \$100.2 million for track work, \$220.9 million for electric traction systems, \$121.0 million for communication and signal system work, and \$123.3 million for structural improvements.

New Haven-Springfield Corridor. This corridor has received little investment over the years and is in poor condition for current traffic levels. Significant capital investment will be required to attain a SOGR. This investment includes the Connecticut River Bridge rehabilitation, rail, tie programs, and turnouts.

Amtrak estimates the SOGR backlog for the New Haven-Springfield Corridor is \$159 million (in 2005 dollars), including \$117.7 million for track work, \$4.2 million for communication and signal system work, and \$37.1 million for structural improvements.

New York-Albany Corridor. According to Amtrak, this corridor is currently in a "marginal" SOGR. The primary backlog exists in rail, on the Post Road branch, selected wayside turnouts throughout the corridor, and undergrade moveable bridge programs.

Amtrak estimates the SOGR backlog for the New York-Albany Corridor is \$53.1 million (in 2005 dollars), including \$11.5 million for track work, \$400,000 for communication and signal system work, and \$41.2 million for structural improvements.

Central and Southern Divisions. The principal assets on these divisions are in Chicago, New Orleans, and in Florida. On the Central Division, there are two movable bridges, Chicago Union Station, and service and inspection facilities. There are limited facilities in New Orleans and Florida. The principal investment requirements are for movable bridge machinery and some catch-up with track and signal asset replacement. Additional station investment requirements are being reviewed in order to organize appropriate local funding for improvements and to meet Americans with Disabilities Act (ADA) requirements by 2010. Significant backlog of investments exist for stations throughout the Central Division.

Amtrak estimates the SOGR backlog for the Central and Southern Divisions is \$612 million (in 2005 dollars), including \$121.6 million for track work, \$11.4 million for communication and signal system work, and \$479 million for structural improvements.

Pacific and Southwest Divisions. Amtrak has significant facilities in Los Angeles, Oakland, and Seattle. In Los Angeles, a new servicing and inspection facility was completed in 2002 and track and facilities are satisfactory. A new service and inspection facility, principally funded by the California Department of Transportation (Caltrans), is under construction in Oakland. In Seattle, design is pending for a new service and inspection facility that will be principally funded by the State of Washington, but also used by Amtrak. Additional station investment requirements are being analyzed in order to organize appropriate local funding for improvements and to meet ADA requirements scheduled to be implemented by 2010. Significant backlog of investments exists for stations throughout the Western Division.

Amtrak estimates the SOGR backlog for the Pacific and Southwest Divisions is \$98 million (in 2005 dollars), including \$100,000 for track work, \$2.5 million for communication and signal system work, and \$95.4 million for structural improvements.

Below is a summary of the capital needs of Amtrak's lines, including track needs, electric traction needs, communication and signal needs, and structural needs:

State of Good Repair Summary by Line (in 2005 dollars, in millions)

Corridors	Annual Capital Required to Reduce Backlog FY 2007-2011	Annual Capital Required to Reduce Backlog FY 2012-2016	SOGR Backlog
NEC	\$495.7	\$418.4	\$2,748.4
New Haven-Springfield line	\$30.1	\$22.0	\$159.0
Albany Line	\$12.5	\$9.5	\$53.1
Harrisburg Line	\$93.4	\$66.6	\$565.4
Central and Southern Divisions	\$72.7	\$72.8	\$612.0
Pacific and Southwest Divisions	\$12.5	\$13.2	\$98.0
Total	\$716.9	\$602.5	\$4,235.0

Amtrak's bridge and tunnel capital needs are primarily in the Northeast Corridor. Amtrak estimates it will cost more than \$400 million to bring its movable bridges—bridges that span navigable waterways—to SOGR, including \$90 million to replace the Niantic River bridge and \$100 million to replace or rehabilitate the Connecticut River bridge.

Amtrak estimates it will cost more than \$300 million to bring its tunnel assets to a SOGR. Amtrak has 13 tunnels totaling 98,307 linear feet. Two tunnels were built between 1871 and 1873 and another was built in 1893. None of these tunnels are in a SOGR. Some of them can be brought to a SOGR through component replacement or upgrade. One tunnel needs to be completely replaced.

Amtrak estimates its total undergrade bridge SOGR is more than \$500 million. Undergrade bridges support the tracks over various length openings. Amtrak has 1,327 undergrade bridges. These bridges are constructed with steel, concrete, and masonry, and approximately 65 percent of these bridges were built prior to 1920.

If bridges and tunnels are included in Amtrak's capital needs, Amtrak estimates its total capital needs increases from \$4.235 billion to at least \$6 billion.

PROCUREMENT OF NEW EQUIPMENT

Amtrak plans to focus its attention on renewing its aging fleet of locomotives and passenger cars while making the best use of existing equipment. Amtrak estimates that the average age of its locomotives is 11 years, with locomotives ranging from 5- to 25-years old. The average lifespan for locomotives is 25 to 30 years. The average age of Amtrak's passenger cars is 23 years, with passenger cars ranging from 5- to 55-years old. The average lifespan for passenger cars is 40 to 50 years. Amtrak estimates that it would cost \$4 billion to replace its entire fleet of 1,542 passenger cars (\$2.5 million per unit) and \$2.5 billion to replace its entire fleet of 497 locomotives (\$5 million per unit).

BEYOND STATE OF GOOD REPAIR

Amtrak has made several recommendations for service improvements across its network. For example, it has proposed reducing trip times from Washington, DC, to New York Penn Station from the current trip length of 2 hours and 45 minutes (average 82.2 mph) to 2 hours and 30 minutes (average 90.4 mph) or 2 hours and 20 minutes (average 96.9 mph). The cost of funding improvements to meet the trip length of 2 hours and 30 minutes is estimated to be \$625 million, which includes track upgrades from 135 mph to 150 mph, equipment modifications, and improvements to on-board cab signals and constant-tension catenary. The cost of funding improvements to meet the trip length of 2 hours and 20 minutes is estimated to be \$10 billion, which includes construction of new tunnels in New York and Baltimore, construction of new bridges in Portal and Susquehanna, and station track upgrades at five stations.

Amtrak has also recommended increasing capacity on certain routes. According to Amtrak, NEC capacity could be increased marginally with more equipment, and capacity on Midwestern and other corridors could also be increased marginally with more equipment, especially if there were a common pool of equipment for such services.

Further improvements could be made through development of pending state and corridor proposals. According to a 2002 report published by the American Association of State Highway and Transportation Officials, entitled *Intercity Passenger Rail Transportation Report*, an annual investment of \$2.8 billion over the next 20 years is needed for projected state corridor and Amtrak projects, for a total of \$56.9 billion. The states are in the process of updating those figures. Preliminary figures show that \$12.7 billion is needed over the next six years for state corridors and \$8.05 billion is needed for the Northeast Corridor over this time-period.

In addition, Amtrak has identified 17 corridor routes outside the NEC most in need of attention. The routes were selected using the following criteria: (1) reduce passenger-minutes of delay on existing services; (2) unblock freight bottlenecks that affect Amtrak operations; (3) build additional capacity in high-growth corridors to avoid future congestion issues; and (4) focus on issues not on Amtrak-owned territory. The 17 proposed projects are:

1. **Washington, DC—Richmond, VA (110 miles)**
 Current service: 18 Amtrak trains per day, plus 12 weekday Virginia Railway Express commuter trains
 Track owner: CSX
 Proposed projects: add a third track between Washington and Richmond and add crossovers between Fredericksburg and Richmond
 Estimate: \$1 billion

2. **Richmond, VA—Selma, NC (167 miles)**
 Current service: 10 Amtrak trains per day
 Track owner: CSX
 Proposed projects: add a second track between congested Acca and North Acca yards in Richmond; extend Richmond station 8,000 feet south to avoid North Acca yard; replace 15 mph crossover at West Acca with a 45 mph crossover; extend sidings/add crossovers from

Petersburg to Rocky Mount; and open separate 110 mph Petersburg-Raleigh passenger line.
Estimate: \$1.5 billion

3. **Selma, NC—Jacksonville, FL (475 miles)**
Current service: 8 Amtrak trains per day
Track owner: CSX
Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double track
Estimate: not provided
4. **Sebring, FL—Dyer, FL (102 miles)**
Current service: 4 Amtrak trains per day
Track owner: CSX
Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double track
Estimate: not provided
5. **Chicago, IL—Porter, IN (40 miles)**
Current service: 14 Amtrak trains per day
Track owner: Norfolk Southern
Proposed projects: Install new signals in a three mile section of track in Chicago; improve configuration of turnouts at Porter; build siding on Amtrak Michigan line to allow Amtrak trains to meet off of this segment; construct separate passenger main line; and construct flyovers at Porter and Buffington Harbor
Rough cost: \$750 million
6. **Elkhart, IN—Sandusky, OH (180 miles)**
Current service: 4 Amtrak trains per day
Track owner: Norfolk Southern
Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double track
Estimate: not provided
7. **Syracuse, NY—Rochester, NY (79 miles)**
Current service: 8 Amtrak trains per day
Track owner: CSX
Proposed projects: additional station tracks at Syracuse and reduce congestion through new crossovers, upgraded signals, and new double track
Estimate: not provided
8. **Albany, NY—Utica, NY (95 miles)**
Current service: 12 Amtrak trains per day
Track owner: CSX
Proposed projects: double track Schenectady-Hoffmans and reduce congestion through new crossovers and upgraded signals
Estimate: not provided.

9. **Poughkeepsie, NY—Albany-NY (53 miles)**
Current service: 25 Amtrak trains per day
Track owner: CSX
Proposed projects: improve superelevation on several curves and construct new storage track at Poughkeepsie for Metro-North commuter equipments (currently stored on mainline).
Estimate: not provided
10. **Seattle, WA—Portland, OR (187 miles)**
Current service: 10 Amtrak trains per day plus Sounder commuter trains
Track owner: BNSF
Proposed projects: add third track and crossovers in several segments and complete other projects planned by the Washington Department of Transportation (which are not currently funded)
Estimate: \$600 million
11. **Portland, OR—Eugene, OR (123 miles)**
Current service: 6 Amtrak trains per day
Track owner: Union Pacific
Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double track
Estimate: \$100 million
12. **Davis, CA—Martinez, CA (41 miles)**
Current service: 26 Amtrak trains per day
Track owner: Union Pacific
Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double/triple track
Estimate: not provided
13. **Salinas, CA—Paso Robles, CA (98 miles)**
Current service: 2 Amtrak trains per day
Track owner: Union Pacific
Proposed projects: add centralized traffic control and automated switches to facilitate freight train meets and overtakes
Estimate: \$50 million
14. **Merced, CA—Wasco, CA (98 miles)**
Current service: 2 Amtrak trains per day
Track owner: BNSF
Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double track
Estimate: not provided

15. Northern Illinois

Current service: 57 Amtrak trains per day plus Metra commuter trains

Proposed projects: construct six rail overpasses to separate freight and passenger traffic, modernize many remaining at-grade rail intersections, construct 25 highway/pedestrian overpasses, and upgrade other track, bridges, and signal systems

Estimate: \$1.5 billion

16. Mineola, TX—Ft. Worth, TX

Current service: 2 Amtrak trains per day plus TRE commuter rail trains

Track owners: Union Pacific and TRE

Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double track

Estimate: not provided

17. Atlanta, GA—Meridian, MS (316 miles)

Current service: 2 Amtrak trains per day

Track owner: Norfolk Southern

Proposed projects: reduce congestion through extended sidings, new crossovers, upgraded signals, and new double track

Estimate: not provided

EXPECTED WITNESS

Mr. Alexander Kummant

President and Chief Executive Officer
National Railroad Passenger Corporation

HEARING ON AMTRAK CAPITAL NEEDS

Wednesday, July 11, 2007

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

The subcommittee met, pursuant to call, at 10:00 a.m., in Room 2167, Rayburn House Office Building, the Honorable Corrine Brown of Florida [chairwoman of the subcommittee] presiding.

Ms. BROWN OF FLORIDA. The Subcommittee on Railroads, Pipelines, and Hazardous Materials will come to order. The Subcommittee is meeting today to hear testimony on Amtrak's capital needs. This is our third hearing on Amtrak as we prepare to develop a long-term reauthorization bill.

Amtrak serves nearly 25 million riders annually at more than 500 stations in 46 States on approximately 22,000 route miles. Amtrak directly owns or operates 730 route miles, primarily between Washington, D.C. and Massachusetts on the Northeast Corridor, and in the State of Michigan; several station facilities including Penn Station in New York, Chicago Union Station, and several major maintenance and repair facilities. The rest of Amtrak's operations are on tracks owned by the freight railroads and some on commercial railroads.

In 2005, Amtrak completed a comprehensive catalog of its capital needs, which showed a \$4.2 billion backlog of investment to bring its infrastructure system to a state of good repair. With the backlog of major bridge and tunnel work, the backlog approaches an estimated \$6 billion.

Even with adequate funding, resources, and additional equipment, Amtrak estimates the backlog of work will take a minimum of 10 years to complete in order to maintain a reliable level of rail service.

However, this estimate does not include service enhancements to improve on-time performance or increase train speeds. Addressing these concerns is important and necessary if Amtrak wants to improve service and grow its ridership for the future. But we cannot get to the future unless Amtrak is able to meet its current capital needs. I know for a fact that some of their major infrastructure projects are desperately needed to improve the safety and security of the system, such as the fire and life safety improvements to the tunnels in New York, Baltimore, and Washington, D.C. I can't say it often enough that passenger rail is a prime target of terrorists and we haven't prepared the way other countries have.

As I have said over and over again, other countries continue to invest billions and billions of dollars each year into their passenger rail system, while the United States continues to fall further and further and further behind. We enter into an annual debate in Congress, each time the transportation appropriation bills come to the floor, on whether it is wise to invest \$1 billion in our Nation's passenger rail, while other countries that are much, much smaller than the United States are spending five to ten times what we are spending for passenger rail on an annual basis. We need to make a real commitment to Amtrak in this reauthorization bill.

I want to thank Mr. Kummant for joining us again to discuss Amtrak's capital needs.

Before I recognize Mr. Shuster for his opening statement, I ask unanimous consent to allow 14 days for all members to revise and extend their remarks, and to permit the submission of additional statements and materials by members and witnesses. Without objection, so ordered.

Mr. Shuster.

Mr. SHUSTER. Thank you, Madam Chairwoman. I want to thank you for holding today's hearing. It is a good follow-up to the last hearing we had on the benefits of the inner city rail to this Nation.

I also want to welcome and thank Mr. Kummant for being here today and for testifying on behalf of Amtrak.

At the previous hearing I alluded to we heard testimony about how trains can cut pollution, reduce highway congestion, and provide a real alternative to driving our automobiles. But we didn't hear much about the cost of what it would take to upgrade the system and building a high speed rail system. We know it is not going to be cheap, but this is an investment that I believe will pay huge dividends in the future.

The State of Pennsylvania and Amtrak recently upgraded the Keystone corridor, which those trains are traveling at about 110 miles an hour, and already we are seeing big results, positive results: increased ridership, better on-time performance, and better reliability. But there is still much to be done. For example, I read that on the Keystone the power transformers are 70 years old. Those transformers should probably be in a museum, but we are still relying on them to provide power on the Keystone.

Our grandparents, our forefathers, built this Nation's railroads, and I think it is important, part of our legacy of this generation to build fast, efficient, high speed rail system. So, with that, I am looking forward to the testimony today. I appreciate your being here, and I yield back.

Ms. BROWN OF FLORIDA. Mr. Mica?

Mr. MICA. Thank you.

First of all, I think this is an important hearing, and I appreciate the Chair and the Ranking Member calling together this important review of Amtrak's capital needs.

I have been termed in some quarters as a critic of Amtrak, but I think that most people who have the opportunity to sit down with me and talk to me understand that I am one of the leading advocates of passenger rail service in the United States Congress, both for long distance service and also for high speed service, and a strong advocate of public transportation.

I have spent some time since I got, last night or yesterday afternoon, the information provided by Amtrak and look forward to reviewing some of their estimates and guess estimates on what it would take to meet their capital needs. However, as we know, they have had some problems, both from management and an operational standpoint and both with construction of high speed corridor in the United States, the only one that we have that even resembles high speed, which is the Acela in the Northeast Corridor operations.

I have reviewed again the amount of money that they requested. They are estimating a capital backlog of \$5 billion. We have a maintenance backlog of some \$5 billion to \$6 billion estimate, probably, and we also, according to the information given to us by Amtrak, have potential long-term needs for improving the high speed corridor that we have now, the Northeast Corridor, somewhere around \$10 billion to \$12 billion, according to their estimates. I think they are looking at a guess estimate of about \$10 billion to improve bridges and tunnels. I think there are \$680 million, approximately, to improve the catenary for the Northeast Corridor.

However, I think there are larger questions that loom about Amtrak's capital needs, and that is how much of this effort Amtrak undertakes itself, as far as replacement of rolling stock, and how much they undertake as far as improvement and development of a truly high speed corridor. Unfortunately, in the last area I mentioned, the record there has been rather rough. The Acela acquisition was mired in legal contention. We ended up getting equipment that is not, for various technical reasons, capable of high speed, the design flaws one of those factors. We bought equipment for which we didn't have spare parts or the different changes and specifications in the acquisition of equipment that also have caused problems.

Additionally, it is not just a question of how much money we give Amtrak, it is how they spend it. As we have seen through a couple of studies and reports that I have requested, one was food service, where about a quarter of a billion dollars over a several year period in additional cost was consumed. In fact, for every dollar spent on Amtrak food by a passenger, it costs the taxpayers, according to that report, two dollars. We had, again, the brake issue, which closed down the Northeast Corridor for nearly some six months, not having adequate equipment. And, of late, one of the investigations that I asked to be conducted reviewed legal expenditures and found serious problems with the way legal contracting work was conducted by Amtrak. So it is not always how much money we give them, it is how they spend it.

Now, I will say that Mr. Gunn and Mr. Kummant have made some changes. I am anxious to hear from them today and am willing to work with them. But let me just say to them that unless somebody has been in a coma the last decade, they would never conclude that Amtrak has either the management capability or the technical capacity to develop, to construct, or operate a truly high speed rail corridor. Even elementary mathematics of the Senate Amtrak bailout plan of \$2 billion a year for four years barely covers the backlog of \$5 billion in maintenance that is required that I mentioned, an operating loss that now exceeds half a billion dollars

a year, and interest payments of almost a quarter of a billion dollars a year. Just do the math, and it doesn't work.

That makes Amtrak's plan for development of the Northeast Corridor as a truly high speed system a pipe dream, at best. Testimony provided to us by Amtrak states that \$625 million in catenary and other improvements achieves a D.C.-New York average speed of 90 miles per hour. However, as you will see in the information they are providing us also, another \$10 billion in tunnels and bridges gets us to 96.6 miles per hour, also not a high speed rail system. We end up with an average speed of less than 97 miles per hour and a corridor congested with 1700 daily commuter trains, plus freights and slow long-distance service trains all operating in the same congested corridor.

The capital plan presented today by Amtrak unfortunately continues the status quo. It fails in improving high speed service and puts another band aid on the hemorrhaging vital northeast rail and transportation corridor.

I think that, in closing—I appreciate your giving me a few moments—while I have been critical, I think we need to be supportive of a true Amtrak capital needs program. The first thing that we need to do is to develop a high speed corridor somewhere in the United States and, of course, I would favor the Northeast Corridor since it has such an incredible potential ridership and also lends itself to dealing with one of our Nation's most congested transportation corridors and would provide a viable alternative to move people as an alternative to airports and congested highways. That is going to take—and we have heard this repeated before this Committee before—a separation of traffic, and to get truly high speed, we are looking at 120 to 150 miles an hour minimum, absolute minimum. To truly separate that traffic and have high speed service, we are looking at, my guesstimate is \$100 million per mile, which is \$22.5 billion to develop that corridors, plus the bridges and tunnels, which have been cited here that give us some additional speed in the system but don't do the job, which could be as much as \$10 billion, Amtrak's guesstimate that they are presenting today.

So I would support an investment of \$32.5 billion for the corridor, separate the traffic. That would also give us a model something like this. I don't know if you can see it. We probably should put it on the screen.

Madam Chairman, I will present you with one of these for the record.

But that would give us a separated high speed corridor, truly separated, that would run probably on an elevated system. Someone would have to make a decision whether it is steel rail vehicle, as they use with Shinkansen, TGV-ICE and some of the other systems, and/or maglev, which would be the latest technology that they use in Shanghai from the airport to downtown. So this would be the model I propose. It has got a pretty busy and high price tag, but it could be done, and this is the kind of capital expenditure I think we need to make a truly high speed corridor.

Thirty-two billion dollars is not pie in the sky; it can be paid for. The current traffic on this route is about 9.4 million passengers per year. It could easily increase to 24 to 36 million passengers per

year, which amortized over a 30 to 40 year period would make this project feasible and financible with a little bit of Federal assistance, but most private backing. Then we would need someone first to separate out and operate the system, and then the most important component, of course, is developing the system and financing the system.

So that can be done. This isn't a pipe dream, as I said, and I wanted to take this opportunity, while Amtrak is presenting a capital plan, to show not only what they are proposing, but what I think can be a reality and give this Country at least one corridor with a true high speed rail service.

Thank you. I yield back.

Ms. BROWN OF FLORIDA. Thank you, Mr. Mica.

Now I yield to the Chairman of the Committee, Mr. Oberstar, who is a real supporter of Amtrak.

Mr. OBERSTAR. Thank you, Madam Chair. Thank you for holding this hearing and for the work you have invested on this issue. Mr. Shuster as well, the Ranking Republican on the Subcommittee. He is a strong passenger rail, freight rail advocate.

I listened with great interest to the words of our Ranking Full Committee Member, Mr. Mica, who has set forth some very ambitious thoughts and is willing to work forward in a very strong and well-financed initiative for passenger rail service. How we get there is a matter of discussion, but that we get there I think is a matter that no one can or should dispute any longer.

In the summer of 1944, in the early days of France's liberation from her German occupiers, time needed to travel from Paris to outlying regions of France was measured in days, not hours. Half of the country's 40,000 kilometers of rail were destroyed. What remained was pounded into fragments by bombing by both the Nazis and the allies. A third of the major train stations had been destroyed. Five-sixths of the locomotives were gone, either taken by the Germans for use in Germany or destroyed in the war effort. Seventy-five hundred bridges were destroyed. The road system in France was ruttled. The most dependable trucks were U.S. Army vehicles. France was in shambles.

Under our post-war effort, the United States, in the even pre-Marshall Plan, shipped 1,000 steam locomotives to France to help rebuild that country's rail system beginning in November 1945. But 36 years later, the first TGV rolled out at 345 kilometers an hour. Today, the TGV operates at an average 185 miles an hour.

I traveled to graduate studies in Belgium in 1956, from Paris to Brussels, on a train that took six hours. In April of this year we did that same trip in reverse, from Brussels to Paris, in 80 minutes. Ms. Brown was on board. We experienced exhilaration of travel in a corridor that now has no air service because the train service is so good. Passenger trains operating at 185 miles an hour with 1100 passengers on board depart every three minutes from Brussels Station for Paris. People commute between those two major metropolitan areas, the capital of Europe and the capital of France.

We can do that in the United States. Mr. Mica has laid out a vision. Ms. Brown has laid out an advocacy. Mr. Nadler and I, in March of this year, traveled to an Amtrak conference in Philadel-

phia; lots of enthusiasm, lots of excitement. But I have to say that the situation I described in France at the end of World War II was not unlike the United States in 1970. When Amtrak was created in 1970, the Congress relieved the freight railroads of "all responsibilities as common carriers of passengers by rail." The freight railroads were begging the Congress to let them get out of rail passenger service.

I remember the discontinuances that the railroads applied for in cahoots with the U.S. Post Office. They wanted to take the RPO, the Railway Post Office overnight delivery service, off the passenger rails so then the passenger part would become unprofitable and they could then apply for discontinuance; and they did, one after another, until there was a fragment left of rail passenger service. And then they handed it to Congress and said, here, this is your responsibility, America.

The Committee report on the Rail Passenger Service Act of 1970 said the railroads have been downgrading service in the deliberate attempt to support elimination of passenger trains. That was an understatement. It was a scheme. There were 20,000 passenger trains operating in the United States in 1929. But by the end of World War II, just like France, 9,000 of those had been eliminated. When we began work in the Congress on Amtrak—I served here on the staff at the time—there were fewer than 500 trains, and 100 of those were engaged in discontinuance proceedings.

That is the bundle that was dumped in Amtrak's lap, this kaleidoscopic patchwork quilt mess of deterioration of service, and said, okay, here, you run passenger service and, oh, by the way, you are going to run it over freight rails, over antiquated equipment, with no new locomotives, no new service, and a minimal investment. And since then Amtrak has literally been on life support for its capital needs. That has to come to an end.

Amtrak can operate. It can be a first-class, world-class passenger rail service. As Mr. Mica said, \$36 billion, whatever it takes, we need to do that. We need to make that capital investment in the Northeast Corridor, in the upper Midwest, in the corridor from Chicago down to New Orleans, in what used to be the Empire builder corridor along the northern border, and in California, where 5 million people use Amtrak a year. Twenty-five million people a year use Amtrak. We need to get there.

And I believe, Mr. Kummant, that, in our various conversations, you have the will to do this. You have a good sense of where we need to go. You understand the capital investment that is needed. I think we need a different management structure. We probably ought to change the oversight board, management board of Amtrak and free the operating side, those who are running the system, you and your associates, and give you the money that you need to do and set you on course to make those improvements. We can do it in America. We need to do that, and that is the purpose of this hearing.

Thank you, Madam Chair. Enough preaching from the pulpit here. Time to listen to Amtrak.

Ms. BROWN OF FLORIDA. Mr. Chairman, you forgot one thing. You didn't mention Florida in that long list.

[Laughter.]

Ms. BROWN OF FLORIDA. I just want to be included in every thought about—

Mr. OBERSTAR. Northeast to Southeast Corridor. I ask unanimous consent to revise and extend my remarks.

Ms. BROWN OF FLORIDA. Mr. Nadler.

Mr. NADLER. Thank you. I will speak very briefly. I have only two comments to make. One, Florida is over all this and, second, a very brief comment. The distinguished Chairman of the full Committee mentioned \$36 billion a moment ago. That is a very daunting figure. And to have a proper transportation system in this Country will be a lot of money, will require a lot of money. We look at figures of \$36 billion or \$20 billion or \$40 billion and, my God, where are we going to get that kind of capital investment?

I would just point out to everyone that we have just, as of now, thrown \$450 billion totally wasted, totally useless into a stupid drainpipe in Iraq. If we had, instead of committing the colossal stupidity of invading Iraq, spent that \$450 billion on building up this Country, where would we be?

I yield back.

Ms. BROWN OF FLORIDA. Mr. Brown.

Mr. BROWN OF SOUTH CAROLINA. Thank you, Madam Chairman. My main statement this morning is, as we watch the demographic changes of the United States, we certainly need to be cognizant of that as we look for long-range planning in our infrastructure, particularly the rail infrastructure, and also, I guess, transportation across the board. But as we look at the eastern seaboard, which is going to be the growth corridor for the 21st century, and we need to be proactive in establishing that infrastructure as the needs are there, but try to even advance ahead of the needs. So I would just add that you certainly look at that and to be sure that every 10 years, when the census has been resubmitted, you will see the demographics changes, that population shift, and we need to be cognizant of that.

I yield back, Madam Chair.

Ms. BROWN OF FLORIDA. Thank you, Mr. Brown, and I do get your message that we need to include a different area of the east coast.

I want to welcome our sole witness for today, Mr. Alexander Kummant, who is the President and Chief Executive Officer of Amtrak. Usually, we limit oral statements to five minutes, but you have asked for additional time. My paper says we are going to give you seven to eight minutes. That is not what we are going to give you. We are going to give you as much time as you may need, and you can submit your written statement and it will appear in the record, because we really want to hear what you have to say; we have been waiting. Thank you very much.

TESTIMONY OF ALEXANDER KUMMANT, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION

Mr. KUMMANT. Madam Chairwoman, members of the Committee, thank you so much for the opportunity and for taking the time on this important topic. I will, nevertheless, try to move quickly. Many of my slides up front here you all have a very good understanding

of. In fact, much of what has been articulated here in the first minutes, this is a restatement.

[Slide shown.]

Mr. KUMMANT. Again, an overview of Amtrak: 21,000 route miles. Clearly, as we have talked here quite a bit, the key property is the Northeast Corridor, 457 miles in total length, 363 miles of that is actually Amtrak property. And, of course, the facilities piece is not small. We will talk about that in a little bit. Just as a placeholder, remember it is out there, that is about \$2 billion worth of property. And the point that I will come to at the end that is very important to us is equipment overall, and the need we will address in terms of beginning a new procurement cycle to replace much of our equipment.

[Slide shown.]

Mr. KUMMANT. Here again is the map that you are all very well familiar with, essentially, Boston to Washington, the Metro North piece between New Rochelle and New Haven, which is not Amtrak property.

[Slide shown.]

Mr. KUMMANT. A few other overall facts. Again, this has been well articulated here, the complexity of this. Nineteen hundred train movements a day, 8 commuter railroads or again, as was pointed out, one of the real complexities in every contemplating fundamentally changing the velocity or type of service on the corridor; and 50 freight trains, as well, use the corridor. Parenthetically, I might note that some of this structure in terms of how the line is laid out, not the track obviously, goes back to pre-1850s, so there is very substantial complexity here.

[Slide shown.]

Mr. KUMMANT. Here is another snapshot of looking at the number of daily trains by commuters. Gives you a sense of how complicated and how many different stakeholders are involved in the Northeast Corridor. Penn Station, again, specifically, has over 500,000 commuters a day all in, including Amtrak passengers, passing through that station, which is more than all the New York airports combined on a daily basis, with 1200 train movements alone around Penn Station; 10 million Amtrak passengers. And, again, this has all been constructed in strong partnership with the Northeast Corridor States, with significant capital from the States as well.

[Slide shown.]

Mr. KUMMANT. A quick comment and the point really on high speed is well taken. What might it take? Very daunting. Quick answer why have we never advanced that? And quite right, we are not configured to even begin discussing, as Amtrak, with our current engineering structure, our own project management structure, Amtrak itself could certainly not manage a \$30 billion project.

[Slide shown.]

Mr. KUMMANT. But why is the Northeast Corridor today not a true high speed corridor as in 200 mile an hour plus? It is exactly as has been articulated: it is not a dedicated high speed passenger right-of-way. Eight commuter railroads, multiple traffic types, curvature issues, numerous stops. The whole history of the Northeast Corridor is in fact to serve all the communities along the way,

without making choices of long end-point travel. So that is, of course, the complexity. And as you all well know, the European TGV style lines have been engineered from the beginning and dedicated to high speed type of service at a cost of \$20 million to \$25 million per mile.

Again, in our sense, the \$10 billion number is simply a crude calculation but does not really include any engineering constructability issues, nor does it include any real estate components. So our point is that it certainly goes well beyond the scope of anything Amtrak has ever contemplated, as was well noted. We talk in terms of low single digit billions. And, again, the numbers here on comparable European systems, they are all high multiple billions, obviously.

[Slide shown.]

Mr. KUMMANT. Going forward, this is a snapshot of what a reasonable, ongoing capital plan may look like in the coming years. And I will break these pieces out as we come. In a moment here, I will talk about the infrastructure piece, the standard, ongoing, every year replacement on the Northeast Corridor is about \$350 million. The legacy costs—and I will break those down in a moment; and it is a question of how you annualize that—that represents basically an ongoing state of repair working down over 10 years and major legacy projects being worked down over 15-plus years. Rolling stock is a separate topic I will touch at the end of this presentation, where really beginning to replace all of our rolling stock over the next 10 or 15 years, again, begins to look something like that on an annual basis. The other big pieces are capacity and corridor development with the States, really some of the more successful projects we have going forward, and within that we would suggest an incremental approach to developing some of the high speed corridors that we will address—Detroit, Chicago, Florida, California—again, on an annualized capital basis. To get the single digit billions, we would have to be spending something like \$400 million to \$500 million a year to work through projects like that.

So this, in a sense, what an ongoing annual capital program could well look like for us.

[Slide shown.]

Mr. KUMMANT. Here is again the snapshot we have chatted. I will just touch on this briefly because it is well understood. Our ongoing state of good repair backlog. We have worked it down since 2003 from about \$2.2 billion to about \$1.5 billion, and project that well below that number the next five years. So, again, that number we believe we can work down in the next 10 years. The major legacy project backlog are these major bridges and tunnels. Here too, that is a rough estimate. It certainly can creep higher than that depending on how broadly that is defined. That is something we could envision working off over 15 years.

[Slide shown.]

Mr. KUMMANT. Here is really an example of a five year engineering plan for us. The only point I would want to make here is it is certainly within the constraints that we have basically worked in over the last five years, something between the \$400 million and \$600 million a year range. This also includes sources of funding

from other areas. But it gives you a sense, again, of the type of level we have been working with that would obviously have to be significantly increased to begin working off some of the larger projects, as well as working on transformational corridors elsewhere. A point to make here is the FRA works very closely with us on this. They approve and vet projects. They work through at a very detailed level.

[Slide shown.]

Mr. KUMMANT. Here is an eye chart, only for the point, in terms of the level of detail that we interact with the FRA, and they work with us on all of our capital programs.

[Slide shown.]

Mr. KUMMANT. Good example here, Thames River Bridge, which is in progress, built in 1919; major structure, Amtrak property.

[Slide shown.]

Mr. KUMMANT. We are replacing that today to a tune of almost \$80 million.

[Slide shown.]

Mr. KUMMANT. Here is a classic kind of example of a project we work every year, every month, which is changing out a turnout, going from wood ties to concrete ties. Again, that is the sort of thing that allows us to gain velocity and reliability.

Another classic problem, we have to upgrade all of our signaling. Here is an example of a signaling box with a huge spaghetti of wiring before.

[Slide shown.]

Mr. KUMMANT. Here it is after, with programmable logic controllers. And this is even not the final point you would get to with a pure solid state, but it gives you an example of how complicated some of these things are to get done.

Trip time reduction was also touched on; I won't hit this too hard. But in order to get, say, another 15 minutes from Washington to New York, all the types of things we need to do, that alone would cost us about \$600 million, the 625. And to get beyond that, as you see in the second bullet point, to get down to 2:20 transit time, there you have to start addressing the major legacy projects.

[Slide shown.]

Mr. KUMMANT. Corridor development, I will just touch on this briefly. Fundamentally, again, we are restructuring our organization to pivot toward the States, to work with the States. This is all very closely integrated with the States and the freight lines to continue driving these projects. Here again are examples you well know, our six top corridors: California certainly well represented; the Keystone was brought up as a great example, we split that capital 50/50 with Pennsylvania.

[Slide shown.]

Mr. KUMMANT. Here is a snapshot of the San Joaquin train and Merced.

[Slide shown.]

Mr. KUMMANT. Here, as we go forward, this is the type of detail we work through with the States. The Chicago-Milwaukee. The Hiawathas are a great program. The State is very interested in extending that to Madison. That is the type of project we are working

through with them; what funding do you need, how do you upgrade the line, where does that capital come from. And that is, again, the type of project we would expect our corridor program capital to flow into.

[Slide shown.]

Mr. KUMMANT. The Cascades are a great example of a project that has worked well. There, the UP and BNSF have worked with the two States to drive that business. There are many more projects identified where, again, we want to partner with the States and the railroad to keep expanding that capacity as well as increasing the velocity of those routes.

[Slide shown.]

Mr. KUMMANT. Here are examples of working with the States where we have expanded those corridors. California, for example, has themselves invested a tremendous amount of money since 1990, and we have helped out there. The other expenditures have generally flowed from the States, so the States have been very involved there with a lot of our engineering and operational help.

[Slide shown.]

Mr. KUMMANT. You know the map well, and we see those issues really across the map.

[Slide shown.]

Mr. KUMMANT. Closely linked, obviously, to corridor development is how do we work going forward with the States on expanding capacity wherever the freights have bottlenecks that we run on. We have processes running. For example, we have a fairly robust dialog going with CSX today on the southeast portion of our corridors, but all along we are identifying with the freight railroads where the key constraints are, and that is where we really believe we can apply either State-Federal capital matching grants or Amtrak money to work with the railroads to expand capacity.

[Slide shown.]

Mr. KUMMANT. Chicago, the Porter, Indiana piece is well known as a bottleneck to get either from Chicago to Detroit or Chicago across east in order for our capital service to work effectively. So we do have a very good sense of where these are and continue working with the freight railroads.

[Slide shown.]

Mr. KUMMANT. Here is a more detailed piece. We break these down in individual projects, and all these are projects ongoing, in discussions with the States, and forward-looking plans to say where can we continue working on the system.

[Slide shown.]

Mr. KUMMANT. Here again, Joe Boardman, at the FRA, has done a very thoughtful job in really working on the lower eastern seaboard here and has a website up that articulates a lot of these issues, and this is CSX. In fact it will be sitting down with us in the next few months with their plan to address a number of these that have been highlighted.

[Slide shown.]

Mr. KUMMANT. Just to bring up the point, as well, our facilities always need attention. Equipment maintenance shops. Stations are a complicated issue; 525 total stations. We only outright own 46 of them, but we are responsible for the maintenance and platforms of

a great deal more. Dispatch centers are also something we have to maintain and continually upgrade and modernize.

[Slide shown.]

Mr. KUMMANT. Again, to give you a sense, it is about \$2 billion in structures and facilities. You would typically want to spend something around a depreciation/amortization rate, perhaps 5 percent of that value. We have certainly been spending less than that. So that does represent an issue we need to continue addressing.

[Slide shown.]

Mr. KUMMANT. I definitely want to spend time on equipment. Our equipment is aging. We range probably from 15 to even 50 years. We have some snapshots here, some diner cars that were actually built in the 1950s, that we will show you.

[Slide shown.]

Mr. KUMMANT. We do a good job of maintaining them, but there is a point where, when you run them as hard as we do—and here are some comparisons of how we run our equipment relative to other services—you will see that our locomotives get a much higher annual mileage than anybody else out there. To some degree, you wonder how can that be. If you look at the commuters, a great deal of their traffic and their equipment is needed for peak loading, so they will have a great deal of equipment running at peak, but then not being used in off-peak. We run much more 24/7.

The same thing you might ask about freight railroads. How is it that a freight railroad, particularly with their long stretches, can actually run less miles on their locomotives than we do. That is because most freight guys will tell you that their locomotives, in very crude terms, spend almost half their time idling because they are waiting in yards. It is a very different type of service. So we really run our equipment.

[Slide shown.]

Mr. KUMMANT. Same thing is true for our electric locomotives. And this, again, is in contrast to the commuters, where we basically run the same number of units out there most of the time, as opposed to having a much different peak loading.

[Slide shown.]

Mr. KUMMANT. And on car miles the same thing, we are the highest in any U.S. passenger service. So if anybody questions whether or not we are really using our equipment, we certainly are.

[Slide shown.]

Mr. KUMMANT. Here is again an example a diner built by the Budd Company, and we have some out there, again, that were built in 1950 and 1951 as well. We rebuild those, we refurbish those, but there comes an end point. They become difficult to maintain; they are not modular. Every one is different; every one is a one-off. It becomes difficult to turn the equipment and difficult to maintain the equipment.

[Slide shown.]

Mr. KUMMANT. Again, here is another snapshot. Average commuter rail industry, age of equipment, 18 years. Our passenger cars are about 23 years, on average.

[Slide shown.]

Mr. KUMMANT. Very round numbers, again. And this is not to scare people, but the facts are we do need to launch a new equipment procurement cycle. These are very rough numbers, obviously. If you were to replace everything we have, the 1500 passenger cars and locomotives, that would perhaps be a \$6.5 billion price tag. Now, that does not at all include what you do with purchasing efficiency, so we don't really know what that number is. But if you did that over 15 years or so, that would accrue to about a \$400 million plus a year sort of number. So just to ballpark that for you.

[Slide shown.]

Mr. KUMMANT. In summary, you might ask, okay, what do you want, what kind of projects particularly for the railroad we run today. Again, I would stipulate we would be very enthusiastic about major high speed corridors. Today, our reality is the system we run today and what do we need. We do need to find way for more capacity through New York City. In a broad sense, that is the largest constraint on the Northeast Corridor. We will continue to work the trip time reduction efforts that were referenced earlier.

[Slide shown.]

Mr. KUMMANT. The Acela today is a very good story in terms of how we run the business as it is. Yes, there are some legacy issues with design. We have overcome most of those. In June we ran 90 percent on time; ridership is up 20 percent. That is a good news story. As much as anything, what we would like to be able to do is actually expand those train sets from 6 cars to more cars. That is actually very difficult to do from an engineering point of view. That would certainly give us more capacity. Today, I think, as you all well know, if you travel, it is actually tough to get a ticket on a Thursday or a Friday in peak hours.

[Slide shown.]

Mr. KUMMANT. As we have referenced, overall, we need to begin a new cycle of equipment procurement.

Then, when we talk about high speed corridors, what we would like to suggest is really an incremental approach. For example, I very much like the Chicago-Detroit example. We own a good piece of that track, I believe 96 miles in Michigan. If we could get across Indiana, which is very constrained, and then use the CREATE project to drive speed into Chicago, it would cost maybe another \$80 million to really drive velocity into Michigan. You could very reasonably, for probably less than \$1 billion, have 80 to 100 mile an hour service between Chicago and Detroit, which, again, I would favor as a terrific first step.

You alluded to the political lift of \$30 billion. We would applaud, like anybody else, if that were possible, but I think we can build service and constituency with 80 to 100 mile an hour service.

We would say the same thing on the West Coast in terms of L.A. to Oakland I think there are those opportunities; south of Washington; and then, of course, within Florida. I believe meeting with FDOT here over the next couple of months. So it is key to us, in terms of a national perception of Amtrak as well, to really develop a significant corridor outside of the eastern seaboard.

And finally, of course, as we alluded to, reducing the capital backlog on the Northeast Corridor.

In terms of key policy, I think the one thought I would like to leave you with in terms of questions how do we reduce the backlog more quickly, how do we get more effective, it is really a multi-year funding horizon, so we can plan our organization more effectively, so we can plan our capital programs more effectively. One of the answers would be, well, if we just had more capital, we could work the backlog off more quickly. There is some truth to that, but it is not the whole story. We can't plan our workforce, we can't plan projects, we can't plan the organization unless we have a longer trajectory to be able to manage major capital projects.

Again, finally, I think there are a lot of thoughts and good thought about matching State-Federal capital programs in order to continue developing corridors.

So, with that, I will leave it and be happy to answer any of your questions.

If I may also, I would like to introduce Frank Vacca, who is behind me on one side, who is our Chief Engineer, and on more detailed questions I won't be at all shy in leaning back to him and asking his advice if it is a detailed question I don't know the answer to. But I would be happy to answer anything you have.

Ms. BROWN OF FLORIDA. Thank you for your presentation; it was very thorough.

I am going to go to Mr. Nadler first, because he has another appointment at 11.

Mr. NADLER. Thank you, Madam Chairman. I appreciate the indulgence.

Mr. KUMMANT, your written testimony states it would cost approximately \$10 billion, not including real estate costs, to convert the Northeast Corridor to a dedicated high speed TGV-type rail line.

If there were funding and if that kind of plan were to move forward, how would the existing non-high speed rail traffic be affected by the high speed rail traffic, and how would this affect the ability of Amtrak to run high speed rail trains along the corridor generally?

Mr. KUMMANT. Well, it would be a vast project. I was asked to present that number simply as, look, what might the number be. And again I would stress that is without real estate. I would actually venture to say it would be such a daunting task from an engineering and, frankly, from a traffic management point of view, that I am not saying it is impossible, but it would be very, very difficult. Again, I come back to the eight commuter agencies that run on that network today; 750,000 commuters are on the Northeast Corridor every day. That would have to be an entirely separate system. So I would simply say it would be a vast, vast engineering, capital management, and even governmental governance effort.

Mr. NADLER. And you would probably have to get the freight off the Northeast Corridor.

Mr. KUMMANT. Probably, yes. I mean, the 50 freight trains a day, obviously that could not function unless it were completely separated out. So it would be a vast undertaking.

Mr. NADLER. Let me ask you one other question. You stated New York City Penn State, New York is the biggest bottleneck in the system.

Mr. KUMMANT. Yes.

Mr. NADLER. We are building a new tunnel into Penn Station, the so-called ARC tunnel—

Mr. KUMMANT. That is right.

Mr. NADLER.—which is no longer called that, now it is the New York-New Jersey Tunnel.

Mr. KUMMANT. That is right.

Mr. NADLER. How will that affect this, if at all?

Mr. KUMMANT. Well, my understanding—and I will look behind me to see if I am saying anything incorrect—is we are not actually, at this point, have any guaranteed slots in that capacity, so that is essentially a—

Mr. NADLER. But it will certainly free up slots in any event.

Mr. KUMMANT. Well, it doesn't necessarily free up slots for Amtrak, and that is projected as growth basically for New Jersey transit. Let me glance back if I am saying anything wrong. So that capacity does not really accrue to what I would call the through capacity, if you are thinking in terms of Boston to D.C. So that is really a New Jersey transit issue.

Now, I would love to say if they have extra slots, could we find a way to contribute capital and have some of those slots accrue to Amtrak. I am not trying to be politically inflammatory at all, but that is really one of the last opportunities to truly generate capacity there.

Mr. NADLER. Now, let me ask you one other question. I was intrigued by the first slide that you had, which said that the Acela was a 150 mile an hour train in the first line, the second line said it was 135 miles an hour.

Mr. KUMMANT. Oh, forgive me. It is capable of 150, and it reaches that in Rhode Island-Connecticut. It only peaks at 135 south of there.

Mr. NADLER. Now, you developed two proposals for decreasing the trip time from Washington to New York. Current time is 2 hours 45 minutes. You propose spending about \$625 million to reduce that all the way down to 2 hours and 30 minutes. That level of funding would allow Amtrak to upgrade tracks from 135 to 150 miles between New York and Washington, modify equipment and improve onboard cab signals and constant tension catenary.

The second proposal is for \$10 billion, which would reduce the Acela trip time just 10 more minutes, to 2 hours 20 minutes. There is a big difference between \$625 million and \$10 billion.

Mr. KUMMANT. Yes, there is.

Mr. NADLER. How did you arrive at that \$10 billion general forecast? And is that something Amtrak is considering requesting?

Let me add one thing. Why the huge difference in cost for very small payout in 10 minutes?

Mr. Kummant. No, we are not really suggesting, hey, please write us a check for that. That was in response to a question, what would it take. You bump into the major legacy capital issues, as was alluded to earlier. It becomes a tunnel issue; it is tunnels out of New York. I believe we have—and correct me if I am wrong—the full \$6 million [subsequently edited to read: \$6 billion] for the New York tunnel.

If I could ask Frank Vacca to make a comment directly, if that is okay with the Committee.

Mr. NADLER. Sure.

Mr. KUMMANT. He is the expert.

Mr. VACCA. The difference in the 10 minutes and the dollars is that for those additional 10 minutes, significant infrastructure projects, such as replacement of B&P tunnel and—

Mr. NADLER. Which tunnel?

Mr. VACCA. Baltimore and Potomac, the tunnel going into Baltimore, presently 30 miles an hour. In order to get that extra 10 minutes, you need to get the speeds up, change that tunnel and other tunnels in New York. So it is significant infrastructure improvements to get that additional 10 minutes.

Mr. KUMMANT. I do think that number is a bit extravagant.

Mr. NADLER. Let me just ask one thing in the eight seconds I have left. Ten billion dollars for 10 minutes, obviously you are not going to do. If you wanted to bring it down to under two hours, what would it cost, any idea?

Mr. KUMMANT. Well, again, I mean, you are talking about complete grade separation, complete dedicated right-of-way, high speed. At that point I think you would—again, you are talking about a completely different structure.

Mr. NADLER. So 2 hours 30 minutes is about the best we can hope for in the real world, in the foreseeable future.

Mr. KUMMANT. With the railroad we have today. Again, if we look at dramatically different capital profiles and completely different structure, sure, it is possible to do something very different. But, fundamentally, to continue moving the railroad we have today to the next level, I think it would be well nigh impossible to get below two hours.

Mr. NADLER. Thank you very much.

Mr. KUMMANT. Thank you.

Ms. BROWN OF FLORIDA. Mr. Mica.

Mr. MICA. Well, I will just continue with what Mr. Nadler was asking. First of all, Mr. Nadler, if you look at this, there are, what, 1900 trains in the corridor a day. Seventeen hundred of those are mostly commuter service. You pointed out a very good observation, that for \$10 billion, when they complete the project, it is going to take—to do the catenary, it is about \$600 million, \$700 million. That gets you a few more minutes. You have to do the tunnels and bridges at some point. That gets you a few more minutes. But when you get through, the fact is, even if we spend \$11 billion, ballpark figures, in the Northeast Corridor, you still have about less than 97 miles per hour average speed. High speed rail is 125 to 150.

We have plenty of projects. We have done then for 15 years on the Committee. At Newark we elevated and put in the monorail. It costs you between \$50 million and \$100 million a mile to elevate track. I am estimating it is going to take \$100 million a mile. And if you extrapolate that out, we have got 225 miles, we are looking at \$22 billion to do it. That is not that much today. We will probably spend between \$10 billion and \$13 billion to move around some runways at O'Hare Airport. But if we are going to spend \$10

billion or \$11 billion, we have got a 97 mile an hour thing. People aren't going to use it to the degree we need.

Then the other thing is once we elevate it, we pay the \$100 million a mile and I think the \$10 billion in the bridges and tunnels is a low-ball figure. Some of those bridges and tunnels, as you saw, are decades and decades old, hundred-year-old structures. I have been up in your area; we could spend that easily. But you make that investment, we design where we want those stops to be intermodal to airports and to other transportation systems so you get the best utilization. I have no more capacity at New York airports. I have been to JFK, I have been to LaGuardia, I have been to Newark and traveled all around those. We have no more capacity. We could move the New Jersey Turnpike—

Mr. NADLER. Would the gentleman yield for a second? Would the gentleman yield for a second?

Mr. MICA. Moving the New Jersey Turnpike was one consideration we looked at. You can't do that. But I am telling you that we could invest in this, and the cash return—think about this too. The staff told me it takes \$50 million worth of revenue to support \$1 billion in bonds. You can get up to 24 to 36 million passengers. Right now they have got 9.4 million passengers in the high speed—

Mr. NADLER. Would the gentleman yield for a moment?

Mr. MICA. Yes.

Mr. NADLER. Far be it from me to ever suggest that we shouldn't spend huge investments in rail infrastructure, period, as you are saying. I would simply suggest that perhaps a better way of analyzing this, rather than looking and saying, well, you have got 97 miles per hour here; a high speed rail is defined by somebody as 125 to 150. Those are artificial categories. I think maybe what might be a better way of looking at it is to say what level of speed, what level of investment would really take most of the passengers off short line, that is to say, New York to Washington, let's say, air traffic. There really shouldn't be air traffic under 400 miles in this Country.

Mr. MICA. Exactly.

Mr. NADLER. In terms of global warming, in terms of the atmosphere, in terms of just—

Right, now, when I go from my home down here, I take Amtrak normally. It takes me about four hours door-to-door. If I took the Delta shuttle or the U.S. Air shuttle—not to give any advantage here—it would take me about one hour less.

Now, how much would it cost to get it so there is essentially no difference?

I yield back.

Mr. MICA. Yes, but once you get the \$12 billion, you have got to make a major investment for separation.

Mr. NADLER. Agreed.

Mr. MICA. Then the question becomes do I use steel wheel or do I use maglev technology. And once you elevate it, you can put one of those.

The other thing, too, for you, Jerry, and others in the Northeast Corridor, Amtrak is only running 200 trains, 157 a day. There are 1700 other commuter trains that you can free up. We have talked

about freight and the need to move freight in that corridor. What you do is you take an asset and maximize it.

See, from the private sector, you would have somebody do an asset investment study to realize what the best potential is. But I guarantee just on the cash flow, which I started talking about, from 9.4 million passengers to 24 to 36 million passengers, the private sector will come in and finance this in a heart beat because of the revenue; it is a nonstop source of cash, it is a cash register that never stops. Tangentially, I get better commuter service and free that up, because most of that is dictated now by 200 trains; I get better freight service and move freight along; and I get an incredible benefit by our airports. There is no place else to expand.

But if I can get on down here at Union Station and be in Downtown New York in less than an hour and a half, I am telling you they will be lined up from here to Union Station to get on the thing; and that can happen. The thing that you have got to do and the unions have got to do and other people on the other side is think in a bigger picture. Then we free up that corridor, we have the first high speed rail corridor in the United States, and the private sector will finance this.

If you think Congress is going to finance it all, you are wrong; and they don't need to. I would say that we should put in 30 percent, maybe 40 percent of the capital needs, maybe 50 percent, like we do for other transit projects; and I don't have a problem with that. The rest is easily obtainable.

But he has testified that he cannot develop and operate that kind of a system, is that correct?

Ms. BROWN OF FLORIDA. Mr. Mica.

Mr. MICA. That was my question, one question.

Ms. BROWN OF FLORIDA. Okay, good. Mr. Mica, I am trying to get to the question. What is your question?

Mr. MICA. Can you develop a \$32 billion high speed project and operate it?

Mr. KUMMANT. I would say it would be very, very difficult. I think in the end we could probably operate it, but to manage the entire capital project is something outside of the scope that we have ever done, no question.

Mr. MICA. But what you would do is have professionals come in, write the specs.

Mr. KUMMANT. Sure.

Mr. MICA. We would entertain bids who could do it for what it costs, and then operationally we could do that. And also, I think, protect labor.

And let me say something about labor. I have been here for 26,000, maybe 28,000 down to what have you got, 19,000 employees now? Just hang around and you will see the base continue to shrink of employment, when it can do just the opposite. We would be hiring twice as many people, not to talk about the tangential benefits of creating a system. And this is a model system which could be replicated in other corridors.

Thank you. Appreciate your cooperation.

Ms. BROWN OF FLORIDA. Mr. Mica, are you finished with your questioning?

[Laughter.]

Mr. MICA. Yes, that is good enough.

Ms. BROWN OF FLORIDA. Okay.

[Laughter.]

Ms. BROWN OF FLORIDA. I do have a follow-up question. As I said before, in the 2005 Amtrak completion aid comprehensive catalog of its capital needs, entitled Engineering State of Good Repair, I would like to know what is the definition of good repair. And the estimate for the Northeast Corridor at that time was \$2.5 billion. I understand it has gone down. And I recently took the train from Washington to New York, and the Baltimore area, in the tunnel, that area clearly needs some work. So can you expand on that?

Mr. KUMMANT. Sure. First, let me say we have worked down that number from \$2.2 to about \$1.5 billion, and there are fundamental engineering standards, particularly when we look at, again, constant tension catenary, signaling cable is something that gets changed out, and the tunnels themselves in Baltimore are clearly sort of a separate issue because of the curvature and because of the narrowness and the whole track structure there. We drop down to, I believe, 30 miles an hour, so that reduces a lot of the ability to get through there quickly.

So, again, there are pretty well defined engineering standards to bring the whole system up to what we run farther north toward to New York, as well as when we hit 150 miles an hour in Rhode Island and Connecticut. But that 1.5 is something, again, we think we can work down in 10 years, and then we would estimate with the other major structures about another \$3-plus billion to work off those structures. That would include the billion for the Baltimore Tunnel.

And, again, there, the real question is what do I get for that. You do get time, you do get reliability, but the tradeoff is we are effectively rebuilding all of this as we go, but we do it slowly, we give up all kinds of track time to maintenance time, as opposed to train time, and we do it expensively, because it is not planned out in long, well managed projects. So in a sense we are, on a continuing basis, renewing all of this, but it is done, for example, on a bridge. You will have an issue on a bridge, so you will have to work on weekends, shut that piece down, engineer fixes to a piece of a bridge as opposed to replacing the whole bridge, and then you do that for 10 years or so. So that is the real difference of what you get with a major capital program.

Ms. BROWN OF FLORIDA. Well, the only one problem I think we have is that we really do not have 10 years. So, you know, it is a lot of pressure as far as the price of gas, congestion. I mean, we don't have 10 years.

Mr. KUMMANT. Well, the response there would be it is capital, it is annual capital, but it is also that we can have a multi-year funding look, because without being able to look out five years and plan projects out, the other thing we haven't really mentioned here is workforce management. How do you really staff up, how do you put crews in place to say we are going to have this crew here for two and a half years. Today, that is very difficult to manage on our annual appropriation cycle. So it is not just having the capital to do it faster, but it is giving us, in some sort of an authorization or appropriation structure, a multi-year look so we can really manage all

of our processes across that period of time and not stop and start every year. That is the other piece, besides just capital, to get it done more quickly.

Ms. BROWN OF FLORIDA. Mr. Shuster?

Mr. SHUSTER. Thank you.

I think Mr. Mica hit the nail on the head. We really need a big picture view of this. The hearing today is on capital needs and the programs, and we are talking about equipment and upgrading track. We are also mixing in TGV or high speed rail, maglev. What we really need—and I know years ago there were studies done on what it would cost to put high speed in the Northeast Corridor. Again, we manage this, as you said, year-to-year, year to five years out. What we really need is a study done in a timely manner. I don't mean a study that is going to take three years or five years, but something in the next 6 to 18 months. And I am asking do you agree with that. Is that the way we really should be looking in this Committee to figure out the big picture?

Mr. KUMMANT. I do agree with that, and we are really beginning to reach out, and let me very honestly say we have not been configured, nor have we been focused on that challenge. I mean, I think we would be the first to admit that, given the work that has been done on cost reduction and really more on contraction. But we, with our planning group, need to reach out particularly to the thoughtful high speed programs around the Country. Florida has a well developed group, Texas, California, the Midwest High Speed Initiative. We need to take that body of work that has been done and really create an umbrella for that and then, as well, look at what really could be done in the Northeast Corridor realistically.

So I do agree we need to take that look and we need a thoughtful planning process there.

Mr. SHUSTER. But you are saying, and I think from what I could see, Amtrak is really not equipped. I mean, you could have input, but you don't have the manpower to be able to really put that study together. Should we be going outside to the outside two companies, two groups that have a competition to choose two groups to say, okay, you two study the corridor and you two come with your two studies as to what is the best—

Mr. KUMMANT. I would say we are equipped to manage it, but you are quite right, we are not equipped to do it internally. But I think they would need our knowledge base and our guidance in terms of the existing challenges in order to be able to study and say here is the next step you could take or here are the next steps you could take. So we are equipped to manage it; we certainly are not equipped internally to do that study ourselves.

Mr. SHUSTER. What about the idea that I just put forward?

Mr. KUMMANT. No, I think—

Mr. SHUSTER. Take two consulting companies and say go at it.

Mr. KUMMANT. No, I think that is very reasonable. I think we could get an RFP out for that type of effort and get that done. That is realistic, certainly.

Mr. SHUSTER. And you think two private sector companies are enough?

Mr. KUMMANT. Well, we would probably put an RFP out and see who responds. I am sure more than two would respond would be my guess.

Mr. SHUSTER. And I would guess, when you put it out, that hopefully 50 companies. But, at the end, a minimum of two different competing studies.

Mr. KUMMANT. That is right. You would probably get four or five serious bids, serious offers. I mean, that expertise is out there, certainly.

Mr. SHUSTER. And picking two would be the way to go?

Mr. KUMMANT. Well, it is a thought. I mean, I think if you put a thoughtful RFP together, you can narrow that down and come down to two finalists, but in the end only have one of them do the work. But they will be kept honest by the fact if they go off track, so to speak, we would certainly reach out to the other organization. But those skills are out there.

Mr. SHUSTER. And is your view—I think I heard you say this, what Mr. Mica was getting at—was that the long-term answer—going blindly at it, because we haven't had anybody really look at it, study it recently—is to go to maglev?

Mr. KUMMANT. Yes. I can't exclusively say that. I do think a TGV steel wheel approach certainly makes sense. Maglev, I am not sure there is a lot of history yet on maintenance costs. One of the things I think we would want to go out and really look at sustainability, maintainability. I would hesitate to shoot from the hip here and say that I can guess at the technical solution. I just think we would want to be careful. And by the time we would implement, there would actually be a lot of history in place already to make that right choice.

Mr. SHUSTER. I yield back. Thank you.

Ms. BROWN OF FLORIDA. I don't know that we want to go to maglev. I think that we would want to just look at all of the systems and give people an opportunity to—various people. I don't think we want to sit here and negotiate what kind of study and what kind of design and what is the best system that we want. We are looking at all systems and we have had presentations from various systems, and we want to continue to study it and look at it and see what is best for our particular needs here in the United States in the areas that we are looking at.

I will now turn it over to Mr. Oberstar for his questions.

Okay, Mrs. Napolitano, then.

Mrs. NAPOLITANO. Thank you, Madam Chair, and thank you, Mr. Chairman. I appreciate that.

Listening with great interest to your report, and as I look at the map provided to us in your testimony, the Amtrak is wonderful on the eastern part of the United States, and the western part is like a skeleton. I am wondering what future plans does Amtrak have, since California has provided some of the State bonding money to be able to promote the usage and lay some of the groundwork. That is one question.

The other is the age of your locomotives, since I have great concern about the effect on the environment the engines have, especially the old engines. And then I go on to the life. Interestingly enough, in one of the briefings, the rail life of the rail itself is about

50 years, and you are going to cement ties, replacing wood, which is something the railroads are doing; and I am concerned about the life of cement, since it does crack eventually and because of the vibrations that could conceivably create more problems for infrastructure repair, and, of course, the life of the rails. Have you assessed the age of your system and what it would take to bring it up to date, since sometimes that creates problems for issues, derailments, things of that nature?

Those are just a couple of questions. I have more that I would like to bring up if I have the time.

Mr. KUMMANT. Well, I will start with the first one. First, again, California has done an incredible job. You have spent \$1.8 billion, \$1.9 billion of State money since 1990. When I go through my list of where I think, I would call them sort of transformational opportunities to take the first step toward high speed, you have a great high speed group in your State. I certainly would love an approach to see could we go from L.A. to Oakland at, say, 100 miles an hour, not necessarily 180 miles an hour, and work on a new right-of-way through the Tehachapi.

So you take an intermediate step, you work with perhaps a BNSF and work in conjunction with them to take an intermediate step. That would be similar to the approach I would suggest between Chicago and Detroit. And at that point you develop experience, constituency, operating knowledge, and then you say, hey, now we are prepared to really look at a true high speed approach, and a political lift for the big capital dollars are perhaps more feasible.

The issue of Amtrak on the east coast is of course a historical phenomenon. We own that track, so that is simply what we inherited in the early 1970s. Had we inherited a major corridor in the west, you know, I think the history probably would look a bit different. But I do think that going over the Tehachapi and up to Central Valley, and even affording people an alternative to ride on a train for a little bit over five hours, as opposed to driving, I think would be very well received.

Mrs. NAPOLITANO. Well, we are running out of time.

Mr. KUMMANT. I am sorry. The rail question, real quickly, we have very well developed engineering standards and our own property. I am certainly very comfortable with the concrete technology; that is very well vetted and tested by the whole rail industry. So we are comfortable with that. It is also used by the Europeans on high speed systems.

And on the engine front, yes, we do need a program to buy new engines, and the emissions there is not really a substantially different issue than anybody else has, and certainly our fleet is very small compared to other issues out there. But in the general realm of maintainability and reliability, we do need a procurement program there as well.

Mrs. NAPOLITANO. Okay. In California, again, going back to California, Amtrak has 174 stations. Only four are in Los Angeles County, which bears a third of the State's population. Are there any plans for expansion to be able to move those masses, as you say, up into either the Oakland area, San Diego area?

Mr. KUMMANT. Well, yes. Again, I think we work with the State DOT very well and partner with them on any projects that they—

Mrs. NAPOLITANO. Do you have any in the books, though? Are you working on something currently?

Mr. KUMMANT. We are working on more frequencies and we have a constant discussion about that. There is certainly not an effort right now for a brand new corridor. I would certainly love to see that. Like I said, looking at L.A. to Oakland at a much more high speed approach would be where I would love to go.

Mrs. NAPOLITANO. Okay, because you did talk about that before. The Alameda corridor east in my area is going to increase tenfold within the next 10, 15 years for moving goods and product to the rest of the United States. Is Amtrak at all involved in being able to help ameliorate? Because I know at the Colton Crossing there is a very poor on-time performance, probably caused by this issue of the goods movement. But it is going to get worse.

Mr. KUMMANT. That is right. Well, that is where I suggest that if we have a pool of capital that we can work with the freight railroads to identify those bottlenecks, we can help in that process. Clearly, we have ongoing discussions with UP; we have a new six-year deal, we are working off slow orders with them. CXS is going to present to us their plan for mitigating bottlenecks on I-95. That is a process we need to drive and continue, you are exactly right. There are no easy answers to that, that is grinding it out issue by issue. But it is capital availability and I do think we need to partner with the freight railroads to really work on de-bottlenecking. The big issue, of course, UP has, they are still in the process of double tracking the whole route.

Mrs. NAPOLITANO. Double tracking? I thought it was triple tracking.

Mr. KUMMANT. Well, no. Across the south, across Arizona and New Mexico there are still areas of single track there that they are working on double tracking. Their central corridor is triple tracked.

Mrs. NAPOLITANO. I would like to submit some more questions for the record, Madam Chair. Thank you for your courtesy.

Ms. BROWN OF FLORIDA. Thank you.

There has been a lot of discussion today about speed, but being reliable is crucial. I think the Chinese, when they came and testified, said that the most they have been late was six seconds. I mean, that was very, very impressive to me. But, of course, the planes have problems. I experienced it all day yesterday in Jacksonville, waiting because of various conditions.

So, in your summary, as you think through it, because we do have votes around 11:30 and we are going to hear from the Chairman, I would like to know what do you think we can do as far as improving reliability of the system. Also, the Senate recently reported from Committee its reauthorization proposal, Senate 294. I would like to know what do you think of the Senate proposal.

Go ahead.

Mr. KUMMANT. Excuse me. If I may respond to that. Reliability, again, fundamentally, state of good repair is about reliability. We have seen delay minutes drop every year. I believe our unplanned delay minutes are down 40 percent. The other piece is also the new

equipment procurement. There are always things that happen with older cars, freezing up of systems in the winter, so really new capital procurement of cars is a big issue on reliability.

S.294, fundamentally, what we like to see is, like I said, that there is a multi-year funding horizon that we can manage this appropriately like a business, looking out over four or five years in terms of what capital we have available and how to manage it. That is one of the biggest things for us. Also, the proposed State-Federal capital match again I think is something where we can develop corridors with the States in conjunction with the freight railroads. Those are the two biggest issues that we think are very positive for us.

Ms. BROWN OF FLORIDA. I think members of Congress are beginning to think that there is a problem with the structure of the board and the actual operation of Amtrak. I don't know whether or not you can give us an honest assessment, but we are really looking at that because we just don't think that, based on the last two or three executive directors, that the Board has been with the same vision as moving Amtrak that we in Congress feel it has to move.

Mr. KUMMANT. Well, I will have to defer on that to the folks that have watched this for a lot of years. Obviously, I work for the board today, but—and let me say we have some very hard working board members. At a personal level, I think they are very committed. I think those of you who have been watching this structure for some time probably have a little bit more insight, looking from the outside in, than even I do at this point, after 10 months.

Ms. BROWN OF FLORIDA. Very good comment.

Mr. Lincoln Diaz? No questions?

Mr. Chairman?

Mr. OBERSTAR. Mr. Kummant, I am pleased to finally have the capital investment needs proposal that we asked for in February. It took a very long time to develop that. My first reaction was, goodness, this is your 2005 plan. Then in our discussion yesterday you explained how that really is an up to date proposal. And I am very intrigued by the way you have laid this out. You have provided the capital investment needs sort of raw data and then a prioritization of how you would invest the funds, were they available to Amtrak.

In looking at this plan, a few questions emerge. How long would it take to do the upgrade in the Baltimore Tunnel and the New York Tunnel? Those are major bottlenecks. If you had the money and you went out on the street, made the bids, how long a time frame are you looking at?

Mr. KUMMANT. Well, I will very honestly look over my shoulder here at Frank Vacca; he is the expert.

Mr. OBERSTAR. Mr. Vacca, please, take the table. Identify yourself for the record.

Mr. VACCA. Frank Vacca, Chief Engineer of Amtrak. As you have indicated, those are major construction efforts and—

Mr. OBERSTAR. Please lean into the microphone a little more.

Mr. VACCA. These are major construction efforts and, generally speaking, between the design and construction phase of infrastructure improvements that are in the billion dollar range, it would take four to six years to complete.

Mr. OBERSTAR. What has to be done in those tunnels? What are the engineering challenges?

Mr. VACCA. On the Baltimore tunnels, we believe a totally new tunnel needs to be constructed, totally new alignment—

Mr. OBERSTAR. You wouldn't just fix up the existing tunnel, just rebuild it entirely?

Mr. VACCA. Yes, we believe. And we have worked with the FRA in some planning efforts. A completely new tunnel would be required. Right now it has a great many curves; 30 miles an hour is the maximum speed; built in the late 1800s. We need a new tunnel in and out of Baltimore.

Mr. OBERSTAR. That makes good sense to me.

Mr. VACCA. Thank you.

Mr. OBERSTAR. I was thinking we are going to have to do this and the other thing in the tunnel, and we are going to shut down traffic and try to do it at night. I was looking at 10 years. But building a new tunnel makes eminent good sense. Do it right, do it big, do it for the future, do it for the capacity needs in the corridor. And that would be a package Amtrak would own, right?

Mr. VACCA. Yes.

Mr. OBERSTAR. And in the New York area the same thing?

Mr. VACCA. The existing tunnels, we have been completing the fire and life safety portion of the upgrades to those tunnels in the last four or five years and making great progress. By the end of 2008, all of the fire and life safety systems in all six tunnels will be to 21st century standards, which is a great progress that we have made with the help of Congress and the funding we have gotten.

To increase capacity, we really need to work with New Jersey Transit on the new tunnel and get additional capacity in and out of Penn Station.

Mr. OBERSTAR. I visited with New Jersey Transit just a couple of weeks ago, in fact, with our colleague, Mr. LoBiondo, and they are building two new tunnels. There is no more room above ground to get across the Hudson, and very limited space in which to build tunnels. So they are moving ahead with these two new tunnels, \$6.5 billion cost.

Mr. VACCA. Correct. As far as I know, they are moving ahead with two tunnels, one would be the 34th Street; the other one under design, one of the alternatives is to come into Penn Station, the other alternative is to bypass it, at this time.

Mr. OBERSTAR. Would that tunnel construction benefit Amtrak as well?

Mr. VACCA. We believe that if we were to connect the tunnel into Penn Station, that that would serve jointly for the region for Amtrak and New Jersey Transit to increase the capacity and our ability to get more throughput in New York, absolutely.

Mr. OBERSTAR. I really admire what New Jersey has accomplished in transit. They really have achieved the goal of many European metropolitan areas of a 10 percent mode shift from the automobile to transit, and they are moving 800,000 people a day. They are double-stacking, bought a whole new fleet of vehicles which are double-stacked with a lower truck and a higher elevation

interior. Maybe one car less, but still carrying 1100 to 1400 passengers. Now, that is what we expect of Amtrak.

I don't understand why Amtrak, in response to Mr. Mica's question earlier, why you say you don't think you would be able to undertake the upgrading if you were given the money.

Mr. KUMMANT. Well, let me just say this. Any business I have been involved in, I am simply trying to be conservative by saying we are used to managing \$200 million projects. Managing a \$30 billion project is an entirely different animal. Do I say absolutely we couldn't do it? We could staff up, we could hire people. Yes, I mean, it is feasible. I am simply trying to be reasonable in terms of saying we could be part of a governance structure that manages that, but there would be significant outside skills that would be brought in to manage something of that magnitude.

Mr. OBERSTAR. Well, what I am envisioning is not much different than the State Departments of Transportation building highways and bridges. They don't have construction companies. Minn-DOT, New York Department of Transportation doesn't have its own construction company; they put the project out for bid, companies that are experienced in the construction arena go out and bid the job, and then they do it and the DOT supervises it. Isn't that what Amtrak would do?

Mr. KUMMANT. Yes. Again, I don't really think there is a lot of space between what you are saying and what I am saying. I am simply trying to say that it would be like a municipality. If you took the town I grew up of 15,000 people, if, all of a sudden, they were responsible for building the freeway across the State. I mean, they have the processes in place, but it is a question of scale. And there is also a great deal of advanced engineering that would occur in terms of systems and approaches that we normally don't deal with. So I am simply trying to suggest that if you wrote us a check today, if I were you, I would be very wary about the execution, and it would take us a lot of work to get the organization in place to even manage it. I am just trying to be conservative.

Mr. OBERSTAR. Would you envision a design-build approach to construction of—

Mr. KUMMANT. I mean, I will toss it to Frank here in a moment, but it would have to be something like that, I would imagine.

Mr. VACCA. Well, of course, we would divide up the project that we could do some design-builds, we could do some designs and builds. I think the point that Mr. Kummant is making is that given time to staff up, given time to get the experts, and using the process you explained, eventually we certainly could manage that program, but it would take time to ramp up to that.

Mr. OBERSTAR. Well, we are together of a like mind on this Committee, the Democratic and Republican side, to advance the cause of passenger rail. We have some differences on the structure within which it should occur, but I think that the objective is a unified objective, and the most effective means within which to achieve that goal is what we are deliberating.

We also have to keep our eye on results, short-term results as well as long-term. We need some patient capital here, and that is where Government comes in. It can be more patient with capital investments than the private sector can be. These track upgrades

that go from 135 to 150 miles an hour in the Northeast Corridor, equipment modifications, onboard cab signals, the catenaries in some places are over 100 years old. In this heat that we are experiencing today, those catenaries sag and a pantograph can get caught in it.

What is the time frame within which you would envision making improvements, again, given availability of money?

Mr. KUMMANT. Again, if you look at our projection over five years, we can work off more than half of the remaining state of good repair in that, and that would be covered by that.

Frank, I will toss it to you in terms of the catenary question in particular.

Mr. VACCA. In a five year period, we would replace those stretches on the southern end between New York and Washington with constant tension catenary, which would allow us to increase the speed to 150. During that same period you would complete the construction of our signal, the positive stop access system, which would also allow us to go to 150 miles an hour. Those are two key points to get to that 2 hours and 30 minute time frame.

Mr. OBERSTAR. There is more to pursue than we have time within which to do this, but I want to come to your midwest initiative. I know, Mr. Kummant, you are very strong on the Chicago-Detroit segment, but there is also the Chicago-Milwaukee-Madison-Minneapolis-St. Paul segment there. What combination of Amtrak-State of Illinois, Wisconsin, Minnesota, or Michigan initiatives is necessary to put together the midwest rail initiative?

Mr. KUMMANT. I think we are working all those. Obviously, the Wisconsin group is very strong and their DOT is very committed. We are working through the process on that line to Madison that they own. I think we are in the process of identifying what upgrades will be necessary. And then at this point it is also a capital discussion; where does the capital come from and how do we get the rolling stock for it is something that we are continuing to work through.

Relative to the other direction, to Michigan, we don't have a formal process running there. That is my interest, because, again, the capital there is a little higher than we are used to as Amtrak. I would view that as transformational because it would be probably half to three-quarters of a billion dollars to fix the Indiana piece of that challenge. But that is something I want to pursue here in the next several years, working with both Illinois and Michigan, and obviously the Norfolk Southern in terms of suggesting that that would be really great for all parties. So I am still in the early missionary stage of that. I think the Chicago-Wisconsin piece is much further advanced in terms of dialogue.

Mr. OBERSTAR. Well, I want you to be a vigorous missionary going forth, and I want to participate with you. Minnesota is on the verge of a great leap forward in rail transit, in commuter rail and city rail. The Hiawatha light rail project has exceeded its expectations by 10 months in ridership. There is a thirst for passenger rail service, and I want to launch this initiative and get it moving as quickly as we possibly can.

I know we are under votes now, so I will relinquish my time.

Ms. BROWN OF FLORIDA. Thank you.

Mr. Mica.

Mr. MICA. Just for the record, again, if we spend \$620 million, that gets us approximately a 90 mile per hour operation. If we spend \$7 billion to \$10 billion additional dollars—I have seen two different figures—we get to 96.6 miles. That is with the tunnels and the bridges. That is still not a high speed rail operation by any definition.

The other thing, too, when you get through with this, you have got your traffic mixed with 1700 other commuters, freight and additional. I think what we probably need, if we are going to do the major infrastructure investment, is a major infrastructure investment study where we bring in the freight, we bring in the commuter service, and we bring in Amtrak, and then we figure out a master plan so that they can all operate; and that we have one corridor that is truly high speed, which I would say would be a minimum of 125 miles per hour. If we use maglev, it could be as much as 250, 300 miles per hour.

So would you concur with those observations?

Ms. BROWN OF FLORIDA. Is that your question, Mr. Mica?

Mr. MICA. Yes.

Mr. KUMMANT. Oh, I don't disagree that, as you laid out the capital piece, we will not be at 120 miles an hour average speed. I don't disagree with—

Mr. MICA. Because I don't want people to think, four years from now—the Chairman just left, but that he is going to end up with a high speed rail system. We basically are band-aiding. The tunnels are needed, blah, blah, blah. But we may even be making mistakes, because to run a separated, truly high speed corridor, they may need to be in a different configuration.

Is that correct, Mr. Vacca?

Mr. VACCA. That is correct.

Mr. MICA. Okay.

Ms. BROWN OF FLORIDA. Okay, I do have a question. I have one question, and just take one minute to answer it. Can you give us a status report of the negotiations between Amtrak and the union?

Mr. KUMMANT. Yes. This week we have had meetings with four different unions. I would say two of them are quite productive. We are going to be going, probably shortly, out back for a re-vote on the FOP proposed settlement, and, again, two other unions we still hope to have fairly constructive conversations with this week. I would be happy to brief you in more detail any time you are available in a closed session and can give you a sense of where we are.

Ms. BROWN OF FLORIDA. Thank you. Thank you for that update and thank you for your testimony.

Members have 14 days in order to ask additional questions, because I didn't get to all of my questions.

But thank you very much for your testimony. We will be moving forward. You can see that there is a lot of support for Amtrak moving forward, but not a lot of patience for slow pace because of the pressures that we are receiving. Thank you very much.

Mr. KUMMANT. Thank you.

[Whereupon, at 11:45 a.m., the subcommittee was adjourned.]

**Statement of the Honorable Corrine Brown, Chairwoman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Hearing on Amtrak's Capital Needs
July 11, 2007**

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

The Subcommittee is meeting today to hear testimony on Amtrak's Capital Needs. This is our third hearing on Amtrak as we prepare to develop a long term reauthorization bill.

Amtrak serves nearly 25 million riders annually at more than 500 stations in 46 States on approximately 22,000 route miles. Amtrak directly owns or operates 730 route miles, primarily between Washington, DC and Massachusetts on the Northeast Corridor, and in the State of Michigan; several station facilities including Penn Station in New York, Chicago Union Station, and several

major maintenance and repair facilities. The rest of Amtrak's operations are on track owned by the freight railroads and some commuter railroads.

In 2005, Amtrak completed a comprehensive catalog of its capital needs, which showed a \$4.2 billion backlog of investment to bring its infrastructure system to a state of good repair. With the backlog of major bridge and tunnel work, the backlog approaches an estimated \$6 billion.

Even with adequate funding, resources, and additional equipment, Amtrak estimates the backlog of work will take a minimum of 10 years to complete in order to maintain a reliable level of rail service.

However, this estimate does not include service enhancements to improve on-time performance or increase train speeds. Addressing these concerns is

important and necessary if Amtrak wants to improve service and grow its ridership for the future. But we can't get to the future unless Amtrak is able to meet its current capital needs. I know for a fact that some of these major infrastructure projects are desperately needed to improve the safety and security of the system, such as the fire and life safety improvements to the tunnels in New York, Baltimore, and Washington, DC. I can't say it often enough that passenger rail is a prime target of terrorists and we haven't prepared the way other countries have.

As I have said again and again, other countries continue to invest billions of dollars each year to their passenger rail systems while the United States continues to fall further and further behind. We enter into an annual debate in Congress each time the transportation appropriations bill comes to the floor on whether it is wise to invest a billion dollars in our national passenger railroad, while other countries that are much smaller than

the United States are spending five to ten times what we are spending for passenger rail on an annual basis. We need to make a real commitment to Amtrak in this reauthorization bill.

I want to thank Mr. Kummant for joining us again to discuss Amtrak's Capital Needs.

Before I recognize Mr. Shuster for his opening statement, I ask unanimous consent to allow 14 days for all Members to revise and extend their remarks and to permit the submission of additional statements and materials by Members and witnesses.

Without objection, so ordered.

Mr. Shuster.

Introduction of Panel I

I now want to welcome our sole witness for today's hearing, Alexander Kummant, who is the president and chief executive officer of Amtrak.

Usually, we limit oral statements to five minutes, but Mr. Kummant has asked for additional time so we will extend that to about seven or eight minutes. Your entire written statement will appear in the record.

Mr. Kummant.

Closing Remarks

I thank you, Mr. Kummant, for your valuable testimony and the Members for their questions. Again, the Members of the subcommittee may have additional questions for you and we will ask you to respond to those in writing. The hearing record will be held open for 14 days for those responses.

Unless there is further business, the Subcommittee is adjourned.

Statement by Congressman Jerry F. Costello
Committee on Transportation and Infrastructure
Subcommittee on Railroads
Hearing on Amtrak's Capital Needs
July 11, 2007

Thank you, Madame Chairwoman. I am pleased to be here today as we discuss Amtrak's capital needs. I would like to welcome today's witness.

Since coming to Congress, I have been a strong supporter of Amtrak. I believe it is important that our nation has a viable nation-wide railroad system. Amtrak continues to support almost 20,000 jobs, services 25 million passengers, and provides a vital transportation link for communities in my congressional district and throughout the nation.

Investment in our passenger rail system is gravely needed. A 2005 study shows that \$4.2 billion of investment is needed to bring the Amtrak engineering infrastructure system to a state of good repair.

Examination of European and Asian rail systems demonstrate that with the right investment strategy and acknowledging the importance of rail movement of passengers and goods is necessary for prioritizing funding and modernizing the system overall.

We cannot continue to underinvest in our capital needs for Amtrak as these improvements will provide public safety and service upgrades. Again, thank you Madame Chairwoman for calling today's hearing.

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
SUBCOMMITTEE ON RAILROADS
HEARING ON
“AMTRAK CAPITAL NEEDS”

Thank you, Chairwoman Brown and Ranking Member Shuster, for holding this hearing on Amtrak’s capital needs. This is an important subject to discuss as we begin deliberations on Amtrak reauthorization.

As we get into the specifics of Amtrak’s capital needs, I think it’s important we remind Members how we got to where we are today. When Amtrak was created in the Rail Passenger Service Act of 1970, Congress relieved the freight railroads of “all of their responsibilities as common carriers of passengers by rail.” The freight railroads begged Congress to let them get out of the passenger rail business because it was not profitable.

The Committee report accompanying H.R. 17849, the Rail Passenger Service Act of 1970, found that the railroads had been “downgrading service in a deliberate attempt to support elimination of passenger trains.”

In fact, there were some 20,000 passenger trains operating in the United States in 1929. Nine thousand of those had been eliminated by 1946. In 1970, when Congress began its work to create Amtrak, there were fewer than 500 trains and for over 100 of those the railroads were engaged in discontinuance proceedings before the Interstate Commerce Commission.

Years of railroad neglect of their passenger operations meant that stations and terminals were often old and run down, that passenger cars offered dated amenities, and that the equipment

was prone to failure. The nation's railroad infrastructure was in a serious state of disrepair. Trains, even some passenger trains, crept along at 10-15 miles per hour in some places and derailments were becoming distressingly commonplace. By the time Amtrak commenced operations on May 1, 1971, the rail share of the intercity travel market had shrunk to just 0.4 percent. The number of daily intercity passenger trains had been reduced to fewer than 300.

The Congress created Amtrak to revitalize intercity passenger rail service. The Congress stressed the public benefits of rail service. Unfortunately, Amtrak never received the support it needed to accomplish that goal. It barely received enough each year to keep it on life support. What this Administration and a few in Congress have had trouble understanding is that if you take an organization that is undercapitalized and has a backlog of deferred maintenance at the outset, and you invest only enough to barely preserve the status quo year after year, in 36 years you will have an organization that is undercapitalized with an even greater backlog of deferred maintenance, which is exactly what we are dealing with today. You get what you pay for.

In 2005, Amtrak completed a comprehensive catalog of its capital needs entitled *Engineering State of Good Repair*. The analysis shows a \$4.2 billion backlog of investment (in 2005 dollars) to bring the Amtrak engineering infrastructure system to a state of good repair, excluding some major bridge and tunnel work and equipment needs. With the backlog of major bridge and tunnel work, the backlog approaches an estimated \$6 billion.

Even with adequate funding, resources, and additional equipment, Amtrak estimates the backlog of work will take a minimum of 10 years to complete in order to maintain a reliable level of rail service as the construction is completed. Based on a 10-year catch-up scenario, the Amtrak

funding needed during this period would be approximately \$715 million per year up thru 2011 and \$600 million for the period 2012 to 2016 (using 2005 dollars). This is again exclusive of the major bridge or tunnel replacement programs and equipment needs.

This is drop in the bucket compared to what other countries are spending on passenger rail. A few months ago, in preparation for our upcoming work on Amtrak reauthorization, I asked the Congressional Research Service (CRS) to look at public spending for passenger rail in other countries. What CRS found put the United States to shame. We enter into an annual debate in Congress each time the transportation appropriations bill comes to the floor on whether it is wise to invest a billion dollars in our national passenger railroad, Amtrak. Meanwhile, other countries, most of which are much smaller than the United States, are spending five to ten times what we are spending for passenger rail on an annual basis. And they are expanding their systems, not paring them down, as we are doing.

According to an April 2005 study on public budget contributions to railways, which was commissioned by the European Union, in 2003 alone, France invested \$10.6 billion (US converted from 2003 market Euro rates) in its rail system; Germany invested \$12.4 billion; Italy invested \$7.9 billion; the United Kingdom invested \$7.8 billion; the Netherlands invested \$2.5 billion; Austria invested \$2.3 billion; Switzerland invested \$1.9 billion; Sweden invested \$1.7 billion; Spain invested \$1.3 billion; and Denmark invested \$1.2 billion. Japan invests about \$2 billion annually in its Shinkansen and, according to the Ministry of Railways, China has launched a plan to spend a total of \$162 billion from 2006 through 2010 to expand its railway system.

There is no reason why we cannot do the same here in the United States. The Federal Government just needs to step up and take charge with a strong program to support passenger rail service. We have a real opportunity with this Amtrak reauthorization bill to do just that.

Thank you, and I look forward to hearing from Mr. Kummant.

Remarks of U.S. Rep. Nick Rahall
Hearing on Amtrak's Capital Needs
Subcommittee on Railroads
2167 Rayburn House Office Building
July 11, 2007



Madam Chairwoman, thank you for affording me the opportunity to speak on this issue. I appreciate the consideration both you have shown me and my colleagues in allowing us to voice our concerns about Amtrak's capital needs. I would also like to thank Mr. Kummant for taking the time to testify today.

Madam Chairwoman, as I recall, it was just over a year ago that we voted to add sorely needed money to an appropriation bill that had failed miserably to provide adequate funding for Amtrak. The same bipartisan support that we exhibited for passenger rail last year is evident again today, here in this room. Last year, in fact, was really no departure from previous years under an Administration that has threatened to derail Amtrak, time and again. I have repeatedly rejected the President's insufficient support of Amtrak and I continue to do so.

The Cardinal line may not be the bustling NorthEast Corridor, but it still carries an average of 89,000 passengers each year through my home state of West Virginia, and it is integral to promoting one of my State's biggest industries -- tourism. Those who choose to ride the rails through the New River Gorge are treated to some of the most beautiful views the world has to offer, and, to be sure, it is the capital investment which has been made over many years that makes this possible.

I believe this Committee has made significant progress in addressing the problems of our aging national infrastructure, and the needs of Amtrak are no different. It suffers from the same wear and tear, and from the same rain and snow, as do our other transportation sectors.

If this Administration is willing to spend billions of dollars in Iraq -- on their highways, airways, and railways -- it should also be willing to help modernize the transportation system within our own borders. This rail system delivers Americans to work and home each day. It ferries travelers from state to state, and, in times of emergency, would enable rapid movement of large numbers of our citizens. Amtrak is, as its name implies "American Track" and we should invest in it accordingly.

So again, Madam Chairwoman, I thank you for your recognition of the importance of Amtrak and for your courtesy. I ask that my statement be included as a part of the record.

**STATEMENT OF
RANKING REPUBLICAN MEMBER
BILL SHUSTER
SUBCOMMITTEE ON RAILROADS,
PIPELINES AND HAZARDOUS MATERIALS
HEARING ON
"AMTRAK CAPITAL NEEDS"
JULY 11, 2007**

Good morning. I would like to welcome our witness Alexander Kummant to today's hearing on Amtrak Capital Needs.

Madam Chairwoman, I want to thank you for holding this hearing. It should provide to be a good follow-up to our last hearing on the benefits of intercity passenger rail.

At that hearing, we heard testimony about how trains can cut air pollution, reduce highway congestion and provide a real alternative to driving.

But we did not hear much about the cost.

I know that building a high speed rail system isn't going to be cheap, but this is an investment that will pay big dividends.

Amtrak and the State of Pennsylvania recently upgraded the Keystone Corridor to 110 mph after years of deferred maintenance.

We are already seeing the results – increased ridership, better on-time performance and better reliability.

But there is still much to be done. For example, the power transformers on the Keystone are 70 years old.

Those transformers should be on display in the Smithsonian, but we are still depending on them to power one of the most important rail lines in the nation.

Our grandparents built this nation's railroads. I hope that the legacy of our own generation will be a fast, efficient high speed rail system.

Thank you and I yield back.

TESTIMONY OF
ALEX KUMMANT
PRESIDENT AND CHIEF EXECUTIVE OFFICER
AMTRAK

BEFORE THE
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS
MATERIALS

OF THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

WEDNESDAY, JULY 11, 2007
10:00 A.M.
2167 RAYBURN HOUSE OFFICE BUILDING

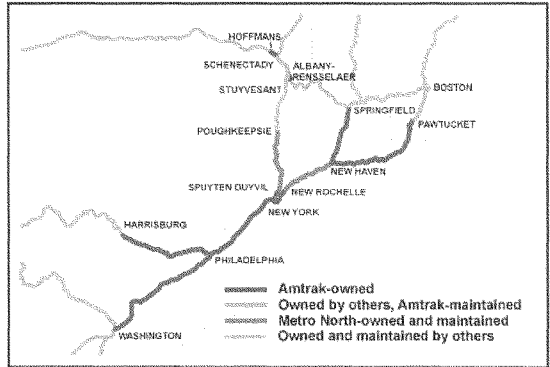


Categories of Amtrak capital assets

- Amtrak operates a 21,000-mile route system, mostly owned by other commuter or freight railroads
- Infrastructure owned by Amtrak
 - Northeast Corridor, 363 miles of the total 457 miles, Washington-Boston
 - Keystone Corridor, 104 miles, Philadelphia-Harrisburg
 - New Haven-Springfield, 62 miles
 - Porter, Ind.-Kalamazoo, Mich. (Chicago-Detroit line), 97 miles
- Facilities
 - Equipment maintenance shops/yards
 - Stations—Amtrak owns 46 of the 525 stations in the system
 - Control centers (such as CNOC)
- Equipment—locomotives, coaches, etc.
- Emerging corridors—nearly all such lines owned by other commuter or freight railroads



Northeast Corridor



Northeast Corridor

- The NEC hosts nearly 1,900 trains a day, ranging from slow freights to 150-mph Acela Expresses.
- Acela Express New York-Washington:
 - Top speed 135 mph
 - Average speed 82 mph (for trains taking 2:45 hours)
- 8 commuter railroads operate over Amtrak-owned or -controlled NEC segments; about 1,700 trains a day.
- About 50 freight trains a day use the NEC.
- Amtrak is the only operator using the entire length of the NEC.
- Measured in train-miles, Amtrak is the majority user of the NEC.



Northeast Corridor-trains and train-miles on Amtrak maintained NEC segments

Operator	Daily trains (1)	Annual train miles (000s)
Amtrak	157	10,520
MBTA (2)	276	736
SLE	32	277
LIRR (3)	566	675
NJT	474	3,793
SEPTA (4)	388	1,954
MARC	92	682
VRE (3)	30	17
TOTAL	2,015	18,654

- (1) Fall '06 schedules; exclude Metro-North territory, New Haven-New Rochelle, where Metro-North operates about 250 daily trains and Amtrak 36.
(2) MBTA owns Boston-Pawtucket but segment maintained by Amtrak.
(3) Agencies operate over short segments into Amtrak-owned terminals.
(4) SEPTA includes 37 DELDOT-funded trains to Wilmington and Newark.



Northeast Corridor – a busy and complex operation

- Nearly 10 million Amtrak passengers on the NEC in FY 2006; a little less than half of total system ridership
 - also 750,000 commuters daily
- We have a strong partnership with NEC states
 - \$240 million in Amtrak/federal funds and \$112 million in NEC state funds invested in NEC infrastructure in 2006
- Since FY 2003, Amtrak has invested \$1.36 billion in NEC infrastructure
 - This is about two-thirds of Amtrak Engineering's entire budget
- NEC investment brings:
 - Better reliability from all structures
 - Better on-time performance for Amtrak and other NEC users
 - Some reduced trip times
 - Some added, incremental capacity
 - Lower recurring maintenance costs
 - Coming closer to a state of good repair allows our focus to shift to large, capacity-driven projects, such as the New York and Baltimore tunnels



Why no high-speed rail on the Northeast Corridor?

- Compared to European high-speed lines, the NEC:
 - Is not a dedicated, high-speed passenger right-of-way
 - Has many more intermediate stops
 - Has a much more complicated mix of traffic, including freight and commuter
 - Has a much wider variance in top speeds of each type of traffic
- European countries, where possible, build new TGV-style lines in rural areas at a cost of \$20-25 million per mile
 - At that rate, the 457 miles of the NEC (Washington-New York-Boston) is about \$10 billion, excluding the cost of real estate acquisition
- Tackling some key issues in the NEC that do not necessarily apply to projects in Europe would add to the \$20 million per mile figure in ways not yet well studied:
 - There is very little open, rural land in the NEC upon which to build new, high-speed lines
 - There are significant, expensive tunnel and station capacity issues at the center of the NEC, in and through New York City...the single-biggest bottleneck on the entire Amtrak system
 - Having a high-speed line enter and leave important, intermediate downtown areas adds to the overall cost and engineering complexity



Why no high-speed rail on the Northeast Corridor?

- Recent examples of high-speed construction reported by UIC (International Union of Railways):
 - TGV Est, France, Paris-Strasbourg
 - 200 miles, \$4.8 billion, \$24 million per mile, mostly rural
 - France-Spain link, Figueres-Perpignan
 - 28 miles, \$1.3 billion, \$46 million per mile
 - Taiwan, Taipei-Kaohsiung
 - 215 miles, \$9 billion, \$42 million per mile, less rural than in France

Engineering 5-year plan, FY 08-12 (mostly NEC)

(\$ millions)

	Actual	Actual	Budget	March Reset	Plan					
Discipline	2005	2006	2007	2007	2008	FY08 +/- to FY07	2009	2010	2011	2012
Track	162	170	180	169	194	25	191	176	166	170
Structures	45	62	125	101	130	29	150	185	205	220
C & S	33	26	30	26	32	6	50	40	32	25
E.T.	33	29	49	43	63	20	80	91	78	65
Life Safety	77	53	77	64	77	13	54	55	48	45
Other	27	29	39	26	50	24	29	29	29	29
Grand Total	377	370	500	429	546	117	553	575	557	554

Thames River Bridge, Connecticut, “before”



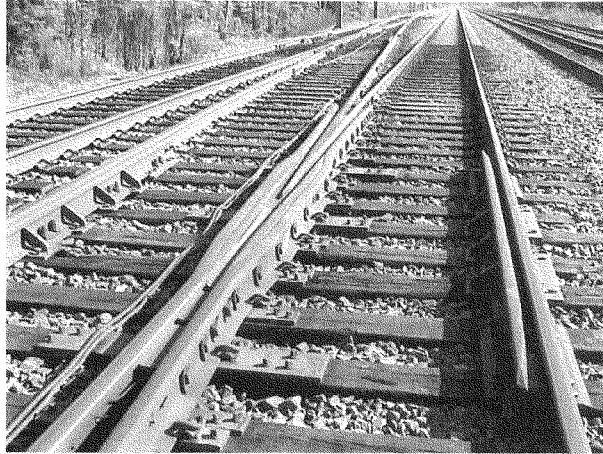
Bridge built in 1919, but increasingly unreliable

Thames River Bridge, Connecticut, “after”



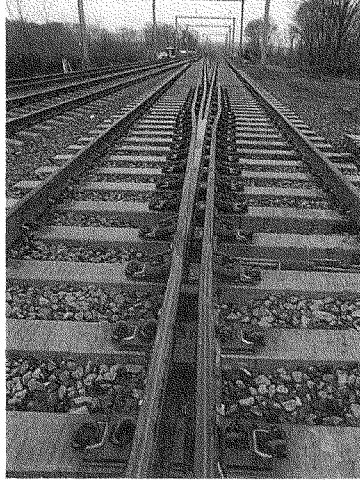
Rendering of \$76 million replacement, designed to last another
lifetime

Track turnout, wood ties, "before"



An older turnout (type number 20), maximum speed 45 mph.
It can take well over a year to order and install replacement turnouts.

Track turnout, concrete ties, "after"



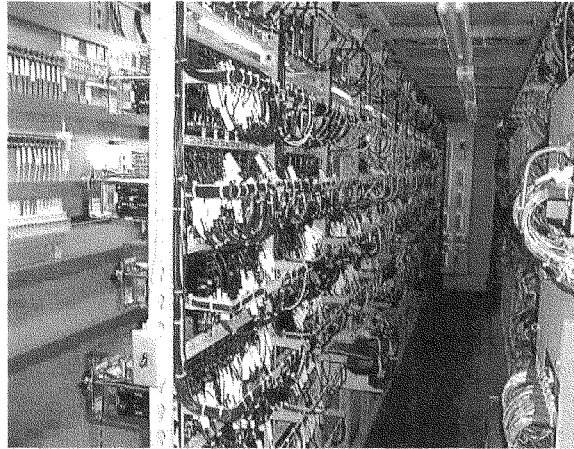
A new turnout (type number 32 $\frac{3}{4}$), where trains can change tracks at 80 mph.

Wiring inside a signal box “before”



Carroll Interlocking, New Carrollton, Maryland

Wiring inside a signal box “after”



Carroll Interlocking, New Carrollton, Maryland

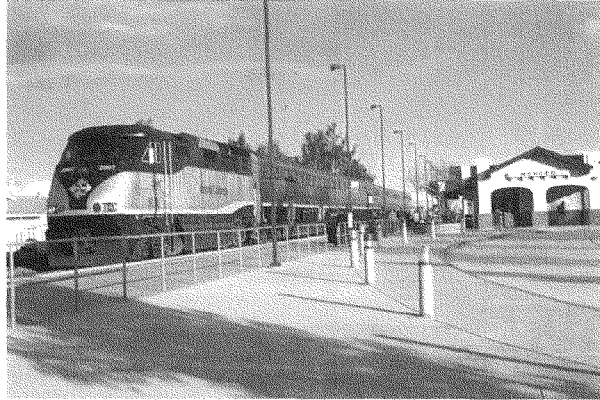
Proposals to decrease NEC trip times

- Currently 2:45 hours WAS-NYP (average 82.2 mph)
- 2:30 possible (avg. 90.4 mph) with \$625 million in improvements
 - Track upgrades from 135 to 150 mph
 - Equipment modifications
 - ACSES on-board cab signals
 - Constant tension catenary
- 2:20 possible (avg. 96.9 mph) with \$10 billion in improvements
 - New tunnels in New York and Baltimore
 - New bridges at Portal and Susquehanna
 - Station track upgrades at five stations

Corridor Development

- Several states have approached Amtrak about studying or implementing new corridor services
- Virtually all such proposals involve rail lines that are owned and maintained by freight railroads
- A few states have “gone it alone” by investing state funds in infrastructure, most notably California
- Most other states are waiting for the creation of a federal-state infrastructure investment program, before investing significant capital in their corridors

Corridor Development



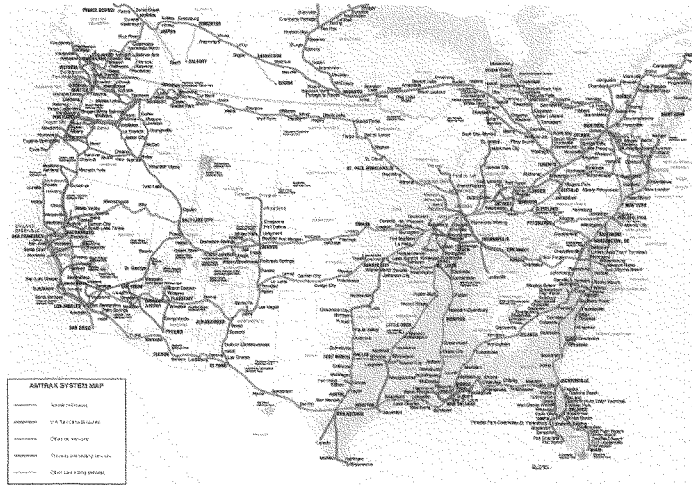
San Joaquin train at Merced, California, where this station was built in 2000 with state rail bond funding.

Corridors on freight lines – some progress already made

- Cascades Corridor, Eugene-Portland-Seattle-Vancouver
– \$336 million invested FY94-FY04
- California Corridors – Capitol, San Joaquin, Surfliner
– \$1.54 billion invested FY94-FY04
- Chicago-St. Louis
– \$182 million invested FY94-FY04
- Southeast Corridor, Washington-Richmond-Raleigh-Charlotte
– \$314 million invested FY94-FY04



National system issues

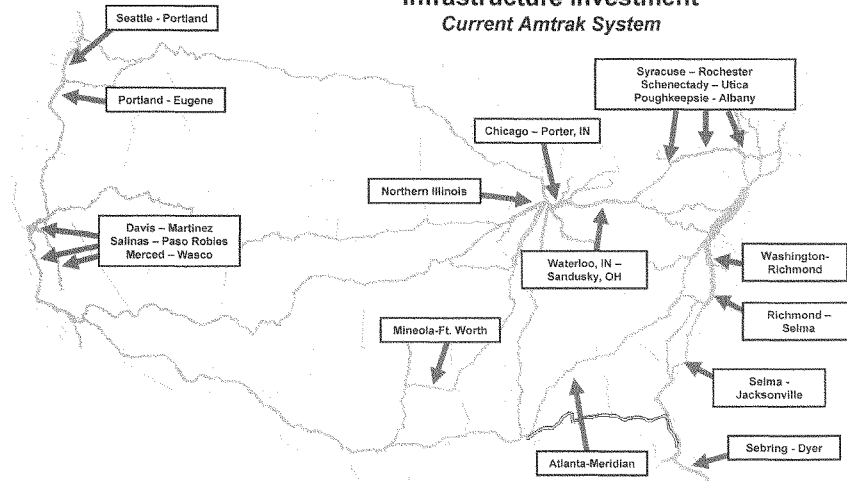


Infrastructure owned by others – freight line bottlenecks

- Unlike our lines in the Northeast, Amtrak does not control investment and maintenance issues on the freight lines where we run state-supported corridor trains and long-distance trains
- We have identified major bottlenecks on the corridor and long-distance network, and have supplied this information to the Committee
- Amtrak has studied potential projects on lines not owned by Amtrak, based on three objectives:
 - To reduce passenger-minutes of delay on existing services
 - To unblock freight bottlenecks that affect passenger train operations
 - To build additional capacity in high-growth corridors to avoid future congestion issues and create greater fluidity of train movements



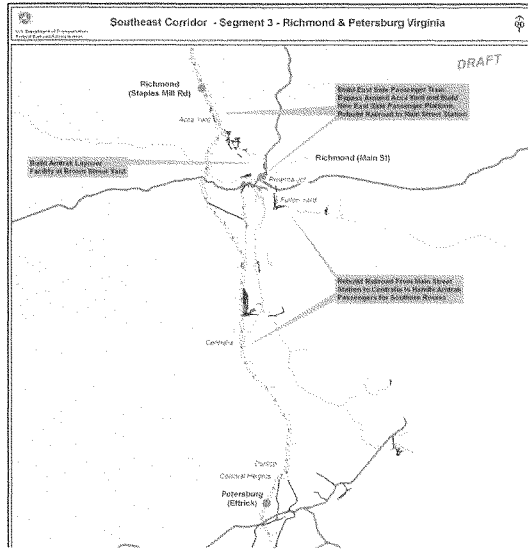
Major Delay Segments in Need of Infrastructure Investment Current Amtrak System



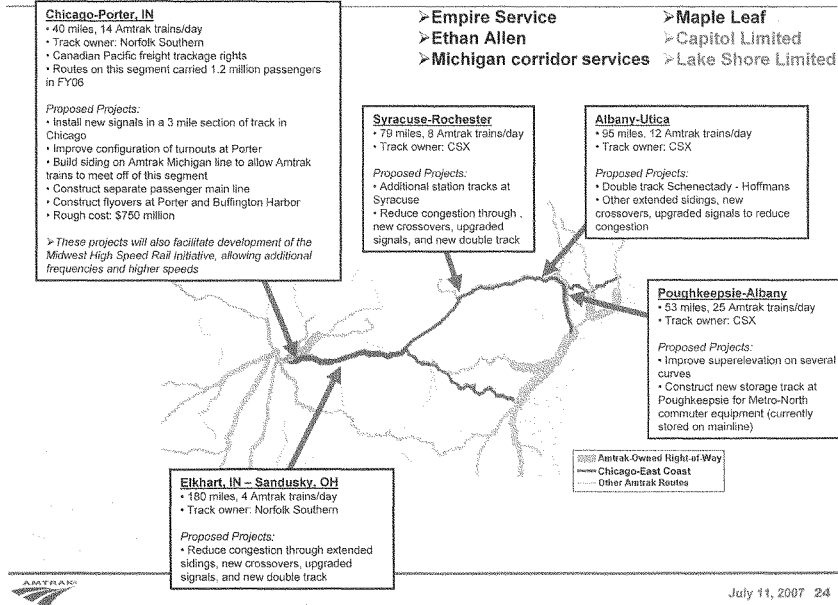
Segments selected based on passenger-minutes of delay.
Other high-delay areas excluded where projects are already underway.



Infrastructure owned by others – FRA Southeast Corridor initiative



Example - Chicago to East Coast



Amtrak Facilities

- Equipment maintenance shops, including
 - Wilmington (NEC locomotives, built 1903, 360 employees)
 - Bear, Del. (NEC cars, built 1980, 339 employees)
 - Beech Grove, Ind. (non-NEC locomotives and cars, built 1903-07, 529 employees)
 - Oakland (western locomotives and cars, built 2004, 151 employees)
- Yards and turnaround facilities
- Stations—Amtrak owns 46 of the 525 stations in the system, including
 - New York Penn
 - Washington Union (part)
 - Chicago Union
- Dispatch Centers, including
 - Consolidated National Operations Center (CNOC), Wilmington
 - Boston South Station
 - Philadelphia 30th Street Station
 - Penn Station Central Control, New York
- Many stations will have ADA issues to address, particularly platforms
 - Includes stations owned by Amtrak and by others

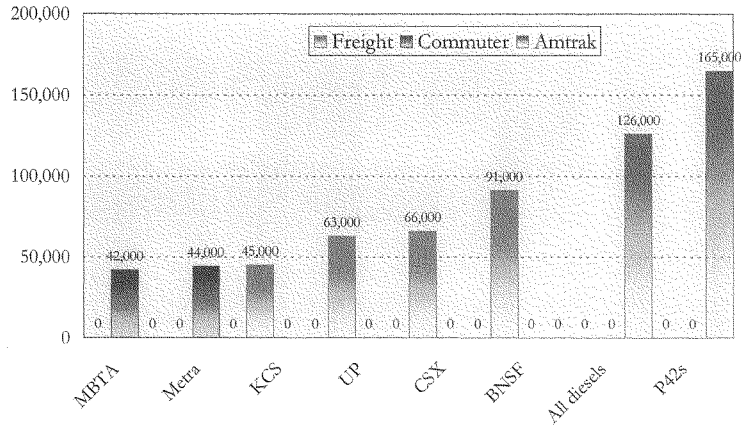


Procurement of New Equipment will be a Major Focus

- Need to provide for growth – new equipment on corridors could cause demand to explode
- Need to renew our aging fleet while making the best use of existing equipment
 - Passenger cars
 - Average 22 years old
 - Range 5 to 56 years in age
 - Useful life 40-50 years
 - 73% will be in "state of good repair" (overhauls up to date) by end of FY07
 - Locomotives
 - Average 11 years old
 - Range 5 to 25 years in age
 - Useful life 25-30 years
 - 89% will be in state of good repair by end of FY07
- Fleet pooling – explore aggregating demand nationally

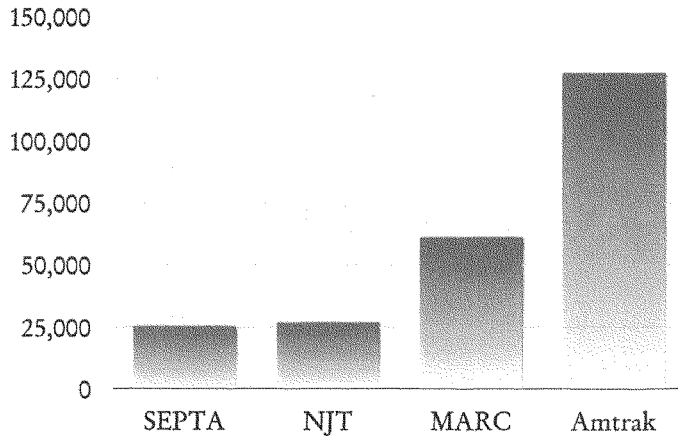
Amtrak's Diesel Locomotive Utilization - Higher Than Freights & Commuters

Average annual miles



Amtrak Electric Locomotive Utilization – Higher Than Other NEC Users

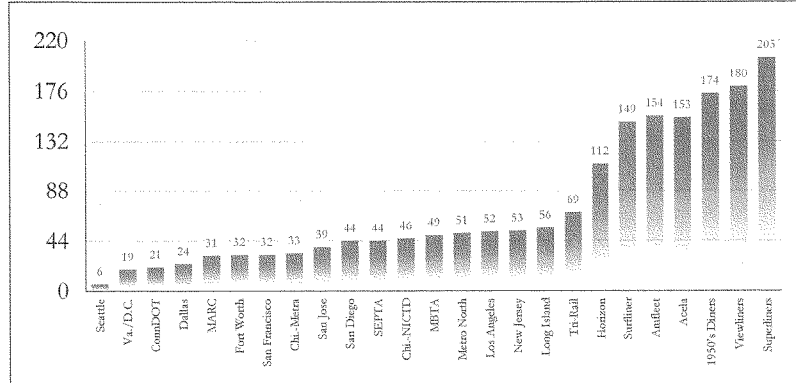
Average annual miles



Amtrak's Average Annual Car Miles – Highest in US Passenger Rail

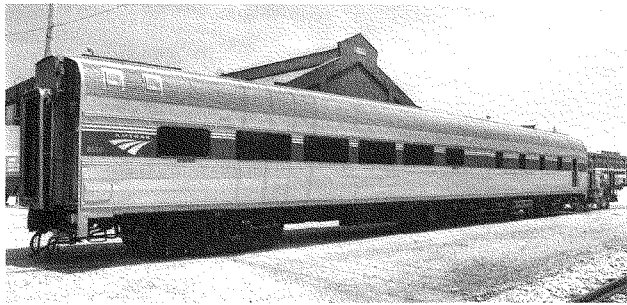
Commuters:
Maintained nights, weekends, off-peak

Amtrak:
Operate 24x7, turnaround in 4 to 6 hours



Example of Amtrak “Heritage” car

- Dining car, recently renovated at Beech Grove
- Built by Budd Company in 1958 for Northern Pacific Railway
- Acquired by Amtrak when it was formed in 1971



Average age of fleet (2006)

- Commuter rail industry average: 18 years
- Amtrak passenger cars: 23 years; including:

Type	Amount	Average age
Heritage/Hi-Level	71	55
Amfleet I	478	30
Superliner I	263	26
Amfleet II	145	24
Horizon	102	17
Superliner II	186	11
Viewliner	51	10
Talgo	29	7
Acela	161	7
Surfliner	40	6



What would it cost to replace our entire fleet?

- Using very round-number estimates for unit price:

Type	Amount	Unit price	Cost
Passenger cars	1542	\$2.5 million	\$4.0 billion
Locomotives	497	\$5.0 million	\$2.5 billion
Total	2089	--	\$6.5 billion

- Procurement would take place over 15 years.

What should be considered beyond Amtrak state of good repair?

- Increased capacity on current services
 - NEC capacity could be increased marginally with more equipment
 - Capacity on Midwestern and other corridors also could be increased marginally with more equipment, especially if there were a common pool of equipment for such services
- Development of pending state proposals
 - Midwest
 - Southeast
 - Northwest
- “Breakthrough” corridor proposals
 - Expanding track capacity through New York (tunnels, Penn Station)
 - California high-speed rail
 - Texas high-speed rail
 - Florida high-speed rail
 - Atlantic Coast Corridor, Washington-Miami

Summary / wish list for the future

- Creation of a multi-year capital funding device to allow more flexibility in capital planning, procurement, and contracts.
- Establishment of a federal-state capital program would attract state investment and foster corridor development.
- Fix capacity issues in and through New York City.
- Launch of another breakthrough corridor outside the Northeast.
- Fund equipment procurement
- Determine what high-speed rail development means in the U.S. (i.e., is it 80 mph or 200?), and create a national strategy for developing it.

