

Statement of

Ross B. Capon, Executive Director

National Association of Railroad Passengers

Submitted to the

the Committee on Commerce, Science and Transportation

Amtrak Oversight

September 26, 2000

Thank you for the opportunity to present these views. Our non-partisan Association—whose members are individuals—has worked since 1967 towards development of a modern rail passenger network in the U.S.

Recent Amtrak Performance: We are encouraged by ridership and revenue trends of recent years. We are particularly encouraged by the public's warm response to the two Acela Regional Boston-New York-Washington round-trips inaugurated January 31, which include four-hour Boston-New York running times. This suggests to us that response to the faster new trains, and to more frequent Regional services, will be at the high end of projections. We remain painfully aware that overall ridership would be much higher except for stiff fare increases in 1995-96 to cover budget shortfalls. There is a conflict between the goals of maximizing Amtrak's ability to ease highway and aviation congestion and of reaching operational self-sufficiency.

High Speed Rail Investment Act: We strongly support the High Speed Rail Investment Act (HSRIA) and believe that, far from being inconsistent with the Amtrak Reform and Accountability Act, HSRIA supports the ARAA. The main goal of the HSRIA is to upgrade infrastructure that Amtrak already uses, increasing speeds, reliability and frequency of Amtrak trains and thus improving: their usefulness to the traveling public, their economic performance, and Amtrak's bottom line. The benefits are not limited to short-distance corridor trains, since Amtrak's long-distance trains also use most of the lines to be upgraded.

By virtue of the requirement of a 20% state match, states will have considerable control over what investment takes place. We believe that the process through which states

determine their willingness to make investments will be a major force to insure that the best projects get priority. This is the exact antithesis of the Amtrak economic nightmares of the 1970s when, for example, a high-speed turbotrain was effectively ordered to the low-speed, low-ridership-potential Washington-Parkersburg, West Virginia, route, and no state contribution was required. (Amtrak service to Parkersburg ended in 1981.)

Although the HSRIA was introduced in November, 1999, just during the late summer of 2000 there has been a flurry of suggestions about ways to "improve" the bill. We do not have strong views on many of these details, only a concern that the revision process not kill the bill as Congress struggles to end its session quickly. It is hard to get 55 senators and 159 representatives to sign onto roughly the same piece of pro-intercity-passenger-rail legislation. If the process must be restarted next year with a substantially different piece of legislation, and with some of the strongest supporters of passenger rail no longer on Capitol Hill, it may be a long time indeed before tangible results are achieved. This delay could mean that any success or near-success Amtrak might have in reaching its "operational self-sufficiency" goal in FY 2003 could be short-lived. Attaining that goal is meaningless if Amtrak "crashes and burns" within a few years for lack of ongoing capital investment.

Alternate Funding Methods: If "substantially different" means a funding source other than bonds, success would be even harder to imagine. Congress has effectively "fire-walled" the regular transportation appropriations process, so that 85% of funds are earmarked for highways, aviation and--to a lesser extent—mass transit. The remaining 15% is barely enough to accommodate the Coast Guard, the continued use of general funds for portions of the aviation and mass transit budgets, and "basic" Amtrak funding.

Mode-specific trust funds, combined with the firewalls, bias federal transportation spending towards spending still more on highways and aviation, even in situations where rail could do the job better. It smacks of saying that highway and aviation trust fund dollars belong to the road and aviation lobbies rather than to the people—or that people are "drivers" or "airplane customers" when they are really travelers who use all forms of transportation and, in many cases, wish that good rail service was available in their own country the way it is in many foreign countries they visit.

Obviously, we don't agree with the firewalls, but that doesn't change the reality that they exist. Indeed, efforts to maintain intercity passenger rail as the sole surface mode not eligible for Highway Trust Fund spending continue. A 10-year postponement of any opportunity to change that may be the price that passenger rail pays for enactment of HSRIA.

Alternate Organization: The Amtrak Reform Council issued "a staff working paper" on August 22. This paper makes the case for placing Amtrak-owned infrastructure in a separate organization. We doubt the practicality of this, or the benefits of creating a new infrastructure organization with an even greater Northeast bias than Amtrak already has.

Moreover, even in the Northeast, Amtrak does not own the entire corridor. It is unlikely that Metro North would relinquish ownership of its New Haven-New York line any more than Amtrak would want to lose ownership of Amtrak-owned lines. (The Corridor within Massachusetts is owned by that state.)

Outside the Northeast, corridor ownership has begun to move away from the freight railroads. For example, the ex-Santa Fe Fullerton-San Diego line now is owned by the counties. Again, it seems unlikely that present owners would eagerly relinquish ownership to a new national organization of any kind, much less a Northeast-dominated one.

Fundamental financing needs would remain no matter how the industry is organized.

Finally, the suggestion that Amtrak could do fewer jobs better (i.e., be relieved of, for example, infrastructure ownership) seems to be sheer speculation. If there are problems in how Amtrak is managing activities in Chicago or on the West Coast, it does not follow that relieving Amtrak of Northeast infrastructure ownership means these other issues will be handled better.

Thank you for the opportunity to present these views.

National Association of Railroad Passengers
900 Second St., NE, Suite 308
Washington, DC 20002-3557

202/408-8362 FAX -8287
web: www.narprail.org
e-mail: narp@narprail.org