

AMTRAK'S RESPONSE TO COVID-19

(116-63)

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

SECOND SESSION

SEPTEMBER 9, 2020

Printed for the use of the
Committee on Transportation and Infrastructure



Available online at: <https://www.govinfo.gov/committee/house-transportation?path=/browsecommittee/chamber/house/committee/transportation>

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43-104 PDF

WASHINGTON : 2021

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CONTENTS

	Page
Summary of Subject Matter	vii
STATEMENTS OF MEMBERS OF THE COMMITTEE	
Hon. Daniel Lipinski, a Representative in Congress from the State of Illinois, and Chairman, Subcommittee on Railroads, Pipelines, and Hazardous Ma- terials:	
Opening statement	1
Prepared statement	3
Hon. Eric A. “Rick” Crawford, a Representative in Congress from the State of Arkansas, and Ranking Member, Subcommittee on Railroads, Pipelines, and Hazardous Materials:	
Opening statement	4
Prepared statement	5
Hon. Sam Graves, a Representative in Congress from the State of Missouri, and Ranking Member, Committee on Transportation and Infrastructure:	
Opening statement	5
Prepared statement	6
Hon. Peter A. DeFazio, a Representative in Congress from the State of Or- egon, and Chairman, Committee on Transportation and Infrastructure, pre- pared statement	71
WITNESSES	
William Flynn, President and Chief Executive Officer, National Railroad Pas- senger Corporation (Amtrak):	
Oral statement	7
Prepared statement	8
Arthur Maratea, National President, Transportation Communications Union:	
Oral statement	15
Prepared statement	17
Amy Griffin, Local 1460 President, Transport Workers Union of America:	
Oral statement	25
Prepared statement	27
Jim Mathews, President and Chief Executive Officer, Rail Passengers Asso- ciation:	
Oral statement	29
Prepared statement	30
SUBMISSIONS FOR THE RECORD	
Submissions for the Record by Hon. Eric A. “Rick” Crawford:	
Statement of Ross Capon, Consultant	72
Letter of September 3, 2020, from Randal O’Toole, Senior Fellow, Cato Institute	78
APPENDIX	
Questions to William Flynn, President and Chief Executive Officer, National Railroad Passenger Corporation (Amtrak), from:	
Hon. Eric A. “Rick” Crawford	81
Hon. Lloyd Smucker	102
Hon. Scott Perry	104
Hon. Garret Graves	106
Question from Hon. Peter A. DeFazio to Arthur Maratea, National President, Transportation Communications Union	127

	Page
Question from Hon. Peter A. DeFazio to Jim Mathews, President and Chief Executive Officer, Rail Passengers Association	129



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U.S. House of Representatives
Washington, DC 20515

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SEPTEMBER 9, 2020

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM: Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials
RE: Subcommittee Hearing on “Amtrak’s Response to COVID-19”

PURPOSE

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will meet on Wednesday, September 9, 2020, at 11:00 a.m. in 2167 Rayburn House Office Building and via Cisco Webex to hold a hearing titled “Amtrak’s Response to COVID-19.” The hearing will examine the effects of the COVID-19 pandemic on Amtrak and Amtrak’s response, including workforce cuts and reductions in train service. The Subcommittee will hear testimony from Amtrak, the Transportation Communications Union, the Transport Workers Union of America, and the Rail Passengers Association.

SUMMARY AND BACKGROUND

SUMMARY

As of September 2, 2020, the COVID-19 pandemic has killed more than 170,000 Americans and disrupted every facet of life.¹ The pandemic’s impacts are apparent in many sectors, including all modes of transportation. Amtrak’s current ridership rates are a fraction of its 2019 levels and have dipped as low as five percent of regular operating levels.² To help mitigate the effects of the pandemic, Amtrak received \$1.02 billion in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.³ In May 2020, Amtrak requested an additional \$1.475 billion, and also announced plans to reduce costs by cutting 20 percent of its workforce and significantly reducing long-distance service. More recently, Amtrak has estimated that \$4.8 billion will be necessary to maintain service and avoid furloughs. With no certainty on fiscal year (FY) 2021 funding, Amtrak has started the process of cutting 2,050 jobs effective October 1, 2020, a 14 percent cut in its workforce.

AMTRAK STATUS AND NETWORK

Amtrak is tasked with operating a national rail passenger transportation system that ties together existing and emergent regional rail passenger service and other

¹ CDC, *Daily Update of Totals by Week and State* (last accessed September 2, 2020), available at <https://www.cdc.gov/nchs/nvss/vsrr/covid19/index.htm>.

² USA TODAY, *Amtrak to cancel Acela Express trains in Northeast as coronavirus reduces demand* (March 22, 2020), available at <https://www.usatoday.com/story/travel/2020/03/22/amtrak-cancels-acela-trains-northeast-coronavirus-reduces-demand/2895882001/>.

³ P.L. 116–136.

intermodal passenger services.⁴ This system includes the Northeast Corridor (NEC), long-distance routes, and short-distance routes operated by Amtrak.⁵ To provide national passenger rail service, Amtrak runs more than 300 trains per day, services more than 500 stations located in 46 states and Washington, D.C., and operates a network that stretches more than 21,000 miles across the country.⁶ Of all Amtrak passenger trips in 2019, approximately 38 percent were taken on the NEC; 48 percent on state-supported routes; and 14 percent on long-distance routes.

COVID-19 RESPONSE AND CARES FUNDING

In light of the global pandemic, Amtrak continues to face historic ridership lows for all routes, with overall demand at a fraction of regular ridership.⁷ In March 2020, Amtrak's overall ridership dropped by 95 percent.⁸ As of July 2020, overall revenue was down 82 percent compared to 2019, with the NEC revenue down by 93 percent, state-supported route revenue down by 83 percent, and long-distance routes down by 61 percent.⁹ Ticket sales have been limited to 50 percent train capacity to allow for safer social distancing.¹⁰

Earlier this year in March 2020, Amtrak received \$1.02 billion in supplemental FY 2020 funding in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, including a requirement that Amtrak provide any worker furloughed as a result of efforts to prepare or respond to COVID-19 the opportunity to be recalled to their job as service levels were restored.¹¹ Amtrak cut NEC route frequency at that time, reducing Northeast Regional service levels by 60 percent and cancelling Acela service completely.¹² Northeast Regional and Acela services returned in June 2020 on modified schedules.¹³ The CARES Act emergency Amtrak funding included \$239 million to supplement the states-supported routes, with language limiting the states' financial responsibility to 80 percent of the amount paid in 2019.¹⁴

In May 2020, Amtrak requested an additional \$1.475 billion in supplemental funding for FY 2021 to help respond to fallen demand. Amtrak's FY 2021 funding request incorporated planned workforce reductions of 20 percent and lower frequency long-distance and NEC service, which it claimed would achieve a \$500 million reduction in operating expenses.¹⁵ The Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act did not include any Amtrak funding.¹⁶

The House FY 2021 Transportation, Housing, and Urban Development (THUD) Appropriations bill, which passed the House at the end of July 2020, would provide a total of \$10.05 billion for Amtrak and its state partners. This includes \$2.05 billion in regular budget authority for Amtrak's National Network, an increase of \$50 million above the FY 2020 enacted level.¹⁷ The THUD bill also includes an additional \$8 billion in economic recovery funds for Amtrak, including \$5 billion for the NEC and \$3 billion for the National Network. Attached to this recovery money is a requirement that the funding be used to prevent employee furloughs and that no funds may be used to reduce the frequency of rail service on any long-distance or state-supported route below frequencies for such route in FY 2019.¹⁸ The Senate has not yet acted on any FY 2021 appropriations package.

On August 24, 2020, Amtrak updated its FY 2021 supplemental funding request. This request seeks \$4.8 billion in FY 2021 funding for Amtrak operations. The new

⁴ 49 U.S.C. § 24701.

⁵ 49 U.S.C. § 24102.

⁶ Amtrak, *FY 2019 Year End Ridership*, available at <http://media.amtrak.com/wp-content/uploads/2019/11/FY19-Year-End-Ridership.pdf>.

⁷ USA TODAY, *supra*, note 2.

⁸ *Id.*

⁹ TRAINS MAGAZINE, *Amtrak Leadership Defends Value of Triweekly Service as Short-Term Move*, (August 17, 2020) available at <https://trn.trains.com/news/news-wire/2020/08/17-amtrak-leadership-continues-movement-toward-triweekly-operation>.

¹⁰ Amtrak, *Amtrak Sets a New Standard of Travel*, available at https://www.amtrak.com/planning-booking/policies/coronavirus.html?intcmp=wsp_tab_link_coronavirus_tab1.

¹¹ P.L. 116-136.

¹² USA TODAY, *supra*, note 2.

¹³ BOSTON GLOBE, *Amtrak Resumes Modified High Speed Acela Service in Northeast Corridor; Implements Safety Measures*, (June 1, 2020), available at <https://www.bostonglobe.com/2020/06/01/metro/amtrak-resumes-modified-high-speed-acela-service-northeast-corridor-implements-safety-measures/>.

¹⁴ P.L. 116-136.

¹⁵ AMTRAK, *Supplemental Funding Letter to Congress*, (May 25, 2020), available at <https://media.amtrak.com/wp-content/uploads/2020/05/Amtrak-Supplemental-FY21-Funding-Letter-to-Congress-Final-Signed-5.25.20.pdf>.

¹⁶ H.R. 6800, 116th Congress (2020).

¹⁷ H.R. 7617, 116th Congress (2020).

¹⁸ *Id.*

number reflects Amtrak's updated ridership projections—now estimated at 34 percent of 2019 levels, rather than 50 percent as Amtrak had previously forecast. The new request includes additional money for state-supported Amtrak service and Railroad Rehabilitation and Improvement Financing (RRIF) loan assistance, as well as an estimate of funds needed to avoid furloughs or long-distance service cuts. Finally, the request seeks \$496 million to cover “revenue risk” in case Amtrak's ticket sales and other revenues fall short of projections.

SAFETY AND PERSONAL PROTECTIVE EQUIPMENT FOR PASSENGERS AND EMPLOYEES

Given the highly contagious nature of the coronavirus, the safety of Amtrak's workers and passengers has been a major concern.¹⁹ Amtrak currently requires customers and employees to wear masks.²⁰ The railroad made changes to station arrival procedures and gate procedures, increased cleaning frequency, and put up physical distancing signs in high traffic areas in some stations.²¹ Amtrak has also added enhanced filtration systems to passenger cars.²²

PROPOSED CUTS TO LONG-DISTANCE SERVICE AND WORKFORCE

In May 2020, Amtrak announced plans to significantly reduce both its workforce and long-distance service due to the financial effects of the coronavirus.²³ In a memo to employees, Amtrak outlined plans to cut 20 percent of the Amtrak workforce (approximately 4,000 jobs) by October 1, 2020.²⁴ Amtrak offered a buyout to some employees, with 510 acceptances. On September 1, 2020, Amtrak announced 2,050 job cuts, including 1,995 bargaining unit employee furloughs.

Amtrak is also set to temporarily reduce service to three days per week, until at least Summer 2021, on 12 of its 15 long-distance routes.²⁵ These changes are scheduled to begin on October 1, 2020, except for Silver Star and Silver Meteor service reductions, which began in July 2020.²⁶

Though ridership and revenue remain lower due to the pandemic, ticket revenues from long-distance trains increased 71 percent, from \$6.8 million to \$11.6 million, from April to May 2020.²⁷ At the same time, NEC ticket revenues increased from \$1.5 million to \$2.4 million and state-supported route revenues increased from \$2.3 million to \$3.5 million; almost half of the long-distance service revenue.²⁸ The long-distance routes targeted for service reductions currently make up more than 60 percent of Amtrak's current total revenue.²⁹

Amtrak previously attempted long-distance service reductions to achieve cost savings in 1995. On the advice of an outside consultant, Amtrak decreased 11 long-distance routes to a tri-weekly timetable to cut costs. After these service cuts had either become permanent or removed in favor of regular schedules, Congress evaluated the financial impact. Pursuant to the Amtrak Reform and Accountability Act of 1997, the Government Accountability Office (GAO) issued a report that discussed the long-term effects of long-distance route reductions.³⁰ Noting that Amtrak closed four routes, shortened six, and reduced service frequency on 11 routes, the GAO found that:

Amtrak achieved \$54 million in cost savings in fiscal year 1995; however, it subsequently restored much of this service because the ridership and financial performance of routes with less than daily service were worse than

¹⁹ BUSINESS INSIDER, *Is it safe to travel by train during a pandemic?* (July 31, 2020), available at <https://www.businessinsider.com/is-train-travel-safe-coronavirus>.

²⁰ AMTRAK, *Amtrak Sets a New Standard of Travel*, available at <https://www.amtrak.com/coronavirus>.

²¹ *Id.*

²² *See id.*, (describing new booking policies).

²³ WASH. POST, *Amtrak to Cut up to 20 Percent of Workforce as Coronavirus Takes Toll*, (May 27, 2020), available at <https://www.washingtonpost.com/transportation/2020/05/27/amtrak-cut-up-20-percent-workforce-coronavirus-takes-toll/>.

²⁴ *Id.*

²⁵ The Auto Train, which runs from Virginia to Florida, will maintain daily service. The Cardinal line, running from New York City to Chicago, and the Sunset Limited line, running from New Orleans to Los Angeles, regularly run three days a week.

²⁶ USA TODAY, *Amtrak to reduce New York-Florida trains starting July 6, with more cuts coming Oct. 1* (June 29, 2020), available at <https://www.usatoday.com/story/travel/2020/06/29/amtrak-reduce-new-york-florida-trains-starting-july-6/3254400001/>.

²⁷ TRAINS MAGAZINE, *Amtrak Plans Triweekly Service for Almost All Long-Distance Trains as of Oct. 1*, (June 15, 2020), available at <https://trn.trains.com/news/news-wire/2020/06/15-amtrak-plans-triweekly-service-for-almost-all-long-distance-trains-as-of-oct-1>

²⁸ *Id.*

²⁹ TRAINS MAGAZINE, *supra*, note 7.

³⁰ Govt. Accountability Office, *Intercity Passenger Rail: Financial Performance of Amtrak's Routes* (May 1998), GAO/RCED-98-151, available at <https://www.gao.gov/assets/230/225657.pdf>.

anticipated . . . [D]uring fiscal year 1996, Amtrak's overall ridership dropped by 1.1 million passengers, or 5%, and anticipated reductions in operating costs were not realized on routes with reduced frequency of service.

Amtrak told GAO that cost savings from less-frequent service were not realized because riders were not willing or able to adjust their plans to less-than-daily service, and less-frequent service caused inefficient usage of equipment and otherwise failed to cut costs.³¹

Former Amtrak executives publicly discussed the 1995 long-distance service reductions, and concluded that they were ineffective.³² At a September 2000 Senate Committee on Commerce, Science, and Transportation oversight hearing, former Amtrak President George Warrington testified, "I will tell you, though, that generally, in retrospect, all of those eliminations back in 1995 and 1996 ended up costing the company more in lost revenue than we were able to take out in the way of expenses, given the fixed-cost nature of the operation."³³

SERVICE CHANGES ON STATE-SUPPORTED ROUTES

Amtrak has been coordinating with States to develop service and reduction plans for state-supported routes operated under Section 209 of the Passenger Rail Investment and Improvement Act (PRIIA). For FY 2020 service, this process has been eased considerably by the CARES Act provisions that supplement state-supported route funding and limit the States' funding share to 80 percent of FY 2019 levels.³⁴ The State-Amtrak Intercity Passenger Rail Committee (SAIPRC), a multi-agency body whose members include 20 agencies in 17 States, Amtrak, and the Federal Railroad Administration (FRA), has held discussions about 2021 planning.³⁵ Amtrak included an additional \$260 million for state-supported routes in its May 2020 supplemental funding letter, accompanied by testimonials from transportation leaders in North Carolina and Wisconsin.³⁶ Without a funding stopgap like the CARES Act provision to supplement state-supported routes and replace lost revenues, States will need to make hard choices about the service levels they can sustain.

RETURNING TO NORMAL OPERATIONS: CHALLENGES AHEAD

Amtrak, along with its workers and State partners, faces many challenges in the months and years ahead. Amtrak estimates that ridership for FY 2021 will be down 34 percent from 2019 levels. This ridership drop results in less revenue—which is necessary to fund operations, pay workers, support State rail service, and maintain a state-of-good repair. As travel restrictions are lifted, Amtrak must work to convince riders that trains are a safe travel option in comparison to other travel options.

If Amtrak does in fact institute the long-distance service cuts that are currently planned, there will be additional barriers to getting back on track. Amtrak plans to restore long-distance service based on a series of metrics that it says measure public health, future demand, and current performance. Amtrak contemplates restoring service between May 26 and June 30, 2021, at the earliest.³⁷ For routes that are not restored by June 2021, Amtrak will reevaluate the route's viability in the FY 2022 planning cycle.³⁸

All metrics must be met before restoration of service on a given route. Amtrak's service restoration metrics are:

1. *Advance Bookings*: Amtrak will compare passenger ticket bookings made by February 2021 for travel in June 2021 to passenger ticket bookings made by February 2020 for travel in June 2020. To restore service, 2021 levels must be at least 90 percent of 2020 seating capacity.³⁹ The metric, intended to forecast summer ridership, accounts for travel booked four months in advance.

³¹ GAO, *supra*, note 29.

³² TRAINS MAGAZINE, *Former Amtrak President Revisits Previous Move to Triweekly Service*, (Aug. 3, 2020), available at <https://trn.trains.com/news/news-wire/2020/08/03-former-amtrak-president-revisits-previous-move-to-triweekly-service>.

³³ George Warrington testimony before the U.S. Senate Committee on Commerce, Science, and Transportation, *Hearing on Oversight Hearing on Amtrak*, (Sept. 26, 2000), available at <https://www.govinfo.gov/content/pkg/CHRG-106shrg85968/html/CHRG-106shrg85968.htm>.

³⁴ P.L. 116-136.

³⁵ State-Amtrak Intercity Passenger Rail Comm., <https://www.saiprc.com/>.

³⁶ AMTRAK, *supra*, note 15, at 7.

³⁷ AMTRAK, *Restoring Long Distance Service*, available at <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/position-papers/white-paper-amtrak-long-distance-restoration-plan.pdf>.

³⁸ *Id.*

³⁹ *Id.*

2. *Ridership Levels*: Amtrak’s second metric requires Amtrak to reach ridership levels equal to or exceeding 90 percent of the projections found in Amtrak’s COVID–19-adjusted first quarter Fiscal Year 2021 operating plan.⁴⁰
3. *Pandemic Recovery*: Amtrak’s third service resumption metric reflects the rate of COVID–19 infections. To resume service, COVID–19-related hospitalization rates in the regions through which a given long-distance train operates must show stable or declining trends by February 15, 2021.⁴¹

If Amtrak cuts long distance service, it will likely face an uphill battle to restore that service to previous levels. This could have a significant impact on travel options for many rural areas that depend on Amtrak long-distance service.

APPENDICES

Appendix A: Amtrak “Restoring Long Distance Service” memo.

Appendix B: “Amtrak System Map”.

APPENDIX A

RESTORING LONG DISTANCE SERVICE

Amtrak is committed to operating a national rail network that serves customers across the United States. In response to the COVID–19 pandemic, we have already made temporary reductions in service frequency to our Northeast Corridor (NEC) and State Supported services. We are now extending similar temporary reductions to most of our Long Distance routes, effective October 1.

To be clear, our temporary reductions and subsequent plan to restore this service are dependent on sufficient federal assistance (at least \$3.5 billion in FY21 assuming a 50% systemwide ridership level, but additional assistance could be required if ridership does not reach this level), but in order to best protect our passengers’ and employees’ health, and to make the best possible use of limited taxpayer investment, we will consider the following metrics to decide when to restore each affected Long Distance service:

1. Public Health—*Is the COVID–19 pandemic under control?*
 - Amtrak will assess COVID–19-related hospitalization rates in the regions through which a given Long Distance route operates. If those rates are stable or declining as of February 15, 2021, this condition will be met.
2. Future Demand—*Are customers booking trips near the same rate as in 2020?*
 - Amtrak will compare advance bookings for June 2021 (as of February 15, 2021) to advance bookings for June 2020 (as of February 15, 2020). If the percentage of available seat- and room-miles booked in 2021 is at least 90% of the 2020 percentage, this condition will be met. (Note that calculations of availability for 2021 will reflect any caps on ticket sales to promote social distancing, as well as any other relevant measures adopted to minimize COVID-related risks.)
3. Current Performance—*Is ridership close to our projections in our operating plan?*
 - Amtrak will compare systemwide ridership levels for the fall (Q1 of FY 2021) with our FY 2021 operating plan, which already accounts for reduced ridership due to COVID. If the number of passengers is at least 90% of the projected figure, this condition will be met.

If all three conditions are met for a given Long Distance route, then in February 2021, we will begin working to restore service along that route. Depending on the particular route, that restoration could be complete as early as late May, and no later than June 30, 2021. If any route is not yet ready to be restored when we conduct our review, we will apply an updated version of the criteria described above as part of the FY 2022 planning cycle (or sooner, in the event of dramatic improvement in demand prior to that point).

Before the pandemic, 4.6 million of our 32 million annual passengers traveled on Amtrak’s Long Distance routes. COVID–19 has changed a lot, at times causing our total ridership to drop by more than 95% from FY 2019 levels—but Amtrak is still America’s Railroad, and we are still committed to serving our customers and connecting communities across the nation.

⁴⁰ *Id.*

⁴¹ *Id.*

APPENDIX B: AMTRAK SYSTEM MAP ⁴²

WITNESSES

- Mr. William Flynn, President, Amtrak
- Mr. Arthur Maratea, National President, Transportation Communications Union (TCU/IAM)
- Ms. Amy Griffin, President, Local 1460, Transport Workers Union of America (TWU)
- Mr. Jim Mathews, President and Chief Executive Officer, Rail Passengers Association

⁴²The numbers on this map correspond to the routes as follows: 1. Cascades; 2. Coast Starlight; 3. Capitol Corridor, San Joaquin; 4. Pacific Surfliner; 5. Empire Builder; 6. California Zephyr; 7. Southwest Chief; 8. Sunset Limited; 9. Blue Water, Carl Sandburg, Hiawatha, Hoosier State (discontinued as of July 2019), Illini, Illinois Zephyr, Lincoln, Pere Marquette, Saluki, Wolverine; 10. Missouri River Runner; 11. Heartland Flyer; 12. Texas Eagle; 13. City of New Orleans; 14. Lake Shore Limited; 15. Capitol Limited; 16. Cardinal; 17. Crescent; 18. Maple Leaf; 19. Adirondack, Empire, Ethan Allen; 20. Keystone, Pennsylvanian; 21. Vermonter, Valley Flyer (initiated August 2019); 22. Downeaster; 23. Northeast Corridor; 24. Carolinian, Piedmont, Virginia; 25. Auto Train, Palmetto; 26. Silver Meteor, Silver Star. Where State-Supported and Long-Distance routes overlap, the State-Supported route is shown.

AMTRAK, *General and Legislative Annual Report & Fiscal Year 2020 Grant Request*, available at <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/reports/Amtrak-General-Legislative-Annual-Report-FY2020-Grant-Request.pdf>, at 5.

AMTRAK'S RESPONSE TO COVID-19

WEDNESDAY, SEPTEMBER 9, 2020

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

The subcommittee met, pursuant to call, at 11:07 a.m., in room 2167 Rayburn House Office Building and via Webex, Hon. Daniel Lipinski (Chairman of the subcommittee) presiding.

Mr. LIPINSKI. The subcommittee will come to order.

I ask unanimous consent that the chair be authorized to declare a recess at any time during today's hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

This is a hybrid hearing. I want to remind Members of key regulations from the House Committee on Rules to ensure this hearing goes smoothly.

Members must be visible on screen for the purposes of identification when joining this hearing.

Members must also continue to use the video function on today's software platform, Cisco Webex, for the remainder of the time they are attending this hearing, unless experiencing connectivity issues or other technical problems.

If a Member is experiencing any connectivity issues or other technical problems, please inform committee staff as soon as possible, so you can receive assistance. A chat function is available for Members on the Cisco Webex platform for this purpose. Members can also call the committee's main phone line at (202) 225-4472 for technical assistance by phone.

Members may not participate remotely in any other proceeding that may be occurring simultaneously.

It is the responsibility of each Member seeking recognition to unmute their microphone prior to speaking.

To avoid any inadvertent background noise, I request that every Member keep their microphone muted when not seeking recognition to speak.

Should I hear any inadvertent background noise, I will request that the Member please mute their microphone.

Finally, despite this being a hybrid hearing, I want to emphasize that all the standard rules of decorum apply.

As the chair of today's hearings, I will make a good faith effort to provide every Member experiencing connectivity issues an opportunity to participate fully in the proceedings.

Members will have a standard 5 minutes to ask questions.

To insert a document into the record, please have your staff email it to the committee clerk, Mike Twinchek.

This hearing also is being livestreamed for the public to view.

And with that, I will now recognize myself for 5 minutes for an opening statement.

Good morning. I want to welcome everyone to today's Railroads, Pipelines, and Hazardous Materials Subcommittee hearing on Amtrak's response to COVID-19. As you can see, we are doing a hybrid hearing today, with most Members and our witnesses remote to safely conduct this hearing.

I want to wish everyone participating or watching this hearing my best during these tough times, and I hope everyone's family and loved ones are safe.

Before we get started, this is my first opportunity to publicly congratulate William Flynn, who became Amtrak's CEO less than 5 months ago. There could not be a much tougher time to begin this service.

[Microphone unmuted.]

Mr. LIPINSKI. I think we got that corrected, the mute there.

So I wish Mr. Flynn well.

COVID has wreaked havoc on the health and economic welfare of Americans, just as it has done across the globe. Economically, the travel industry has been especially hard hit. I understand Amtrak faces serious financial issues and other strains on its operations. We will hear specifically about this directly from Mr. Flynn.

I have always been a strong advocate for Amtrak, because it provides an important public service: national passenger rail service. It is critical that all of us, especially everyone at Amtrak, always keep in mind that it is, first and foremost, a national public service, though this does not mean that it should not be run well.

In addition, as everyone watching knows, I have been a staunch advocate for the men and women who work at Amtrak. It is essential that they all are treated fairly, especially in the midst of an unprecedented pandemic that has caused economic hardships for millions of Americans and their families.

That brings me to the issue of furloughs recently announced by Amtrak. Congress recognized the financial difficulty Amtrak is experiencing because of a steep drop in ridership, and provided over \$1 billion in CARES Act funding for Amtrak, with the understanding that part of the funds would be used to prevent furloughs. So Amtrak's announcement that they will furlough over 2,000 employees on October 1st is extremely disappointing.

I understand that, technically, we are about to begin a new fiscal year. But one of the biggest frustrations I and other Members have is that Amtrak has had months to come to Congress and request additional funding to help keep workers on payroll. The principal reason Amtrak didn't get any money in the Heroes Act passed by the House was that Amtrak didn't submit a supplemental request until 10 days after passage. To make matters worse, Amtrak is just now submitting their amended fiscal year 2021 supplemental re-

quest to Congress, less than 1 month before the current fiscal year expires, and Amtrak plans to implement these furloughs.

But frustrations aside, I believe that Congress needs to act quickly to prevent furloughs and avoid long-distance service cuts.

First, the furloughs won't actually save the Federal Government that much money, because the workers furloughed will be eligible for railroad unemployment insurance, which is funded through taxes paid by workers and their employers—in this case, Amtrak.

Second, we tried cutting long-distance service to 3 days a week under President Clinton in 1994. Congress, on a bipartisan basis, led by Mississippi Republican Senator Trent Lott, eventually rejected those cuts, and restored long-distance service to 7 days a week because cutting long-distance service economically hurts rural communities, undermines Amtrak's role as a national passenger rail system, and actually doesn't save that much money. Congress' view on this has not changed in the past 25 years.

Finally, we should reject these cuts because most of us on this committee believe that whenever this pandemic is over, Amtrak should go back to running the service it had before this pandemic. We cannot just flip the switch, so to speak, if Amtrak is going to lose valuable workers, know-how, and riders because of these cuts.

Ultimately, the furloughs and long-distance service cuts are misguided, and weaken our national passenger rail service. It is important we hear from Amtrak CEO William Flynn today, and his long-term vision for Amtrak, and why Amtrak is making these cuts.

Finally, I feel it necessary to remind Amtrak that, while I strongly support our Nation's passenger railroad, Amtrak must heed and not ignore Congress' desire that it work well with others, including commuter railroads like Metra in northeastern Illinois, as well as States and local municipalities. Too often it feels like Amtrak is happy to take money from Congress and then ignore Congress' directives. That is not helpful, especially when Amtrak needs much more from Congress right now.

With that, I recognize Ranking Member Crawford for his opening statement.

[Mr. Lipinski's prepared statement follows:]

Prepared Statement of Hon. Daniel Lipinski, a Representative in Congress from the State of Illinois, and Chairman, Subcommittee on Railroads, Pipelines, and Hazardous Materials

Good morning. I want to welcome everyone to today's Railroads, Pipelines, and Hazardous Materials Subcommittee's hearing on Amtrak's response to COVID-19. As you can see, we are doing a hybrid hearing today with most members and our witnesses remote to safely conduct this hearing. I want to wish everyone participating or watching this hearing my best during these tough times. I hope everyone's family and loved ones are safe. Before we get started, this is my first opportunity to publicly congratulate William Flynn who became Amtrak's CEO less than five months ago. There could not be a much tougher time to begin this service; I wish you well.

COVID-19 has wreaked havoc on the health and economic welfare of Americans, just as it has done across the globe. Economically, the travel industry has been especially hard hit. I understand Amtrak faces serious financial issues and other strains on its operations, and we'll hear specifically about this directly from Mr. Flynn. I've always been a strong advocate for Amtrak because it provides an important public service—national passenger rail service. It is critical that all of us, especially everyone at Amtrak, always keep in mind that it is first-and-foremost a national public

service. Though this does not mean that it should not be run well. In addition, as everyone watching knows, I have been a staunch advocate for the men and women who work at Amtrak. It is essential that they are all treated fairly, especially in the midst of an unprecedented pandemic that has caused economic hardship for millions of Americans and their families.

That brings me to the issue of the furloughs recently announced by Amtrak. Congress recognized the financial difficulty Amtrak is experiencing because of a steep drop in ridership and provided over \$1 billion in CARES Act funding for Amtrak with the understanding that part of the funds would be used to prevent furloughs. So Amtrak's announcement that they will furlough over 2,000 employees on October 1st is extremely disappointing. I understand that, technically, we are about to begin a new fiscal year. But one of the biggest frustrations I and other members have is that Amtrak has had months to come to Congress and request additional funding to help keep workers on the payroll. The principal reason Amtrak didn't get any money in the HEROES Act passed by the House was that Amtrak didn't submit a supplemental request until 10 days after passage. To make matters worse, Amtrak is just now submitting their amended FY21 supplemental request to Congress less than one month before the current fiscal year expires and Amtrak plans to implement these furloughs.

My frustrations aside, I believe that Congress needs to act quickly to prevent furloughs and avoid long distance service cuts. First, the furloughs won't actually save the federal government that much money because the workers furloughed will be eligible for Railroad Unemployment Insurance, which is funded through taxes paid by workers and their employers—in this case Amtrak. Second, we tried cutting long distance service to three days a week under President Clinton in 1994. Congress on a bipartisan basis led by Mississippi Republican Senator Trent Lott eventually rejected those cuts and restored long distance service to seven days a week because cutting long distance service economically hurts rural communities, undermines Amtrak's role as a national passenger rail system, and actually doesn't save that much money. Congress' view on this has not changed in the past 25 years. Finally, we should reject these cuts because most of us on this Committee believe that whenever this pandemic is over, Amtrak should go back to running the service it had before this pandemic. We cannot just flip the switch so to speak if Amtrak is going to lose valuable workers, know-how, and riders because of these cuts. Ultimately, the furloughs and long distance service cuts are misguided and weaken our national passenger rail system.

It's important we hear from Amtrak CEO William Flynn today on his long-term vision for Amtrak and why Amtrak is making these cuts.

Finally, I feel it necessary to remind Amtrak that while I strongly support our nation's passenger railroad, Amtrak must heed, and not ignore, Congress' desire that it work well with others, including commuter railroads like Metra in north-eastern Illinois, as well as States and local municipalities. Too often it feels like Amtrak is happy to take money from Congress and then ignore Congress' directives. That is not helpful, especially when Amtrak needs much more from Congress.

With that, I recognize Ranking Member Crawford for an opening statement.

Mr. CRAWFORD. Thank you, Mr. Chairman, and thank you for holding this hearing. I also want to thank our witnesses for being here today.

Our hearing today is to review Amtrak's response to the COVID-19 pandemic.

In March, Congress gave Amtrak over \$1 billion in additional funding to offset pandemic losses and avoid furloughs. Since that time, however, Amtrak has significantly cut its routes and announced that it is laying off 20 percent of its workforce—that is almost 4,000 people—by October 1st, 2020.

Amtrak has also more than doubled its fiscal year 2021 funding request from just over \$2 billion to almost \$5 billion. I am troubled that Amtrak is receiving and requesting record amounts of funding, while cutting services of thousands and thousands of jobs.

Amtrak also recently requested a waiver of its Buy America requirements to purchase equipment from foreign countries. When I asked for more specifics in a July letter, Amtrak could not provide

even the most basic information, including the costs and origins of the equipment. Amtrak should not be spending its taxpayer-provided bailout money on foreign goods, while cutting American jobs and services.

I welcome new Amtrak CEO Bill Flynn. I look forward to hearing about how he is responding to the COVID-19 crisis, but also his thoughts on other important issues, including his plans for meeting Amtrak's congressionally mandated requirement of making a profit.

Thank you again to all our witnesses for being here today, and I yield back the balance of my time.

[Mr. Crawford's prepared statement follows:]

Prepared Statement of Hon. Eric A. "Rick" Crawford, a Representative in Congress from the State of Arkansas, and Ranking Member, Subcommittee on Railroads, Pipelines, and Hazardous Materials

Thank you, Chairman Lipinski, for holding this hearing. I also want to thank our witnesses for being here today.

Our hearing is to review Amtrak's response to the COVID-19 pandemic. In March, Congress gave Amtrak over \$1 billion in additional funding to offset pandemic losses and avoid furloughs. Since that time, Amtrak has significantly cut its routes and announced that it is laying off 20 percent of its workforce, or almost 4,000 people, by October 1, 2020.

Amtrak has also more than doubled its fiscal year 2021 funding request from just over \$2 billion, to almost \$5 billion. I am troubled that Amtrak is receiving and requesting record amounts of funding while cutting services and thousands of jobs.

Amtrak also recently requested a waiver of its Buy America requirement to purchase equipment from a foreign country. When I asked for more specifics in a July letter, Amtrak could not provide even the most basic information, including the costs and origins of the equipment. Amtrak should not be spending its taxpayer-provided bailout money on foreign goods while cutting American jobs and services.

I welcome new Amtrak CEO Bill Flynn. I look forward to hearing about how he is responding to the COVID-19 crisis, but also his thoughts on other important issues including his plans for meeting Amtrak's Congressionally mandated requirement of making a profit.

Mr. LIPINSKI. Thank you, Mr. Crawford. The Chair will now recognize the ranking member of the full committee, Mr. Graves, for an opening statement.

Mr. GRAVES OF MISSOURI. Sorry about that, Mr. Chairman, sorry about that. I was muted.

Mr. LIPINSKI. OK. Go ahead.

Mr. GRAVES OF MISSOURI. I want to thank you for holding this hearing, and I do want to thank all the witnesses for attending.

Obviously, today's hearing is a great opportunity to review how Amtrak has handled the COVID-19 pandemic. Now, prior to the crisis, Amtrak was coming off its best year ever. In 2020, Amtrak was expecting to make a profit for the first time in almost 50 years. But after the pandemic, Amtrak obviously reported that its ridership dropped by 95 percent, and its revenues were down 82 percent, compared to the 2019 levels.

Today is also Amtrak CEO Bill Flynn's first appearance, as you pointed out, before the committee since taking over in April, and I welcome Mr. Flynn. He comes to Amtrak after several years working in various roles in the private-sector transportation industry. His experience includes high-level positions in, obviously, the

aviation industry with Atlas, and maritime industries, and also working for a Class I freight railroad.

And I know many of the members on the committee on both sides have worked with Bill as he has served in various roles. And I have always found Bill to be both effective and forthright in many of his past positions, and I expect that is going to be the same case for Amtrak and his leadership at Amtrak.

I look forward to hearing from Mr. Flynn on his update when it comes to Amtrak's COVID-19 response, and I am also interested in hearing about his future plans for Amtrak, including recovering from the pandemic, and restoring ridership, and meeting the congressional mandate of turning a profit.

So with that, again, thanks to all the witnesses, and I look forward to the discussion. I would yield back.

[Mr. Graves of Missouri's prepared statement follows:]

Prepared Statement of Hon. Sam Graves, a Representative in Congress from the State of Missouri, and Ranking Member, Committee on Transportation and Infrastructure

I want to thank Chairman Lipinski for holding this hearing, and I want to thank our witnesses for attending.

Today's hearing is a good opportunity to review how Amtrak has handled the COVID-19 pandemic. Prior to this crisis, Amtrak was coming off its best year ever. In 2020, Amtrak was expecting to make a profit for the first time in its almost 50-year history. After the pandemic hit, Amtrak reported that its ridership dropped by 95 percent and its revenues were down by 82 percent compared to 2019 levels.

Today is also Amtrak CEO Bill Flynn's first appearance before the Committee since taking over in April. I welcome Mr. Flynn. He comes to Amtrak after several years working in various roles in the private sector transportation industry. His experience includes high level positions in the aviation and maritime industries, and also working for a Class I freight railroad.

I know many of the Members of this Committee on both sides have worked with Mr. Flynn as he's served in these various roles. I have always found Mr. Flynn to be both effective and forthright in many of his past positions. I expect that will be the same for his leadership of Amtrak.

I look forward to hearing Mr. Flynn's update on Amtrak's COVID-19 response. I am also interested in hearing about his future plans for Amtrak, including recovering from the pandemic, restoring ridership, and meeting the Congressional mandate of turning a profit.

Mr. LIPINSKI. Thank you, Mr. Graves. I now would like to welcome the witnesses on our panel: Mr. William Flynn, President and CEO of Amtrak; Mr. Arthur Maratea, national president, Transportation Communications Union; Amy Griffin, president of Local 1460, Transport Workers Union of America; and Mr. Jim Mathews, president and chief executive officer of the Rail Passengers Association.

Thank you for participating today, and I look forward to your testimony.

Without objection, our witnesses' full statements will be included in the record.

Since your written testimony has been made part of the record, the subcommittee requests that you limit your oral testimony to 5 minutes.

And with that, Mr. Flynn, you may proceed for 5 minutes.

TESTIMONY OF WILLIAM FLYNN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK); ARTHUR MARATEA, NATIONAL PRESIDENT, TRANSPORTATION COMMUNICATIONS UNION; AMY GRIFFIN, LOCAL 1460 PRESIDENT, TRANSPORT WORKERS UNION OF AMERICA; AND JIM MATHEWS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, RAIL PASSENGERS ASSOCIATION

Mr. FLYNN. Good morning, Chairman Lipinski, Ranking Member Graves, and Ranking Member Crawford, and members of the subcommittee. Thank you for the kind welcome and the opportunity here to address the committee.

As you know, I am Bill Flynn, Amtrak's recently appointed President and CEO, and I am here to discuss our company's response to COVID-19.

But I have to start my remarks by thanking our dedicated employees who have more than risen to the pandemic challenge. Our highest priority is always going to be the safety of our customers and the safety of our employees, and I am truly proud of our team's efforts.

Amtrak has been an early leader throughout the crisis, instituting social distancing requirements, employee pay protection, mask requirements, and now COVID-19 testing for all of our employees on an as-requested basis. We are also partnering with a leading university to study airflow and ventilation in our railcars, and working with others to strengthen our disinfecting protocols.

I want to thank you for the INVEST in America Act. And, if enacted, we finally have the funding we require to modernize our system, add more trains and new routes across our Nation, and receive the priority treatment from our host railroads that your constituents deserve. Simply put, it is the game changer we have always hoped for.

Amtrak did deliver record performance in fiscal year 2019, and fiscal year 2020 was set to be another record year. But as the pandemic's effect took hold in March, our ridership plummeted by 97 percent. In February, we carried more than 80,000 daily passengers. But in April, there were less than 4,000 passengers, with corresponding impacts on our revenues. Thanks to the CARES Act, we have managed to survive these difficult times for fiscal year 2020. But unfortunately, our ridership and revenue are still down more than 80 percent.

We recently updated our forecast for fiscal year 2021, and we now anticipate needing up to \$4.9 billion in funding to operate and invest in our network, support our partners, and address various congressional concerns, such as avoiding employee furloughs and maintaining daily long-distance service. But given the current uncertainty of COVID-19 supplemental funding or fiscal year 2021 appropriations levels, we must be prudent and prepare for the situation at hand, while hoping for the best.

Therefore, as explained this summer, we are implementing our plans to adjust our service and workforce levels beginning in October. As difficult as these actions are, if we do not take such cost-saving measures and fail to receive supplemental funding, we anticipate burning nearly \$250 million each month. At this rate of

loss, we would be forced to take drastic measures with long-lasting impacts on the company, on our employees, and on our network.

As you know, we have already reduced service on both the Northeast Corridor and State-supported routes, and we now plan to extend temporary frequency adjustments to most of our long-distance trains. But let me be clear: these adjustments are temporary. There is no secret plan or hidden agenda, as critics may suggest. Many of your districts have long-distance service, and I have heard your concerns loud and clear. And please know that I am 100 percent committed to our long-distance network and to its future. By way of example, we continue to make investments that demonstrate this commitment today, and I can point to our purchase of 75 diesel locomotives for this service line.

Until our ridership recovers, we must make difficult workforce adjustments, as we cannot continue to indefinitely fund a workforce too large for the number of passengers we are serving. Many States have told us that they will be unable to partner with Amtrak unless we reduce our costs to better align with ridership.

Having grown up in a rail labor family, I know how hard furloughs can be, and we are working hard to minimize impacts to our employees. Earlier this year we implemented several cost-saving measures. But given the continued lack of riders and uncertain funding, we plan to reduce our workforce by approximately 2,050 agreement and management positions.

Going forward, we will do everything in our power to return furloughed employees to work as soon as possible, and we are going beyond our contractual requirements to provide extended and no-cost healthcare coverage during this period.

Intercity passenger rail remains one of the safest, most efficient, and most sustainable forms of transportation. Once the pandemic passes, Amtrak stands ready to grow and serve more of America in large cities and in rural communities, thereby providing thousands of good, living-wage jobs for skilled employees in the process.

Please know that I am committed to working through this crisis with you and with other stakeholders to manage these near-term challenges, while safeguarding Amtrak's future.

Thank you for your time and support, and I look forward to your questions.

[Mr. Flynn's prepared statement follows:]

Prepared Statement of William Flynn, President and Chief Executive Officer, National Railroad Passenger Corporation (Amtrak)

INTRODUCTION

Good morning, Chairman Lipinski, Ranking Member Crawford, and Members of this Subcommittee. Thank you for calling this hearing today to discuss Amtrak and COVID-19. My name is William Flynn, and this is my first opportunity to testify as Amtrak's president and chief executive officer, a position I assumed in April of this year.

Let me begin by thanking this Subcommittee for drafting and advancing the Rail Title of the INVEST in America Act. This critical piece of legislation proposes historic levels of federal investment that will help Amtrak rehabilitate or replace its aged assets, such as 100-year-old bridges, tunnels and 40-year-old trains, and expand our services. The bill also includes important policy reforms, such as passenger train preference enforcement to ensure on-time performance on our host freight rail-

roads, an expedited process for host railroad access, and substantial grant funding that will help Amtrak evolve, expand, and modernize our network so that we can connect more Americans to the places they want to go. If enacted, the INVEST Act will be a game changer for Amtrak and intercity passenger rail. It is what Americans deserve, and I applaud your bold leadership and thank you for your confidence in Amtrak.

Let me also take this opportunity to thank the thousands of Amtrak employees who have risen to the challenges associated with COVID-19 and have remained focused on Amtrak's mission to provide safe, reliable transportation to our customers and your constituents. Ticket agents, conductors, train attendants, red caps, cleaners, and dozens of other specialties are doing their part to keep America moving, and I am very proud of to be a part of the team.

I come from a railroad family. My father and uncle were locomotive engineers, and my brother was an Amtrak conductor and local union chair. My first transportation job during summer break from college was working on a maintenance-of-way gang that was installing welded rail on the Northeast Corridor (NEC) in New England. In 43 years in the transportation industry, I have had the opportunity to serve in a multitude of roles in ocean shipping, airline, and railroad companies. These connections deepen the honor I feel to lead Amtrak, and I will do all I can to further Amtrak's important mission to serve the country.

As Amtrak finished FY 2019 and even through the first five months of FY 2020, the company was in a stronger position than at any time in its soon to be fifty-year history. Ridership, revenue, and financial performance were at record levels. Amtrak was on track to generate passenger revenues exceeding operating expenses in FY 2020 for the first time ever. The company was preparing to take delivery of next generation *Acela* trainsets for its high-speed NEC service, and had a bold vision of expanding train service in new and existing corridors across the country.

Unfortunately, the COVID-19 pandemic then hit this nation. Amtrak, like all transportation providers, was hit especially hard. In a matter of weeks, Amtrak's ridership plummeted by 97% and we undertook immediate actions to protect the health and safety of our customers and employees and reduce capacity.

Shortly thereafter, Congress passed the CARES Act, which provided important emergency funding to Amtrak and our state partners in order to minimize the negative financial impacts of COVID-19 during FY 2020. Unfortunately, recovery has been slow, and our ridership and revenue are still down over 80% compared to a year ago. It has become clear that the pandemic's impacts will extend through, and almost certainly beyond, FY 2021 as well, and Amtrak, along with our state partners, are now working to plan for the year ahead.

What I would like to do today is discuss with you Amtrak's response to COVID-19 thus far, including how we ensure our customers and employees are safe and healthy, as well as the steps we have taken to manage the loss of revenue. I would also like to focus on two issues that I know are important to this subcommittee: how we must adjust our workforce and our train service given the pandemic's impacts on our ridership. Finally, it is important to understand what happens after we get through this pandemic and the vision for Amtrak and intercity passenger rail for the future.

AMTRAK'S RESPONSE TO COVID-19

To provide more detail about how Amtrak has responded to COVID-19, let me offer a quick summary of the steps we have taken since the crisis began to unfold in late winter of this year.

Our number one job is to provide a safe work and travel environment for our employees and our riders. In January, as concern about the virus spreading in the U.S. started to emerge, we began reminding employees about the need to be vigilant about hand washing and sanitizing. As it became clearer that we were about to face a serious public health crisis we developed a safety plan, and over the past several months we have worked to inform and execute our plan with the best available information.

We have taken many actions to minimize health and safety risks to our customers and employees. They include:

- Requiring masks for passengers and employees on our trains and in our facilities.
- Limiting reservations on trains (other than in private sleeping room accommodations) to allow social distancing.
- Adopting and continuously refining new and enhanced cleaning procedures on our trains and in our stations.

- Instructing all employees whose jobs can be performed remotely to work from home.
- Distributing supplies of Personal Protective Equipment to employees across the country.
- Providing every employee infected by or exposed to COVID-19 with up to two weeks of pay protection to safeguard their households and ensure that ill employees stay home. (Similarly, absenteeism due to COVID-19 symptoms has not been subject to the application of our attendance policy.)
- Enhancing our web site and mobile application with features like improved boarding guides and train capacity indicators that help our customers to make safe traveling decisions.
- Installing protective plastic barriers in our café cars and in our stations to support physical distancing, and hand sanitizer dispensers on all our trains.
- Contracting with Quest Diagnostics to make voluntary COVID-19 testing available to all employees. While our employees primarily rely upon testing available at no cost to them through the CARES Act, this service will provide additional confidence that we are taking the necessary steps to mitigate the risk of infection among our workforce.
- Creating a research partnership with a leading university to study airflow, ventilation, and air filtration systems in passenger railcars to determine if additional measures would further reduce the possibility of airborne spread of infectious particles on our equipment.
- Working with RB, the makers of Lysol, to strengthen our comprehensive disinfection protocols for trains, stations, and lounges. The partnership will launch in NEC stations and on the *Pacific Surfliner* route, before expanding across our network.
- Partnering with the George Washington University Milken Institute School of Public Health to secure ongoing technical expertise and guidance to enhance Amtrak's comprehensive coronavirus pandemic response.

We have prominently communicated information about our response to COVID-19 and the changes we have made to address it to our passengers through Amtrak.com, social media and station signage. We have also communicated openly and frequently with our employees through employee advisories and companywide town halls. During the townhalls, we have briefed employees on new developments and answered their questions, the responses to which are made available to all employees on our intranet. In addition, our labor relations team has met at least weekly with representatives of our unions.

COVID-19'S FINANCIAL IMPACT

We, along with our state partners, have seen stunning revenue losses as a result of the precipitous decline in ticket sales due to COVID-19. As of early March, Amtrak was on track to generate FY 2020 passenger revenues greater than operating costs for the first time in our history. Over the next few weeks, ridership on our trains plummeted by 97%, and since then only a small portion of our passengers have resumed traveling. Our latest projections are that in FY 2020, Amtrak's revenue loss from ticket sales will be \$1.266 billion, which would be only 55% of what it was in FY 2019.

To try to align with the current depressed demand for service, manage our financial losses, and continue to make investments in capital projects for future riders, we made several cost-cutting decisions:

- We have reduced service frequency and train capacity on the NEC, and on our state supported routes in partnership with our 20 state partners.
- We deferred and/or restructured \$600 million in capital projects.
- We dramatically reduced overtime.
- We offered voluntary unpaid time off to our employees.
- Several of our unions agreed to defer previously negotiated wage increases, for which we are grateful.
- The reduced number of trains meant that while our agreement employees have not been furloughed, their earnings have been impacted by a reduction in hours worked.
- The 401k match for our non-agreement employees was suspended, and their pay was reduced 7-22% based on a tiered system for the remainder of FY 2020. I have not drawn a salary during this difficult time.

A combination of these cost controls and the FY 2020 CARES Act funding allowed us to avoid involuntary layoffs and furloughs during this fiscal year.

ADJUSTMENTS TO TRAIN SERVICE

In the immediate aftermath of the COVID-19 pandemic's onset, we reduced service frequency on both the NEC and state-supported routes by approximately 70%. On the NEC, *Acela* service was suspended entirely, along with all but a few *North-east Regional* trains; and in consultation with our state partners we reduced service on 10 of our 28 state-supported routes and suspended all service on 14 others. Some service has since been restored, including a limited number of *Acela* trains that resumed operation on June 1. A complete list of the service reductions and the restorations made to date is appended to my testimony.

We have joined with our state partners in urging Congress to provide additional funding to help offset the lost revenue that our state partners are experiencing during the pandemic. We are gratified that Congress included additional funding for FY 2020 in the CARES Act, and that the House appropriations bill includes such funding for FY 2021. We will continue to work closely with Congress to find the best way to help our state partners out during these difficult times. We recently updated our forecast and now anticipate needing up to \$4.9 billion in funding to operate and invest in our network, support our partners, and address various congressional concerns like avoiding employee furloughs and maintaining daily long distance service.

In addition to changes in service frequency, we have also adjusted the number and types of cars operated on individual trains, as well as on-board food service, ticketing policies, and other aspects of our customer service. We made these changes to facilitate social distancing, match capacity to reduced demand, avoid unnecessary expenditures, and accommodate COVID-19 driven changes in customer preferences and state partner service change requests on state-supported routes.

We are in the process of finalizing our FY 2021 Operating Plan. Unlike years past, that Plan will undoubtedly require frequent adjustments to reflect both the presently unpredictable progress in the battle against COVID-19 and the equally unpredictable impact COVID-19 will have on Americans' willingness to travel during the year ahead. We will constantly evaluate external developments, and changes in Amtrak ridership, ticket revenue, and customer preferences, as we refine that Plan, adjust service levels to match demand, and provide state partners with the changes in services they request. I should note that the Operating Plan includes as one of its assumptions the availability of a vaccine. Should a vaccine not become available, or be extensively delayed, this will have significant negative consequences for our projections.

LONG DISTANCE FREQUENCY REDUCTIONS

Throughout FY 2020, Amtrak has continued to operate its long distance trains on their normal, pre-pandemic service frequency, despite huge ridership drops and service reductions—or outright service suspensions—on every other North American intercity passenger service. Airlines, intercity bus companies and the Alaska Railroad have all made major reductions in service, as Amtrak has done on the NEC and our state-supported routes. VIA Rail Canada, our Canadian counterpart, has suspended all service on its long distance routes until at least November 1.

In the early days of the COVID-19 pandemic, we hoped that passenger demand would increase appreciably on long distance routes during what is normally their peak Summer season. Because of the resurgence in COVID-19 infections and the continuing reluctance of travelers to take any trips, particularly long trips on public transportation, that did not happen. In June and July, ridership and revenues on long distance routes (excluding the *Auto Train*) were down by nearly two-thirds compared to the same months in 2019—even though we had not made the huge reductions in service implemented on nearly all of our other routes.

The two thirds reduction in revenues has had a major impact on long distance financial performance. While long distance trains had significant operating losses prior to COVID-19 (\$475 million in FY 2019), in normal times they cover most of the out-of-pocket costs such as fuel, commissary supplies, host railroad payments, and wages and benefits for on-board employees that are incurred by each train that operates over a route. Therefore, operating service three times a week rather than daily ordinarily would not produce significant and immediate cash savings.

However, these are not ordinary times. Since ridership and revenues on long distance trains (other than the *Auto Train*) have fallen precipitously, we are incurring huge, additional operating losses for each train we operate—for the benefit of just a third of the normal number of passengers. Given that, we felt that it would be irresponsible to continue spending a much larger share of our limited funding to provide the same frequency of service for a much smaller number of remaining passengers, particularly as we entered the Fall/Winter season when monthly long distance ridership normally declines up to 40% from the Summer peak.

Beginning in October, we will temporarily reduce service on most long-distance routes from daily to three times per week. The exceptions are the *Auto Train*, which will continue to operate daily; the *Silver Meteor*, which began operating four days a week in July to provide daily service between New York City and Miami in combination with the *Silver Star*, which was reduced to tri-weekly operation and operates a similar route between New York City and Miami; and the *Cardinal* and *Sunset Limited*, which already operate three times a week.

Like the more significant service reductions we have made on our NEC and state supported routes, these long distance frequency adjustments will be temporary. As ridership returns, we intend to restore service frequency to previous levels. We remain committed to our long distance system.

If Amtrak receives less than \$4.9 billion and there is no congressional directive related to long distance service, we will evaluate three metrics to decide in February of next year whether to restore daily service on each affected long distance route.

- 1) *Public Health: Is the COVID-19 pandemic under control?* Are COVID-19-related hospitalization rates in the regions through which a given long distance route operates stable or declining?
- 2) *Future Demand: Are customers booking trips near the same rate as in 2020?* Is the percentage of available seat- and room-miles booked for 2021 (as of February 15, 2021) at least 90% of the percentage for June 2020 (as of February 15, 2020), taking into account any caps on ticket sales to promote social distancing or other relevant measures adopted to minimize COVID-19-related risks?
- 3) *Current Performance: Is ridership close to our projections in our operating plan?* Was systemwide ridership in the First Quarter of FY 2021 (October–December 2020) at least 90% of the projected figure in our FY 2021 operating plan, which already accounts for reduced ridership due to COVID-19?

If all three conditions are met for a given long distance route, we will restore daily service along that route between late May and June 2021. If any route is not yet ready to be restored when we conduct our review, we will apply an updated version of the criteria described above as part of our FY 2022 planning cycle (or sooner, in the event of a dramatic improvement in demand prior to that point).

One thing I want to make absolutely clear: these long distance frequency reductions are temporary. We are committed to continuing to operate our current long distance network and to improving the service we provide to our long distance passengers. However, we need two things from Congress to enable us to provide a viable long distance service when the COVID-19 pandemic is at last behind us. The first is increased funding for essential long distance capital investments, particularly equipment. Most of the passenger cars we operate on our long distance trains are already, or will soon be, more than 40 years old. These cars have reached the end of their useful lives and must be replaced if we are to maintain current long distance services.

The second thing we need from Congress is the ability to enforce our statutory right to preference over freight trains. The greatest threat to the future of our long distance network is not COVID-19 but rather poor on-time performance that diminishes the value of these services to our customers. The leading cause of delays to our long distance trains is the failure of some of our host railroads to comply with this longstanding legal obligation to provide Amtrak trains with preference over their tracks. During FY 2019, our trains incurred over one million minutes of delays due to freight train interference on host railroads. While freight train interference also affects some state supported routes, our long distance passengers—who have the same right to arrive at their destinations on time as passengers on the Amtrak-dispatched NEC—bear the brunt of these railroads' inability or refusal to obey the law. We are very grateful that this Committee included a provision in the INVEST in America Act that gives us the ability to enforce our preference rights.

Our commitment to the future of our long distance network is reflected in the many investments we are currently pursuing, despite funding limitations that the COVID-19 pandemic has exacerbated, to modernize our long distance service and enhance its safety.

- Capital projects to improve accessibility for customers with disabilities and the experience of all customers when they use our stations are under construction at eight stations served only by long distance trains; projects at 16 more long distance-only stations are out for bid or in final design.
- We are taking delivery of the last of the 130 Viewliner II cars that have replaced the long distance cars that were the oldest equipment in our fleet; we are refreshing the interiors of our other long distance passenger cars with new seat cushions, upholstery, and carpet.

- We have ordered 75 new Amtrak Long Distance Charger 4,200 horsepower (ALC-42) diesel locomotives that will begin the replacement of our long distance locomotive fleet; and we are planning for the acquisition of the next generation of long distance passenger equipment.
- We continue to invest in track upgrades across multiple long distance routes, including major upgrades on the *Southwest Chief* route and improvements to Chicago-area tracks used by the *Cardinal*, and are working to install positive train control (PTC) technology or make other safety enhancing investments on portions of eight long distance routes.

ADJUSTMENTS TO WORKFORCE

From the outset of the COVID-19 pandemic, what has been most important to us other than ensuring the safety of our passengers and employees is preserving the jobs of our workforce. Avoiding involuntary reductions in force was not only the right thing to do, it was also necessary to safeguard the skills, talent, and experience of our employees, our most valuable asset. The aid extended to Amtrak by the CARES Act allowed us to make it through FY 2020 with no involuntary furloughs or layoffs.

With the CARES Act funding running out, and the increasing recognition by everyone in the travel industry that it will be years before travel demand returns to normal, we recognize that we cannot ask Congress and the taxpayers to continue to pay all of the employees for whom we will not have any work in the foreseeable future. Likewise, as the state partners who provide funding for our State-Supported services struggle with unprecedented fiscal challenges brought about by COVID-19, many of them have made it clear to us that they will not be able to continue to pay for those services unless we reduce our costs to reflect the significant reductions in the number of trains operating, and the much greater losses in ticket revenues. Other companies in the travel industry—an industry severely decimated by COVID-19—are facing the same dilemma. Most major airlines have announced plans to reduce their workforces by 20% or more when the CARES Act prohibition on airline employee furloughs ends on September 30.

While we see no alternative to workforce reductions, we have taken every possible step to minimize the number of people whose jobs will be impacted. As I mentioned earlier, we offered voluntary unpaid leave to our employees and implemented other cost-saving measures that enabled us to stretch out our CARES Act funding. When it became apparent that we would have to become a smaller company, we implemented a voluntary separation incentive program in which 521 agreement-covered and management employees elected to participate. As we undertake painful but necessary reductions of 100 management employees and 1,950 furloughs among our agreement forces, we will continue to communicate with our employees, their union representatives, and Congress regarding adjustments to our workforce. Going forward, we will do everything in our power to bring employees who must be furloughed back to our workforce as soon as possible.

Looking at both the temporary changes to our long distance service and our recent workforce reductions, I must emphasize that Amtrak really had no choice but to take these actions, given the uncertainty in our federal funding. Without these vital cost saving measures, we will burn through nearly \$250 million each month, ultimately forcing us to take drastic measures that would have wide-ranging impacts on the company, our employees, and our ability to serve our customers. If this continued long enough, we would eventually face insolvency.

CAPITAL COMMITMENTS

The biggest challenge Amtrak has faced since we began operation in 1971 is the lack of dedicated and reliable capital funding. One of the most significant accomplishments Amtrak has made in recent years is that our increased revenues and more efficient operations have enabled us to set aside money from our annual appropriations, which in years past were used primarily to subsidize operations, so that we can fund critically important capital projects. In addition to the long distance investments I already mentioned, the most urgent investment needs include replacement of the 45-year old Amfleet I fleet that provides most of our NEC and much of our state supported service and major capital projects such as Portal North Bridge, New York Penn Moynihan Train Hall, and desperately needed improvements at Chicago Union Station.

Some have suggested that Amtrak should not alter its services or workforce to reflect the greatly reduced ridership and financial changes wrought by COVID-19, but should instead take money out of these capital commitments and use it to fund regular operations for the duration of this crisis. I cannot emphasize too strongly that

cannibalizing these capital funds is the wrong approach. Using scarce capital funding to operate nearly empty trains would not be productive, nor would it be a prudent use of the American taxpayer's investment in Amtrak. Rather, it would preclude us from undertaking projects that will increase safety, enhance reliability, and improve convenience in ways that will benefit tens of millions of our customers in FY 2021 and the years ahead. It is also critical that Congress understands that slashing capital spending would not prevent workforce reductions since much of this capital spending goes for the wages and benefits of the Amtrak employees who work on capital projects. Maintaining and improving infrastructure supports a large, dedicated, skilled workforce, representing approximately 2,000 full time equivalent employees. To be clear, cutting capital spending would also result in workforce reductions.

It is also misleading to call our capital needs discretionary. Some of our capital dollars are restricted by law from being used for other purposes, such as the federal dollars Congress has directed us to set aside for ADA compliance, upgrades to the *Southwest Chief* route, and important safety technology for certain corridor routes. The Northeast Corridor Commission estimates that the NEC has a more-than-\$40 billion state-of-good-repair backlog. When we delay the replacement of century-old infrastructure, the Amtrak employees who would perform the work on those projects bear the immediate cost. But the Amtrak and commuter train passengers who use the NEC every day also pay the cost, as they endure the unreliability that comes with depending on infrastructure never meant for today's demands. We cannot allow the COVID-19 crisis to cost us projects that are essential to restoring and maintaining normal operations and will dramatically improve the safety, reliability, and quality of our services for many decades to come.

AMTRAK'S FUTURE

2020 has been a hard year for the country and for Amtrak. We will be grappling with the effects of the pandemic for years to come. However, it is important to remind ourselves of deeper trends that still bode well for Amtrak's future, despite the setbacks we are currently facing. COVID-19 has not changed the fact that intercity passenger rail is the most efficient and the most environmentally responsible way to serve the transportation need of the megaregions throughout the country whose rapid population growth will continue. It has not changed the need to address highway congestion by steps other than adding more lanes. In fact, highway congestion is already returning as travelers resume driving between cities and avoid air and transit travel due to social distancing concerns. Nor has COVID-19 reduced the requests Amtrak receives from communities and elected officials across the country for service in corridors and regions we do not serve today. Finally, the extraordinary increase in unemployment that COVID-19 has spawned has reinforced the need for many additional good, living wage jobs for skilled employees of the kind that Amtrak, and the companies from which we buy equipment, goods, and services, provide.

We want to be ready to provide the passenger rail service America needs as the country returns to normal: along the Northeast Corridor where the much-anticipated replacement of the *Acela* fleet will begin next year; on our state-supported routes and new intercity corridors, where we see our greatest opportunities to meaningfully address the carbon crisis and enhance mobility as our population continues to grow; and in the small towns throughout rural America where our long distance trains help connect our riders to their family and friends. In the meantime, I am committed to working through this crisis with you, our employees, our state partners, our customers and other stakeholders to best manage the near-term challenges while protecting the future we all want for intercity passenger service in the next 50 years.

Thank you for your time and your support of Amtrak. I look forward to your questions.

COVID-19 SERVICE REDUCTIONS ON NORTHEAST CORRIDOR AND STATE-SUPPORTED ROUTES

Note that daily totals for some routes may be averages.

- *Acela*: Suspended entirely March 23–June 1. Currently operating 4 daily round trips.
- *Northeast Regional*: Most service initially suspended. Currently operating 10 round trips Washington-New York City and 8 round trips New York City-Boston on weekdays, and reduced service on weekends.
- *Adirondack*: Suspended Albany-Montreal since March 17.
- *Blue Water*: Unchanged

- *Capitol Corridor*: Operating 8 daily round trips, down from 12, with reduced weekend service.
- *Carolinian*: Suspended entirely April through June. Now operating with reduced capacity.
- *Cascades*: Operating 1 round trip Seattle-Portland-Eugene, down from 4; no service Vancouver, BC-Seattle.
- *Downeaster*: Initially suspended entirely; now operating 4 round trips, down from 5.
- *Empire Service*: Operating 9 weekday round trips, down from 12, with reduced service on weekends.
- *Empire West/Maple Leaf*: Initially reduced to 1 daily round trip, now 2, down from 3. Service suspended between Niagara Falls, New York and Toronto, Canada.
- *Ethan Allen*: Suspended north of Albany since March 17.
- *Heartland Flyer*: Unchanged.
- *Hiawatha*: Initially suspended; now operating 4 weekday round trips, down from 7.
- *Illini/Saluki*: Operating 1 daily round trip, down from 2.
- *Illinois Zephyr/Carl Sandburg*: 1 daily round trip, down from 2.
- *Keystone*: Suspended March 18 to June 1. Full service recently restored Harrisburg-Philadelphia; Philadelphia-New York City suspended except for 1 weekday round trip.
- *Lincoln Service*: Operating 2 daily round trips, down from 4.
- *Missouri River Runner*: 1 daily round trip, down from 2.
- *New Haven-Springfield/Valley Flyer*: Operating 5 daily New Haven-Springfield round trips, down from 8; 1 round trip north of Springfield, down from 2.
- *Pacific Surfliner*: 6 daily round trips between Los Angeles and San Diego, down from 13; 4 of normal 5 round trips north of Los Angeles.
- *Pennsylvanian*: Suspended March 19; resumed June 1.
- *Pere Marquette*: Suspended March 21; resumed June 29.
- *Piedmont*: Operating 1 daily round, down from 3.
- *San Joaquins*: Operating 4 daily round trips between Bakersfield-Oakland, down from 5. Bakersfield-Sacramento service suspended.
- *Vermont*: Suspended north of New Haven since March 26.
- *Wolverine*: 1 daily round trip, down from 3.
- *Washington-Roanoke*: Unchanged.
- *Washington-Newport News*: Full service recently restored.
- *Washington-Norfolk*: 1 daily round trip, down from 2.
- *Washington-Richmond*: 1 daily round trip suspended.

Mr. LIPINSKI. And thank you, Mr. Flynn. We will now move on to Mr. Maratea. Mr. Maratea, I hope that I pronounced that correctly this time.

Mr. MARATEA. Thank you, Chairman. Yes, you did. Perfect, right on the mark.

Thank you, Mr. Chairman, and I want to thank you, Ranking Member Crawford, Chairman DeFazio, for allowing me to speak today on the impact of COVID-19 on Amtrak's workforce.

My name is Artie Maratea, national president of the Transportation Communications Union.

TCU is the largest labor unit on Amtrak, representing approximately 1,600 workers in the clerical, fireman, supervisory, and other crafts. I am here on behalf of Amtrak workers to urge Congress and President Trump to act now to preserve our Nation's railroad, protect Amtrak workers from getting furloughed, and reauthorize the extension and expansion of RUI benefits, so that thousands of railroaders continue to put food on the table.

Today the immediate future of Amtrak's workforce is largely uncertain. With the additional funds from the CARES Act drying up, and overall ridership severely reduced compared to last year, Amtrak now stands at the edge of a fiscal cliff. Absent action from

Congress, October 1st will mark the beginning of severe workforce and service reductions, nationwide.

This House of Representatives passed their fiscal year 2021 THUD bill, which included \$10 billion in operating, capital, and emergency response grants for Amtrak, and a requirement to maintain the workforce and route frequencies. On behalf of Amtrak workers, I call on the Senate to pass the House bill and for President Trump to sign it today.

The COVID crisis has been a nightmare for all of us, but particularly for the transportation sector. That is why TCU has been outspoken about the size of aid Amtrak would need early on. Last week Amtrak finally increased their fiscal year 2021 supplemental request to \$2.9 billion, which includes maintaining the workforce and long-distance frequencies. Unfortunately, they also began issuing furlough notices to all of their crafts in the event Congress doesn't provide adequate funding.

And just to be clear, if Amtrak receives no supplemental funding on October 1st, the damage will be catastrophic. According to Amtrak, service cuts would be severe, and furloughs would amount to approximately 60 percent of the workforce. These are the same frontline transportation workers that have been coming in to work day after day during the pandemic at great risk to themselves and their families. Many have contracted the virus. Some have died.

You can understand my frustration and why Amtrak workers are so scared for their future. While many Americans have had the luxury of working from home, these Amtrak workers have been putting their lives on the line to keep our fragile economy moving. Our people have sacrificed, and now they are faced with losing their jobs come October 1st. These people need action, and they need it now.

Unfortunately, Amtrak workers are indeed furloughed. The CARES Act, the expansion of railroad unemployment insurance, has already expired. But these thousands of railroaders will be immediately thrown into a system that is already under immense pressure.

President Trump's memo addressing unemployment insurance attempts to provide a \$300 expanded benefit for regular, State-based unemployment insurance. Unfortunately, President Trump's memo does nothing for railroaders, as it fails to include them in the expanded benefit. It doesn't even mention railroad unemployment insurance.

And to make matters worse, unlike every other unemployment insurance program in the country, railroad unemployment is unique, since it is the only one subject to budget sequestration. This means that not only will furloughed railroaders not receive the expanded benefits, but the regular RUI checks will be reduced by 6 percent. This is unfair, and Congress should fix this today.

Fortunately, this House of Representatives has once again already paved the way. The Heroes Act included both an extension and expansion of RUI, as well as removing it from sequestration. On both RUI and Amtrak funding, we urge the Senate to follow the House's lead, and act now to prevent the kind of economic collapse that would occur if our transportation modes and workers are left to wither on the vine.

I thank you for the opportunity to testify, and I look forward to your questions.

[Mr. Maratea's prepared statement follows:]

Prepared Statement of Arthur Maratea, National President, Transportation Communications Union

I want to thank Chairman Lipinski, Ranking Member Crawford, and Chairman DeFazio for inviting me to speak today on the impact of COVID-19 on the Amtrak workforce.

My name is Artie Maratea, National President of the Transportation Communications Union (TCU).

TCU is the largest labor union on Amtrak, representing clerical crafts, ticket clerks, station agents, onboard service staff, customer service representatives, supervisors, coach cleaners, car repairmen, and others.

I'm here on behalf of these thousands of Amtrak workers to urge Congress and President Trump to act now to preserve our nation's railroad, protect good jobs at Amtrak, and reauthorize the extension and expansion of RUI benefits so that thousands of railroaders—Amtrak or otherwise—can continue to put food on the table.

AMTRAK'S OUTLOOK

Today, the immediate future of Amtrak's workforce is largely uncertain. With the additional funds from the CARES Act drying up, and overall ridership continuing to be severely reduced compared to last year, Amtrak now stands on the edge of a fiscal cliff. Absent action from Congress, October 1st will mark the beginning of severe workforce and service reductions nationwide.

Amtrak's heavily-criticized May 25th Supplemental Grant Request initially outlined their intention to furlough up to 3,700 employees and reduce most long-distance trains from daily to three times per week. TCU and others disagreed with Amtrak issuing a self-defeating proposal that volunteered the elimination of employees—our members. Others, such as the Rail Passengers Association (RPA), were similarly outraged by Amtrak's proposed reduction of long-distance train frequencies. Indeed, these actions align with former Amtrak CEO Richard Anderson's long-sought goal of gutting the National Network. To this point, Amtrak's proposal for returning long-distance service, once cut, leaves too many unanswered questions, and fails to guarantee its return to pre-COVID levels.

Many in the Senate also expressed their frustrations with Amtrak's proposals, including Republican Senators Daines (MT), Cramer (ND), Hoeven (ND) and Braun (IN), as well as Democratic Senators Tester (MT), Bennet (CO), Heinrich (NM) and Udall (NM). We thank these Senators for standing up for Amtrak workers and service.

"...Amtrak's plan to terminate one out of every five employees would put thousands of Americans out of work at a time when millions of Americans have lost their jobs. This severe reduction in workforce raises serious doubts about whether a realistic plan exists for fully restoring service in a timely fashion..."

[Excerpt from letter led by Sen. Daines and six other U.S. Senators]

Our own analysis of Amtrak's May 25th request shows that the proposed savings don't add up, while shifting much of the financial burden to taxpayers.¹ Regardless, Amtrak's proposal relied on getting \$1.5 billion in supplemental funding—a figure critics believed would be grossly insufficient, even in the earlier days of the pandemic, and which has proven true with Amtrak's most recent updated request.

¹Transportation Communications Union: "Amtrak cuts save less than you think" 8/3/20 [Attachment A]

If Congress fails to act, and Amtrak receives no supplemental funding on October 1st, the damage to the railroad would be catastrophic: according to Amtrak, *furloughs would amount to over 10,000 employees (approx. 60% of the workforce) and service cuts would be severe across all business lines.*

There is indeed wide bipartisan agreement that Amtrak should continue to exist as our National Passenger Railroad. The question before us today: when will Amtrak and Congress take action to ensure its survival? Today? Or after it's too late.

On July 28th, TCU, TWU and other rail labor unions issued our request for \$4.5 billion in supplemental funding for Amtrak [\$6.5 billion total FY21 funding].² RPA supports bold funding as well. This House of Representatives included \$10 billion in operating, capital, and emergency response grants in their THUD appropriations bill.

What is Amtrak doing? It took Amtrak until this past week to finally increase their FY21 supplemental request to \$2.9 billion [\$4.9 billion total].

Don't get me wrong: we're glad Amtrak came to their senses, but what took them so long? Airlines and Transit agencies have had their grant request figures out for months. It feels like Amtrak had to be shamed into asking for adequate help. And just as the airlines' payroll support program seeks to protect airline workers from furlough, any funding provided to Amtrak by Congress *must guarantee protections* for the workforce and daily long-distance service.

Again, we're glad Amtrak's request is finally moving towards their true needs to maintain the workforce and long-distance routes. Sadly, it comes a mere three weeks before the new fiscal year.

You can therefore understand my frustration, and why thousands of Amtrak workers are so scared about the next few months. While many Americans have had the luxury of working from home, these Amtrak workers—as well as their counterparts in other transportation modes—have been putting their lives on the line to keep our fragile economy moving, at great risk to themselves and their families.

To date, Amtrak has done a reasonably acceptable job protecting our members and riders from COVID-19 transmission, including mandating masks for both employees and riders. However, there have been some concerns. For example, some Onboard Service crews have complained they're given inadequate supplies of PPE and cleaning agents to last the duration of their roundtrip shift deployment. These workers—and many others in the transportation sector—need assurances and support as the pandemic continues.

TCU is very supportive of legislative efforts to establish strong federal mandates on issues like the provision of PPE and cleaning protocols, including language in the HEROES Act, an amendment that was included in H.R. 2 offered by Rep. Chuy García, as well as S. 3884, the Essential Transportation Employee Safety Act of 2020.

As September 1st, 3,843 Amtrak workers have had to quarantine and miss work, 462 have contracted the virus, and, sadly, some have died. These people have sacrificed, risking exposure to themselves and their families, and now they're faced with losing their jobs come October 1st.

The House of Representatives has been proactive in trying to put some certainty in their lives by averting this nightmare scenario.

Amtrak workers were thrilled to see the FY2021 funding numbers in the Transportation, Housing and Urban Development (THUD) appropriations bill, which included \$10 billion for Amtrak's operating and capital budgets, as well as to respond to the pandemic. The bill also requires Amtrak to retain its workforce and train frequencies, provisions that must be included in any supplementary funding agreement.

This is the kind of bold action that Amtrak workers need—and *they needed it yesterday.*

TCU strongly urges the Senate to follow the House's lead, and act now to ensure that Amtrak workers can stay on and continue to move Americans across the country.

RAILROAD UNEMPLOYMENT INSURANCE

Without immediate action from Congress, Amtrak will be sending thousands onto the Railroad Unemployment Insurance (RUI) rolls. Unfortunately, RUI is dire straits as well. The expansion and extension of RUI that was included in the CARES Act expired on July 31st, and the additional funds provided to the Railroad Retirement Board (RRB) for administering these increased benefits are nearly gone.

²Transportation Trades Dept., AFL-CIO letter to Congressional Leadership on Amtrak funding, 7/28/20 [Attachment B]

On August 8th, President Trump issued a Memorandum attempting to unilaterally address the lapsing of the Unemployment Insurance expansion. His memo attempts to provide a \$300 expanded benefit for regular State-based Unemployment Insurance. Unfortunately, President Trump's memo does *nothing* for railroaders as it fails to include them in the extended benefit.

And, while I'm on the topic, the Senate Republican Leadership's July 27th draft coronavirus relief package failed to include RUI as well.

The current maximum benefit under Railroad Unemployment Insurance (RUI) is \$80 per day, or \$400 per week. Unfortunately, in 1985, the Balanced Budget and Emergency Deficit Control Act mistakenly included RUI on a list of programs subject to sequestration, railroaders must now take an artificial 6% hit to their RUI checks.

This is a slap in the face to railroaders who deserve every bit of their earned benefit. Congress should fix this unfairness *today*.

Please note that *no other Unemployment Insurance program* is subject to sequestration, only railroaders. I can think of no better time to remedy this unfairness than today, when so many railroaders are being furloughed, and families of the unemployed need every dollar they're owed.

That's why the Rail Labor Division (RLD) joined the Association of American Railroads (AAR) and the American Short Line and Regional Railroad Association (ASLRRRA) wrote a joint letter urging Congress to remove RUI from the list of programs subject to sequestration.³

The House has at least heard our calls for help as they addressed issues surrounding railroad unemployment in the HEROES Act, which expanded and extended RUI until January 31st, 2021, while also removing RUI from the list of sequestration programs.

Again, we urge the Senate to pass this legislation *today*.

Amtrak workers, our transit workers, and millions of Americans need Congress to act NOW to prevent the kind of economic catastrophe that would occur if our transportation modes are left to wither on the vine. We ask Congress to provide urgent funding to Amtrak in order to preserve our nation's passenger railroad, keep people employed, and provide vital transportation access to *all* the places that Amtrak serves.

Thank you for allowing me to testify.

ATTACHMENT A

Corrected: August 3, 2020.

ANALYSIS: AMTRAK'S PROPOSED WORKFORCE CUTS SAVE LESS THAN YOU THINK

Introduction

On May 25th, 2020, Amtrak issued its FY2021 Supplemental grant request in response to the COVID-19 pandemic and its resulting impact on the company's financial position. The railroad argued that the severe downturn in ridership—down 95% at its worst—would require significant federal assistance to stay afloat. Their request asks for \$1.475 billion in funding to supplement Amtrak's regular \$2.04 billion grant request, for a combined \$3.515 billion for FY2021.

Amtrak leadership also conveyed their plan to cut operating expenses in order to reduce the size of tax-payer assistance, and "reduce enormous losses and protect funding for our critical capital needs" (Amtrak FY21 Supplemental, Pg. 4). Amtrak proposes the round figure of \$500 million, broken out as \$150 million in savings from reduced capacity and frequencies of routes (i.e. the reduction of long-distance train service from daily to 3x a week), and \$350 million in savings from workforce reductions.

This memo will focus on the costs associated with furloughing 3,190 employees for one year (3,700 proposed furloughs minus the 510 employees that took VSIP), to include direct costs to Amtrak as well as costs to taxpayers resulting from the furloughs. For additional reading, please review the Rail Passengers Association's (RPA) analysis on the public costs of reducing long-distance train services.

On its face, Amtrak's proposal to reduce its workforce by up to 20% (~3,700 people) seems like a prudent move by any company in dire financial straits. However, due to the nature of the service, the unique costs of the Railroad Unemployment Insurance (RUI) system, ancillary costs associated with health insurance and healthcare utilization, and the costs of training new hires upon resumption of serv-

³ RLD-AAR-ASSLRA May 4th, 2020 letter to Congressional leadership calling for RUI to be removed from sequestration [Attachment C]

ice, the savings to taxpayers are nowhere close to what Amtrak advertises in their FY2021 Supplemental grant request.

Summary

Amtrak initiated a Voluntary Separation Incentive Program (VSIP) which culminated in the planned exit of 510 employees: 226 management, and 284 agreement (aka “union”) personnel. Amtrak set separation payments at \$20,000 per management employee and \$10,000 per agreement employee, for a total cost to Amtrak at \$7,360,000.

Subtracting 510 employees from the stated 3,700 announced furloughs leaves 3,190 employees to be furloughed beginning on October 1st, 2020, per Amtrak’s proposal. The following is our estimation of the flawed and misleading savings Amtrak is reporting as part of the plan outlined in their FY2021 Supplemental Grant request, and how the amount the proposed savings is not close to what is being proposed, only saving Amtrak and taxpayers approximately \$40,826,168 after factoring in all costs attributable to the furloughs.

Please note that this paper does not address the potential destruction of Amtrak as we know it, by reducing long-distance routes from daily to 3x week, and the loss of economic activity that would befall small communities across America as a result.

Analysis

The following analysis should be read along with the accompanying cost spreadsheet. Please cite the spreadsheet for detail regarding calculations, estimates and assumptions.

Railroad Unemployment Insurance (RUI)—Amtrak is part of the Railroad Unemployment Insurance (RUI) system, which is a benefit administered through the Railroad Retirement Board (RRB), and serves as the unemployment insurance system for railroad workers in place of State-based UI. Under the RUI system, normal benefits last for 26 weeks, with an additional 13 weeks for tenured railroaders (those with over 10 years of railroad service). The CARES Act added an additional 13 weeks onto RUI resulting in 52 weeks total (26+13+13=52 weeks).

Based on the 52-week benefit term period (and the assumption of tenured 10-year railroaders), and the normal \$400/week benefit, regular Railroad Unemployment Insurance will cost taxpayers \$66,352,000. And while this would not be borne out on Amtrak’s balance sheet, they are still considered tax dollars via the federal government.

Using the same figures in the preceding paragraph but using the \$600/week benefit, per CARES Act, the expanded benefits would cost taxpayers an additional \$74,646,000 if continued for all 52 weeks.¹

RUI Employer Tax Increases—Railroad Unemployment Insurance (RUI) contributions are paid by railroad employers, not employees. There is a separate variable surcharge tax applied to all railroad employers, but for the purposes of this analysis we will only discuss the “Experience Rate” placed on an employer because it is reactive to the employer’s usage of the RUI system.

To explain the Experience Rate: if Company X uses RUI frequently (i.e. furloughs people often), Company X pays more in the subsequent years (the experience rate is based on a 5-year average so as not to sticker-shock employers with a tax increase). The rate is formulated based on payouts from RUI versus Company X’s remaining compensation base.

[Again, there’s also a Surcharge placed on *all employers* depending on whether the RUI account’s funds are running low (the threshold is indexed annually), but we won’t include those calculations here since it would be difficult to ascribe what percentage of the Surcharge Tax increase would be attributable to Amtrak’s furloughs.]

Since individual employer overall tax rates are not disclosed, we have to estimate based on prior instances of mass furloughs to a Carrier, and the resulting experience rate increases over the several years that followed. We estimate the individual experience rate to Amtrak would be increased to at least 4.93% in the first year it is counted (2022), with the rate gradually decreasing over the next few years. [Remember: the experience rate is a 5-year average of the company’s utilization of the RUI system, so a single mass furlough will impact the company’s taxes for several years.]

In addition, the Experience Rate tax is only applied to approx. the first \$20,000 of an employee’s annual earnings, or \$1,666 per month. It’s currently \$1,655 in 2020, but we index to \$1,666/mo or \$20k/year for 2022 calculation and reuse that

¹ Congress is currently debating amending the UI expansion and extension that was part of the CARES Act, but due to time constraints and impending legislation we chose to calculate as if the expansion is to be continued for the foreseeable future.

figure for simplicity (even though the figure would actually be higher in subsequent years 2023–26). Therefore, based on the remaining workforce of 14,900 and at an annual taxable base of \$20k per employee, the total annual taxable compensation for Amtrak would be ~\$298 million.

Using \$298 million as the compensation base subject to taxes, and the estimated increased tax rates projected over 5-years, we can project a total Experience Rate tax increase on Amtrak of \$43,270,494—all due to the one-time furlough of 3,190 employees.

Lost Health & Welfare Contributions—Currently, Amtrak employees contribute \$228/month towards their health insurance. Amtrak has agreed to carry furloughed employees on their health insurance for a year after Oct. 1st. While this is indeed a nice benefit—and was called out by union officials and agreed to by Amtrak—the end result is still an added cost to Amtrak as a result of furloughs, and therefore is expected to cost Amtrak \$8,727,840 for FY2021 in lost contributions from furloughed employees.

Increased Healthcare Utilization by Furloughed Employees—Amtrak is self-insured and as such must make payments of the costs, on a monthly basis, for their workers utilization of healthcare services. Rail Labor estimates increases their utilization by at least 8%. This is conceptually supported by an National Institute of Health (NIH) study that found that employees who retain their Health Insurance after furloughs are announced.² It is therefore estimated the additional usage of the healthcare system by furloughed workers will cost Amtrak \$8,160,000 in premium increases.

Amtrak's Training costs due to Furloughs—Amtrak will incur training costs to replace approximately 80% of the furloughed workforce when service and ridership returns to prepandemic levels. This percentage is from past experience on Amtrak.

According to an Amtrak OIG analysis, Amtrak spent between \$40–\$45 Million on training in 2009. This is the last year that this information has been available. According to the report, more than half of the training dollars were spent on new employees. After calculating the per employee cost and adjusting for inflation, the 2020 cost of training is ~\$12,401 per new employee. Applying the percentage of employees who did not return to Amtrak after furlough (80%), 2,552 employees will need to be trained at a cost of \$30,889,408.

Conclusion

The COVID–19 crisis is taking a toll on all transportation modes, and Amtrak is no different. While ridership revenues are down across all of Amtrak's business lines (NEC, Long-Distance, State-Supported), that does not mean that people aren't continuing to ride, or that ridership won't return once the pandemic abates. Indeed, Amtrak's Long-Distance trains have lost less ridership than other business lines, indicating a resilient and dedicated ridership that is choosing Amtrak for intercity travel, both for its quality experience and the ability to be more socially distant.

This memo has shown, from a purely cost-standpoint, why Congress should think twice before adopting Amtrak's FY2021 Supplemental request proposal. As we've shown, the net savings for Amtrak and taxpayers associated with furloughing 3,190 employees is relatively minimal compared to the drastic service reductions. In addition, the skilled workforce that Amtrak relies on to operate and deliver a top-quality experience would be decimated by these cuts, and retraining employees after the pandemic abates would not only cost Amtrak millions, but would inevitably delay and complicate Amtrak's ability to restart in a timely manner.

The Transportation Communications Union (TCU/IAM) is the largest union on Amtrak, representing approx. 6800 employees in various clerical, onboard service, supervisory, and maintenance crafts. On behalf of our members, we strongly encourage Congress to fully fund Amtrak in a manner that keeps our people employed and running trains at robust frequencies.

TRANSPORTATION COMMUNICATIONS UNION (TCU/IAM)
LEGISLATIVE DEPARTMENT

Bill DeCarlo,
Nat. Vice President & Nat. Legislative Director.
Dave Arouca,
Asst. National Legislative Director.

²Hamad, R., Modrek, S., & Cullen, M. R. (2016). The Effects of Job Insecurity on Health Care Utilization: Findings from a Panel of U.S. Workers. *Health services research*, 51(3), 1052–1073. <https://doi.org/10.1111/1475-6773.12393>

Amtrak saving & costs associated w/furloughing employees

Amtrak's Proposed Savings (via FY21 Supplemental) Assumed base figures	
FY19 total employees (per Amtrak FY19 year-end corporate profile):	18,600
FY21 total expected employees (FY19 minus proposed workforce reductions)	14,900
Proposed employee furloughs (3,700 minus 510 VSIP)	3,190
Average Amtrak salary:	\$87,847
Amtrak's proposed total salary cost savings:	\$280,231,930
TCU's calculated costs associated w/furloughing 3,190 employees	
Lost H&W Contributions	\$8,727,840
RUI—Regular	\$66,352,000
RUI—Expansion (+\$600)	\$74,646,000
Est. increased RUIA Experience Rate taxes on Amtrak	\$43,270,494
VSIP costs	\$7,360,000
Estimated increased Healthcare costs (from increased utilization)	\$8,160,000
Est. cost to retrain employees (based on rehiring same number of "proposed furloughs"):	\$30,889,408
Total Amtrak/taxpayer costs for furloughing:	\$239,405,742
ACTUAL net savings from furloughing 3,190 employees:	\$40,826,188
Lost Health & Welfare (H&W) Contributions	
Proposed employee furloughs	3,190
Monthly employee HC contribution:	\$228
Monthly total employee HC contribution:	\$727,320
Annual total employee HC contributions	\$8,727,840
Railroad Unemployment Insurance (RUI) Costs—Regular	
Proposed employee furloughs	3,190
Weekly RUI (per employee):	\$400
Weekly RUI Costs (total):	\$1,276,000
Total RUI expansion costs (52 weeks available):	\$66,352,000
Railroad Unemployment Insurance (RUI)—Expansion	
Proposed employee furloughs	3,190
Weekly RUI expansion (per employee):	\$600
Weekly RUI Costs (total):	\$1,914,000
Total RUI expansion costs (39 weeks available):	\$74,646,000

Amtrak saving & costs associated w/furloughing employees—Continued

RUI Employer Tax Increases **	
Amtrak compensation base subject to RUI Experience Rate taxes (only applies to first ~\$20k in comp. per employee):	\$298,000,000
Est. 2022 RUI Experience Rate	4.97%
Est. 2022 RUI Experience Rate annual cost:	\$14,803,746
Est. 2023 RUI Experience Rate	4.93%
Est. 2023 RUI Experience Rate annual cost:	\$14,700,042
Est. 2024 RUI Experience Rate	2.64%
Est. 2024 RUI Experience Rate annual cost:	\$7,881,504
Est. 2025 RUI Experience Rate	1.71%
Est. 2025 RUI Experience Rate annual cost:	\$5,081,496
Est. 2026 RUI Experience Rate	0.27%
Est. 2026 RUI Experience Rate annual cost:	\$803,706
Est. Experience Rate total cost as a direct result of furloughs:	\$43,270,494
Voluntary Separation Incentive Program (VSIP)	
226 management x \$20k buyout	\$4,520,000
284 agreement x \$10k buyout	\$2,840,000
Total VSIP cost:	\$7,360,000
Increased Healthcare Costs (not including vision/dental)	
Furloughed Employees	3,190
Amtrak healthcare costs, per employee, per month (avg)	\$2,500
Amtrak's monthly healthcare costs for furloughed employees	\$7,975,000
Amtrak's annual healthcare costs for furloughed employees	\$95,700,000
Est. percentage increase in healthcare costs due to increased utilization: ***	8%
2021 premium increase in usage est.	\$8,160,000
Amtrak's cost to train new hires (post-pandemic)	
Report: "Amtrak spends between \$40–45 million on training each year":	\$42,500,000
Report: "More than half spent on new employees" (Extrapolation: multiply by ~52%)	\$22,100,000
Report: "Amtrak hired 1097 new employees over first 6 months of 2009"	1,097
Extrapolate annual new hires by multiplying x2)	2194
2009 training costs per new hire (divide new hire training costs / Est. 2009 total new hires) =	\$10,073
Adj. for inflation, expressed in 2020 \$\$	\$12,104
New hires to retrain after pandemic: ~80% of those furloughed don't return	2,960
Cost to train new hires after pandemic:	\$30,889,408
Source: Amtrak OIG report on Training and Employee Development (2009) https://amtrakoig.gov/sites/default/files/reports/Training%20Eval%20Report%20Final.pdf	

** NOTE: RUIA taxes on employers expand and contract based on utilization of the RUI system. Part of the tax calculation is based on a railroad employers individual "experience rating"—a calculation of how much they utilize RUI. This rate varies from the minimum of 0.65% to a maximum 12% based on the employer's experience rating. The tax is also based on a 5 year average of the company's utilization of RUI, and is a measure of their usage versus their remaining compensation base. Furthermore, the application of the tax is capped at ~\$20k per employee, lowering the taxable base. Our calculations are based on a 5-year impact to Amtrak's experience rate tax, derived from acquired knowledge of another large railroad that recently experienced similar furlough trends.

*** NOTE: Rail labor estimates that, on average, employees that retain their health insurance after being furloughed increase their utilization by 8% during their remaining covered period. This is based on previous experiences with groups of furloughed members. This is also backed up by a National Institute of Health (NIH) study that looked at the healthcare utilization of workers at plants where furloughs had been announced during the Great Recession (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4874827/>): "In particular, it suggests an increase in overall utilization concerning for "hoarding" of health care or worsening health, but a relative decrease in outpatient care and increase in emergency care among those at high-layoff plants. The latter results confirm findings from the previous literature that suggest foregone preventive care among employed individuals during economic downturns with potentially negative long-term health consequences. This study suggests that the health and social impacts of increased job insecurity experienced by workers during the recent recession may still emerge even as the economy improves."

JULY 28, 2020.

Hon. NANCY PELOSI,
Speaker of the House,
United States House of Representatives, Washington, DC.

Hon. KEVIN MCCARTHY,
Minority Leader,
United States House of Representatives, Washington, DC.

Hon. MITCH MCCONNELL,
Majority Leader,
United States Senate, Washington, DC.

Hon. CHUCK SCHUMER,
Minority Leader,
United States Senate, Washington, DC.

DEAR SPEAKER PELOSI, LEADER MCCONNELL, LEADER MCCARTHY, AND LEADER SCHUMER:

As Congress continues to negotiate the terms of its next COVID-19 relief package, we call on you to include emergency supplemental funding to preserve Amtrak, the critical services it provides, and the livelihoods of its employees. Similar to other modes of passenger transportation, Amtrak has seen ridership fall as much as 95% on certain routes over the course of the pandemic. In response, Congress wisely provided critical financial assistance to the carrier through the CARES Act.

Unfortunately, the ongoing impacts of the pandemic have denied Amtrak the revenue it requires to operate a national intercity passenger rail service and continued financial assistance is necessary. Without additional support, the viability of Amtrak is unequivocally at risk. To this end, we request that Congress include \$4.5 billion in supplementary funding in its next COVID relief package. These funds will allow Amtrak to remain operational, to keep its dedicated workforce connected to wages and benefits like healthcare, and prevent the need for disastrous service cuts on the National Network.

The result of not providing this level of funding will be dire. The most recent request presented by Amtrak is deeply insufficient, and by its own admission its plan will send thousands of employees, up to 20% of its workforce, to the unemployment lines beginning on October 1. Further, this plan would reduce the frequency of many of Amtrak's long distance routes from daily to three times a week. These routes serve small towns and rural communities who depend on the daily service Amtrak provides and will not operate on full schedules without financial support and the workforce required to operate them.

Further, while we strongly support continued assistance for Amtrak, it is critical that these funds are used to benefit Amtrak's employees and the travelling public. We therefore urge that any supplementary funding provided to Amtrak be made contingent on prohibitions against using the funds to furlough employees or reduce service and route frequencies.

On behalf of Amtrak's workforce, we call on you to take decisive action to protect Amtrak workers, and the integrity of the service they provide, to overcome the current crisis and safeguard the future of intercity passenger rail service, and we thank you for your consideration.

Sincerely,

LARRY I. WILLIS,
President, Transportation Trades Department, AFL-CIO.

MAY 4, 2020.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

Hon. NANCY PELOSI,
U.S. House of Representatives,
Washington, DC.

Hon. CHUCK SCHUMER,
U.S. Senate,
Washington, DC.

Hon. KEVIN MCCARTHY,
U.S. House of Representatives,
Washington, DC.

DEAR MAJORITY LEADER MCCONNELL, SPEAKER PELOSI, MINORITY LEADER SCHUMER, AND MINORITY LEADER MCCARTHY:

On behalf of the Rail Labor Division of the Transportation Trades Department, AFL-CIO, the American Short Line and Regional Railroad Association, the Association of American Railroads, and the Teamsters Rail Conference, we thank the U.S. House of Representatives and U.S. Senate for passage of the CARES Act. We are especially appreciative of your efforts to ensure that railroad workers, through Railroad Unemployment Insurance Act (RUIA) enhancements, were provided similar protections and benefits as other hardworking Americans during this pandemic.

As Congress considers additional legislative packages to address the ongoing COVID-19 crisis, we urge you to continue providing parity in unemployment and sickness benefits for railroad workers. Additionally, continued investment in the Railroad Retirement Board (RRB) is critical to ensure RUIA benefits and protections can be delivered in an expeditious manner during this extraordinary time. Specifically, we respectfully request:

- An additional \$11.5 million in administrative funds to support the Agency as it continues in this expanded telework posture to aid in the move toward paperless processing, self-service portals, and other critical IT enhancements; and
- The removal of RUIA from the effects of sequester, which causes an artificial reduction in unemployment benefits, below statutorily provided amounts. This would not result in an adverse impact on the federal budget. State-administered UI programs are not subject to this reduction.

Your continued support for the men and women who are on the frontlines moving America's essential goods is greatly appreciated. Thank you for your consideration of these important requests.

Rail Labor Division of the Transportation Trades Department, AFL-CIO.
American Short Line and Regional Railroad Association.
Association of American Railroads.
Teamsters Rail Conference.

Mr. LIPINSKI. Thank you, Mr. Maratea. Next we will have Ms. Griffin.

Ms. Griffin, you may proceed.

Ms. GRIFFIN. Chairman Lipinski, Ranking Member Crawford, and members of the committee. On behalf of the members of the Transport Workers Union of America, thank you for holding this important hearing to discuss the damaging impacts COVID-19 has had on Amtrak frontline workers, as well as the railroad's response.

The TWU represents over 150,000 members at railroads, airlines, transit systems, and other industries. TWU members, like other critical frontline workers across the country, have suffered greatly from this virus and the economic fallout. More than 90 percent of TWU members, including all of our members at Amtrak, are frontline transportation workers who have been deemed essential during this pandemic.

Nearly 10 percent of TWU members have tested positive, or have been quarantined from the virus. However, these numbers do not account for the additional emotional and mental toll the virus has taken on me and my colleagues.

Despite these serious challenges, TWU members have continued to provide essential services across the country. I greatly appreciate the opportunity to share both my own experience and the experience of Amtrak workers during the COVID-19 crisis. This is an issue with which our union is, unfortunately, all too familiar. As a lead service attendant for Amtrak's onboard service for 32 years, president of Transport Workers Union Local 1460, and most importantly, as an American, I feel it is my duty to serve under these dire circumstances. Amtrak workers have persevered through this crisis by relying on each other more than the railroad.

At the beginning of the crisis, when Amtrak claimed it could not find masks or sanitizer for our members, the TWU secured proper PPE and distributed it to the frontline workforce. Today, while access to protective equipment and supplies is no longer an issue, we have been forced to trade best practices between ourselves as the company's pandemic policies put the frontline workforce at much more risk of exposure.

This past July, while working my regular position as lead service attendant on the DC to Boston Amtrak Acela route, I was notified by my supervisor that I had been in contact and exposed to an employee who tested positive for COVID-19. Despite the significantly increased chance of spreading the virus, the railroad still expected me to work the rest of my scheduled days without seeking testing.

Fearing the possibility of infecting passengers and coworkers on my train, I elevated my concerns, and was ultimately told that I would work the trip back from Boston to DC, potentially exposing hundreds of passengers needlessly. And then I would be taken out of service at the end of the route. On the next day I was not removed from service. After again elevating the situation through my union, I was finally taken offline and told to quarantine for 14 days. However, the railroad abruptly ended the quarantine early, and I was never tested for COVID-19 before I returned to work.

My experience is typical of the approach Amtrak has taken towards their workforce and the potential spread of COVID-19. There is currently a lack of coach cleaners, as a result of the coronavirus. Amtrak has chosen to leave these positions vacant, making it harder for the cleaners to sanitize the cars properly.

The frontline workforce is working hard every day to overcome these unnecessary handicaps, and keeping the traveling public safe. This is why it is extremely disheartening that Amtrak plans to furlough 20 percent of us beginning in October. Per Amtrak management, as many as 10,000 workers at the railroad could be impacted by these reductions. Every one of these workers is key to responding to the current pandemic and to our economic recovery. These are devastating numbers that require immediate action from Congress.

Amtrak's management's recent decisions make it clear that these cuts are not necessary in any case. For example, management has committed to restarting the 401(k) match for themselves beginning in October, just as the first set of frontline workers will be sent

into unemployment. In November pandemic pay cuts for management expire and they will return to full pay. Meanwhile, onboard service workers remain at significantly reduced hours for the foreseeable future.

We urge Amtrak to reverse course and prioritize the rank-and-file frontline workers who interact directly with our riders, rather than themselves. All this will be much easier if Congress can come together to provide at least \$4.5 billion in additional support for the railroad. This money would not just keep thousands employed, but preserve safe and healthy rail travel for the communities we serve.

Thank you for allowing me to speak today, and I look forward to any questions you may have.

[Ms. Griffin's prepared statement follows:]

Prepared Statement of Amy Griffin, Local 1460 President, Transport Workers Union of America

Chairman Lipinski, Ranking Member Crawford, and members of the committee, on behalf of the members of the Transport Workers Union of America, AFL-CIO, I wanted to thank you for holding this important hearing to discuss the damaging impacts COVID-19 has had on Amtrak frontline workers, and Amtrak's response.

The Transport Workers Union represents over 151,000 members across the rail, aviation, transit, universities, utilities and services sectors. TWU members, like other critical frontline workers across the country, have suffered from the threats this virus has posed to our daily lives. More than 95% of TWU members are frontline transportation workers who have been deemed "essential workers" during this pandemic.

Nearly 10% of TWU members have tested positive or been quarantined from the virus. However, these numbers don't account for the additional emotional and mental toll the virus has taken on my union colleagues as they live in fear of potentially bringing this virus home to their families, losing co-workers and friends, and potentially serving as a vector for the virus to members of our family, community, or workplace. Despite these threats, TWU members have continued to provide essential services across the country. At airports, train stations, bus depots, and as custodians, fighting in the frontline so our first responders are able to make it to work in hospitals, clinics, police and fire stations.

I greatly appreciate the opportunity to share both my own experience and the experiences of Amtrak workers during the COVID-19 crisis. This is an issue with which our union is, unfortunately, all too familiar. My colleagues and I at Amtrak have witnessed firsthand the disastrous effects this pandemic has caused on our personal lives and to the economy.

Amtrak's 20,000 employees include the TWU members who work onboard providing food and beverage service to passengers, as well as carmen and cleaners who work to maintain, repair, and service Amtrak cars in the rail yards. As a Lead Service Attendant for Amtrak's On-Board Service for 32 years, President of Transport Workers Union Local 1460, and most importantly as an American, it is my duty to serve even under these dire circumstances.

Under Amtrak's on-board service, TWU members who provide much of Amtrak's food and beverage services have kept working their routes, allowing safe, comfortable train travel to continue, even if on a more limited basis. These workers also have had to fight for adequate protections in the face of a pandemic. At the beginning of the crisis, when Amtrak claimed it could not find masks or sanitizer for our members, the union secured proper PPE and distributed it to the frontline workforce. We have actively engaged and fought with the railroad to ensure that enhanced cleaning and infection prevention protocols such as temperature checks mandatory mask policies for passengers are in place on all routes. While access to PPE supplies is not an issue anymore, Amtrak's COVID-19 policy is potentially putting employees at risk.

This past July, while working my regular position as Lead Service Attendant on the Amtrak Acela, en route to Boston from Washington, DC, I was notified by my supervisor, Jamal Philips, that on July 24 I had been in contact and exposed to an

employee who had tested positive for COVID-19 and that Amtrak's medical department would be in contact with me.

Fearing of possibly infecting passengers and coworkers on my train, I contacted our TWU Railroad Division Director John Feltz to make him aware of what was happening. Mr. Feltz contacted On Board Service General Superintendent Anella Popo, and strongly suggested that I should be removed from my position at the New York Penn Station and be replaced by another employee. Ms. Popo contacted the medical department and they advised her that they would be in contact with my direct supervisor Jamal Philips. Supervisor Philips then contacted me and stated that the medical department said that I could continue to Boston if I were not showing symptoms, and that they would remove me from service the next day.

On the next day, I was *not* removed from service. I again contacted Mr. Feltz and in a 3-way conversation with Ms. Popo, Mr. Feltz, and myself, she responded that it must have been a mistake and she would have the situation corrected, which to her credit she did. I was removed from service and told to quarantine for 14 days. After 10 days of quarantine, however, I was contacted by Amtrak's medical department and told that since I was "not showing" symptoms of COVID-19 I could return to service the next day.

I was never tested for COVID-19 before I returned to work. And just do you know, there is also a lack of coach cleaners as many of them have been out on sick leave from the coronavirus, and Amtrak does not fill these vacancies. This has made it hard for Amtrak's coach cleaners to sanitize the cars properly.

Keeping coach cars, maintenance facilities, and employee break rooms sanitized is time-consuming and labor-intensive. It is work that is done by people committed to making sure Amtrak is safe—not just for our coworkers, but more importantly for the traveling public.

This is why it is extremely disheartening to learn that Amtrak plans to furlough 20% of its workforce, including 700 on-board services workers represented by TWU, beginning in October. I'll be honest, this is like a slap in the face. These are my brothers and sisters who have put their lives on the line during this pandemic. We have continued to go to work when our government has asked everyone else to stay home. The increased exposure and risk we have faced because of this is not on our job description. In return for the brave effort my colleagues have made over the past six months, the railroad is threatening the livelihoods of 2,000 essential workers. This is not acceptable.

But it's not just TWU workers that are being affected by the proposed cuts. Per Amtrak management, as many as 10,000 workers at the railroad could be impacted by workforce reductions. These are devastating numbers that require immediate aid from Congress.

It also requires Amtrak to re-think some of the decisions that will be made in the coming months as we face these drastic cuts. For example, management has committed to reinstituting the 401(k) match for managers in beginning in October, just as the first set of frontline workers will be sent onto unemployment.

Likewise, in November, all of management's pay cuts expire and their full pay will be reinstituted, while onboard service people who had their hours reduced from 180 per month to 150 will remain that way for the foreseeable future. We urge Amtrak to prioritize the rank & file, frontline workers who interact directly with our riders, the people who are facing job loss, rather than themselves.

Amtrak is an essential service in this country—it ensures that communities across the country have access to all of our economy. But the railroad is powered by frontline workers, like me, who service customers, clean cars, fix engines, and drive locomotives.

We are urging Congress to provide at least \$4.5 billion in support for the railroad not just to help keep our jobs but preserve this industry and sustain the communities we serve.

That is not possible without the frontline workers who are the railroad. It is our hope that we can all work together to ensure the survival of Amtrak, and more importantly, protect these workers who have already sacrificed so much, and continue to do so every day.

Thank you for allowing me to speak today and I look forward to any questions you may have.

Mr. LIPINSKI. Thank you, Ms. Griffin.
Mr. Mathews, you may now proceed.

Mr. MATHEWS. Thank you, sir. Good morning. And thank you, Chairman Lipinski, Ranking Member Crawford, and all of the members of this subcommittee, for your leadership on passenger rail.

I am Jim Mathews. I am president and CEO of the Rail Passengers Association. We are the oldest and largest group speaking for more than 40 million Americans who rely on trains of all kinds: long distance, short corridor, and commuters. We know Amtrak faces tough choices from the pandemic, but our members have watched with growing alarm since May as plans take shape to degrade essential service by cutting 12 out of 15 long-distance routes to only 3 times a week.

This morning I would like to highlight one of the most crucial findings from our new modeling of this plan's effects. Dropping daily service in 30 States would inflict staggering economic damage in America's heartland, but produce only minuscule savings. We were glad to see the bold vision this committee laid out in the Moving Forward Act, and we were also glad to see House appropriators respond to your vision by including \$10 billion in Amtrak grants for fiscal year 2021. These remain the right answers for the long term.

But we are also glad to hear that Amtrak is working with you on a no-harm supplemental request to at least maintain nationwide daily service and prevent massive layoffs. We support this request wholeheartedly. Failure to act on some kind of bare bones supplemental would deal a catastrophic blow to not only long-distance routes, but also State-supported and commuter trains, as well: truly essential daily service and the foundation for future growth.

But even a bare bones supplemental would mean great hardship for millions of Americans and hundreds of smaller and rural communities. Over 62 million people live in so-called flyover country. One-quarter are veterans. Another quarter are seniors over 65. Intercity rail has always played an outsized role in these towns. It is even more true today, during the pandemic. Passengers with health problems can more easily and safely make socially distanced trips on Amtrak.

The numbers tell this story. Since the pandemic began in March through the end of July, NEC ridership was down nearly 90 percent, but long-distance routes were off only 68 percent. Today, during COVID, long-distance makes up 45 percent of Amtrak's revenues, compared with 21 percent a year ago, and has contributed the largest single share of Amtrak revenues in every month since March. That could all change on October 1st, if Congress can't act.

If I could have our slides, please.

We have always said that passenger rail is an economic engine in America's heartland. In 2018 we codeveloped a rail service benefits model with the University of Southern Mississippi's Trent Lott Center, and we used it to look at Amtrak's three-times-a-week plan.

Next slide, please.

And we found that the 12 routes in Amtrak's cross hairs contribute some \$4.8 billion to the communities served every single year.

Next slide, please.

I can also report today that cutting daily service could drop at least a \$2.3 billion bomb on flyover country, while possibly only saving Amtrak \$213 million. Overall, the damage could top \$3 billion if Amtrak's planned 9 months of degraded service stretches another quarter to a full year.

I am finished with the slides, thank you.

Some Amtrak communities will be hit especially hard. That is because several big airlines now say they will drop service when the CARES Act expires. In fact, of 67 cities facing air cutbacks, nearly half, 31 of them, would also lose trains, from Sacramento and San Antonio to Charleston and Tampa. These routes touch nearly every corner of our country.

On the *Empire Builder* in eight States, from Illinois to Washington, those towns face a nearly \$400 million blow. The north-south *City of New Orleans*, between Illinois and Louisiana, today produces nearly \$134 million in economic benefits; 3x service could wipe out as much as \$88 million of that.

Simply put, the drastically reduced utility of a nationwide network operating only 3 days a week on mismatched schedules, making connections difficult or impossible, will gut these services. And snatching as much as \$3.1 billion from our hardworking heartland during a historic recession for the sake of only \$213 million in savings to Amtrak seems, to us, to be bad public policy.

And it also ignores history. Amtrak tried this in 1994. It didn't work then, and it is not going to work now. Passengers travel for the same reasons today as they did then, and they will skip the ride for the very same reasons.

In closing, we think [inaudible] a better way: cut some costs, while preserving daily service by simply running shorter trains. Fewer locomotives mean less fuel burn, fewer coaches mean less maintenance. But continued service means continued opportunities to earn badly needed revenue, the largest single pandemic revenue contributor since March. When gas tax revenues flatlined, Congress didn't let the Federal Highway Administration close highways 4 days out of 7. Congress shouldn't stand by and allow our national railroad to impose 3x service on hundreds of hardworking towns across America's heartland, towns which, in many cases, can afford it the least.

Strong investment in Amtrak could position our country for recovery. But at the very least, preserving daily service will stave off disaster in flyover country.

Thank you.

[Mr. Mathews' prepared statement follows:]

**Prepared Statement of Jim Mathews, President and Chief Executive
Officer, Rail Passengers Association**

INTRODUCTION

Good morning, and thank you Chairman Lipinski, Ranking Member Crawford, and all of the members of this Committee for holding this hearing to focus attention on our nation's intercity rail network at this critical juncture. I firmly believe what the Congress decides to do about rail and transit between now and September 30 will have important and lasting impact for hundreds of Amtrak-served communities and millions of Americans.

My name is Jim Mathews, and I am President and Chief Executive Officer of the *Rail Passengers Association*, the oldest and largest national organization giving a voice to more than 40 million rail passengers in the U.S. Our mission is to improve and expand conventional intercity and regional passenger train services, support higher speed rail initiatives, increase connectivity among all forms of transportation and ensure safety for our country's trains and passengers. I am honored to have the opportunity to testify before you today on behalf of our 28,000 members from all across the U.S. I am also conscious of the duty I have to share their growing sense of alarm over the diminishment of an essential service upon which their communities rely.

Today, I will talk about the challenges this once-in-a-generation pandemic poses for America's rail passengers, and the consequences governmental inaction poses to the cities, towns, and rural communities connected by our intercity rail network. I understand well that Amtrak faces real and difficult choices, and that without financial aid there are far greater risks to the network than thrice weekly (3x) service for long-distance routes—we could lose entire corridors, permanently.

Our Association was thrilled by the level of investment in passenger trains laid out by this committee in the Moving Forward Act. This bold, forward-thinking infrastructure bill would not only get our rail system through the current pandemic, it would put millions of Americans back to work building a truly world class transportation network.

We were also glad to see House appropriators respond to the vision outlined in H.R. 2 by including \$10 billion in grants for Amtrak in the FY 2021 transportation budget passed out of the House in July.

We wholeheartedly endorse this level of investment as the right course for America's passengers and the U.S. economy, and we continue to believe that this is the best way forward for our passenger-rail system.

We understand, however, that Amtrak can maintain existing service levels at significantly lower levels of investment. We're heartened to hear that Amtrak is working with Congress to establish a no-harm supplemental budget request. Our Association continues to believe that maintaining daily service across the National Network and preventing massive furloughs and layoffs of Amtrak workers should be the floor, not the ceiling. As Amtrak Chief Operating Officer Stephen Gardner noted in a March 22nd article in the *Washington Post*, "Eventually this will pass, but none of the bridges or [train] cars or any of the things we have that are old and need to be replaced will get younger as a result of this crisis." We wholeheartedly agree and continue to support the bold vision of this Committee and of your appropriations colleagues to make the investments we need so that rail service can help restore the U.S. economy.

When I testified before this committee less than a year ago, I was able to speak about the unique moment of strength passenger rail in the U.S. found itself in, enjoying record ridership and record levels of federal funding. Now, however, COVID-19 has devastated the travel sector. Americans are foregoing travel of all types in an attempt to keep themselves, their families, and their fellow citizens safe. The result has been that, during "the COVID Period" (i.e., March–July 2020), Amtrak revenues are down 83 percent compared with the same period in 2019. This unprecedented decline in demand for passenger transportation has forced U.S. rail and transit operators to navigate extraordinary difficulties to keep these systems afloat.

Our Association understands all of these factors. And we recognize the difficult decisions and tradeoffs Amtrak's leadership has had to make and will continue to make. Theirs is not an easy task.

However, even with these exogenous shocks to demand, the fact remains: Amtrak is an essential service for tens of millions of Americans and hundreds of communities. We were quite pleased with Amtrak President & CEO William Flynn's May 25th statement to Congress that the railroad understands "how important Amtrak service is to the nation and, particularly, small communities across the nation where we play a unique role in connecting these communities to the rest of America." However, reducing service on the 12 of the 15 long-distance routes—a vital transportation link to the 40 percent of the nation's small and rural communities that it serves—to only three days per week speaks much louder than words. Whatever the reasons, reducing frequencies across the National Network will drop a \$2 billion-dollar bomb on "Flyover Country."

DEFINING AN ESSENTIAL SERVICE

It's worth taking time to be explicit about what we mean when we say Amtrak is an "essential service" to the communities it connects. For many, it's easier to understand why a service like the Northeast Corridor (NEC) is necessary; without the

2,200 daily trains and 260 million annual trips the NEC carries, the regions this corridor links would grind to a halt. How can a single daily train to a small town also be accurately described as “essential” to the people it serves?

To understand, you have to look at the dearth of transportation options faced by rural and small-town Americans. Over 62 million people live in so-called “Flyover Country,” a quarter of whom are veterans, another quarter are senior citizens over the age 65. Intercity rail plays an outsized role in these communities, with almost one-fifth of Amtrak’s passengers traveling to or from a rural station with no access to air service.

Think of what this implies for just a single use-case. Long-distance trains, frequently used by senior citizens and passengers with mobility impairments, provide access to healthcare facilities that would otherwise be too expensive or difficult to reach. In an August letter to the U.S. Senate advocating for daily service, the Station Host Association of California, an independent volunteer organization operated in cooperation with Amtrak, shared its frontline experiences helping passengers navigate our rail system:

“Particularly during the COVID-19 pandemic, long distance trains provide accessible bedrooms ensuring privacy and cleanliness for any passengers who may need to travel within or out of state, and for whom the more public setting of an airplane creates a health risk. The private rooms on the overnight trains provide an additional level of safety to travel during a pandemic while minimizing exposure to the virus. However, if the tri-weekly service intervals do not match the passengers’ needs, then the entire benefit is moot.”

So while travel demand is down broadly, coronavirus has actually made these passenger rail services *more* necessary for certain segments of the population.

These are just a few of the many reasons Amtrak’s long-distance routes have proved to be the most resilient business line in the face of the pandemic. Amtrak’s own ridership numbers back this up. Since the crisis began through the end of July, NEC revenues are down 90 percent from the same period last year, compared with a 64 percent decline for the National Network. Ridership has also flatlined across the NEC, down 88 percent. By contrast, ridership on the long-distance routes is down only 68 percent during the COVID Period.

Amtrak Ridership Comparison: Pre-COVID vs. COVID							
	Jan	Feb	Mar	Apr	May	Jun	Jul
NEC 2020	901,555	895,061	382,444	18,374	31,992	82,454	138,326
NEC 2019	884,396	851,745	1,030,655	1,076,676	1,118,726	1,105,445	1,066,447
	↑ +2%	↑ +5%	↓ -63%	↓ -98%	↓ -97%	↓ -93%	↓ -87%
	Jan	Feb	Mar	Apr	May	Jun	Jul
State 2020	1,191,396	1,101,971	551,727	54,048	91,530	182,698	246,843
State 2019	1,086,778	1,034,298	1,279,554	1,284,529	1,323,804	1,329,515	1,434,803
	↑ +10%	↑ +7%	↓ -57%	↓ -96%	↓ -93%	↓ -86%	↓ -83%
	Jan	Feb	Mar	Apr	May	Jun	Jul
LD 2020	305,444	278,400	194,161	43,358	90,385	151,901	175,278
LD 2019	316,441	275,378	378,117	366,061	403,124	428,773	465,578
	↓ -3%	↑ +1%	↓ -49%	↓ -88%	↓ -78%	↓ -65%	↓ -62%

Fig 1.1

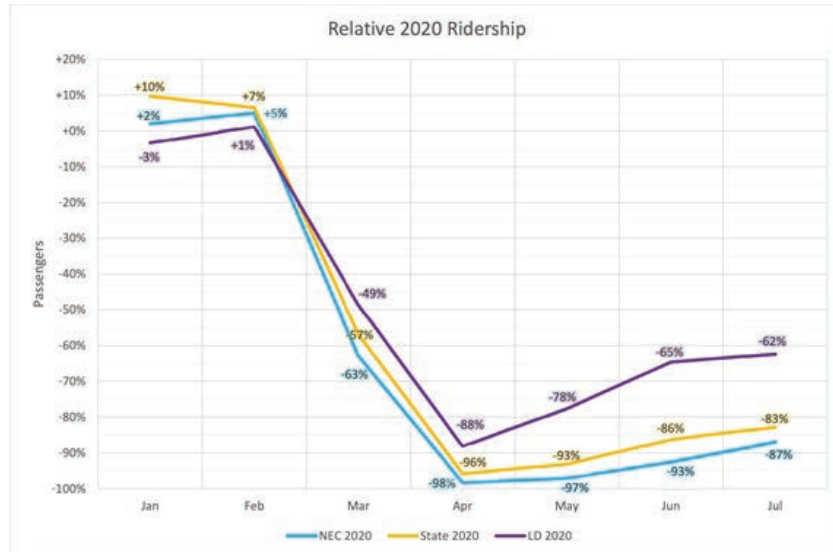


Fig 1.2

Perhaps one of the more significant statistics is that during the COVID Period, Amtrak's National Network of long-distance intercity passenger routes has contributed 45 percent of Amtrak's revenues, compared with 21 percent a year ago. Moreover, the so-called "money-losing long-distance routes" have contributed the largest single share of revenues in every month since March.

Make no mistake: these trains *are* essential to the communities they serve. Congress didn't let the Federal Highway Administration close highways four days out of seven when gas tax revenues flatlined, and it shouldn't stand by and allow Amtrak to introduce 3x service to hundreds of communities across the U.S.

AIRLINES ELIMINATING SERVICE TO AMTRAK-SERVED CITIES

These cuts will fall especially hard on a subset of Amtrak communities that will see a simultaneous reduction in rail service and air service on October 1st. Several major airlines announced last month that they will drop service to dozens of cities upon the expiration of the CARES Act. *Rail Passengers* looked at service reduction announcements released by 11 air carriers and found that of 67 cities seeing air services cut, 31 would also see cuts to passenger rail service (see: *Appendix B*).

Airlines have been walking away from mid-sized markets for decades, and it is clear that this trend will only accelerate in the wake of COVID-19 as passengers shy away from a mode of travel they fear is unsafe. An August survey of consumer sentiment conducted by Boston Consulting Group found that 60 percent of U.S. consumers worry about being infected from flying, and 70 percent of respondents expect travel spending will not return to normal for more than a year. This will further erode the business model for mid-sized airports, leaving more and more Americans disconnected from job opportunities, educational institutions, and critical health services.

Rail Passengers firmly believes that running daily trains could put Amtrak in a position to expand its market share in this environment. Amtrak offers a unique product: a socially distant way to move around the country. Our government should be increasing access to rail service, not diminishing it.

QUANTIFYING THE ECONOMIC BENEFITS OF DAILY SERVICE

I've said it to this committee before, and I'll say it to anyone who'll listen—it's not a question of *if* trains make money, it's about *who* trains make money for. Rail corridors generate value by acting as economic engines in the communities they serve—through jobs, retail, mobility, tourism and real-estate development. The "profit" goes not to Amtrak, but to the communities served, often to the tune of billions of dollars.

We decided it's not enough to say it, we've got to put our money where our mouth is. That's why I invested our association's resources in 2018 to co-develop a rigorous economic model with the University of Southern Mississippi's Trent Lott Center. We've used that model to quantify the economic return on passenger rail corridors in a way that hasn't been done previously.

This time, we've modeled a preliminary, high-level analysis of the economic consequences of Amtrak's decision to cut its daily intercity passenger services back to only three runs per week. Unfortunately, even the most conservative assessment is dire: to save \$213 million, Amtrak's nine months of daily service cuts could drop at least a \$2.3 billion bomb on Flyover Country, a figure that could rise above \$3 billion if the cuts remain in place for the full year.

This is tied directly to passenger-rail's role as an economic engine in the communities it serves. The existence of Amtrak buoys the economies of hundreds of towns and cities all across America. Degrading that service means withdrawing those benefits from millions of Americans, even those who don't necessarily ride the trains themselves, because in many cases lives and livelihoods depend on the routes' operation.

We examined six National Network services—the *City of New Orleans*, the *Empire Builder*, the combined *Silver* services, the *Southwest Chief*, the *Texas Eagle* and the *Crescent*. Together, these six intercity passenger rail routes serve 30 states plus the District of Columbia, and *Rail Passengers* estimates that they produce \$2.4 billion every year in economic benefit. In fact, Amtrak's existing group of daily long-distance trains (excluding the Auto Train) collectively produce some \$4.7 billion in economic benefits which are widely distributed throughout America's heartland.

These benefits take many forms, which our model attempts to capture. Whether traveling for vacation, personal reasons or business, visitors spend money at their destinations, paying for hotels or other lodging, patronizing restaurants, shopping or buying local items. By doing this they support the hotel workers, the restaurant waiters and cooks, retail and entertainment outlets, and they generate sales tax revenues for the communities they visit. The local workers also contribute to the local tax base, further spreading the economic benefit. Meanwhile, because those visitors have left their cars behind, they're not imposing wear and tear on highways and roads, and they're avoiding the risk and cost of injuries or even death from car crashes.

Cutting service reduces these benefits. *Rail Passengers'* model estimates that Amtrak's plans would slash the \$2.7 billion produced by the six services we examined down to just a little more than \$800 million—a more than \$1 billion hit on just those routes alone during the proposed nine-month period of reduced service, or \$1.5 billion on an annualized basis. Systemwide on an annualized basis, America's Amtrak-served communities could absorb a \$3.1 billion body-blow. This after already reeling from the effects of a deep economic recession.

TODAY'S SERVICE	City of New Orleans Empire Builder Silver Services Southwest Chief Texas Eagle Crescent						SELECTED ROUTES		12 INTERCITY PAX TRAINS
	Orleans						TOTAL	TRAINS	
Direct Economic Benefits*	\$ 54,186,556	\$ 240,961,842	\$ 154,574,269	\$ 196,290,146	\$ 224,798,179	\$ 94,263,255	\$ 965,074,247	\$ 1,930,148,494	
Indirect Economic Benefits**	\$ 79,654,237	\$ 354,213,908	\$ 227,224,175	\$ 288,546,515	\$ 330,453,323	\$ 138,546,985	\$ 1,418,659,143	\$ 2,837,318,286	
TOTAL ANNUAL ECONOMIC BENEFITS TO SERVED STATES	\$ 133,840,792	\$ 595,175,750	\$ 381,798,444	\$ 484,836,662	\$ 555,251,502	\$ 232,810,240	\$ 2,383,733,390	\$ 4,767,466,779	
AFTER REDUCTION TO THREE TIMES WEEKLY	City of New Orleans Empire Builder Silver Services Southwest Chief Texas Eagle Crescent						SELECTED ROUTES		12 INTERCITY PAX TRAINS
	Orleans						TOTAL	TRAINS	
Direct Economic Benefits*	\$ 18,578,248	\$ 82,615,933	\$ 52,996,892	\$ 67,299,479	\$ 77,073,661	\$ 32,318,830	\$ 330,882,443	\$ 661,764,886	
Indirect Economic Benefits**	\$ 27,310,024	\$ 121,444,539	\$ 77,905,492	\$ 98,590,234	\$ 112,296,281	\$ 47,598,680	\$ 486,397,191	\$ 972,794,383	
ADJUSTED TOTAL ECONOMIC BENEFITS TO SERVED STATES	\$ 45,888,272	\$ 204,059,872	\$ 130,902,324	\$ 166,229,713	\$ 190,371,944	\$ 79,827,511	\$ 817,279,635	\$ 1,634,559,269	

Source: Rail Passengers Association modeling estimate

* Direct Economic Benefits include visitor spending, avoided vehicle miles traveled, etc.)

** Indirect Economic Benefits include local sales tax receipts, community-level payments, etc.)

Fig. 1.3

Some of the poorer states will be among those hit hardest. In the case of the *Silver* services, Amtrak decided to degrade service months ahead of the October 1st plan outlined for the rest of the system, leaving some of the South's poorest communities to absorb an even harsher punishment than the rest of the country. Combining the *Silver Star* and *Silver Meteor* into a single route and then cutting back daily service means many *Star*-served stations have already seen a 50 percent reduction in service—communities like Southern Pines and Hamlet, N.C., or Camden, Columbia and Denmark in South Carolina. Those stations account for 13 percent of the *Star*'s ridership. The Census Bureau reports that more than two-thirds of Southern Pines' population is non-white, and some 14 percent of the town's residents are estimated to live below the poverty line. So, too, Denmark, SC, is majority non-white, and 15 percent of residents are below the poverty line.

But make no mistake. The damage is not confined to a handful of towns or just one region of the country. Amtrak's National Network touches nearly every corner

of our country, and the economic pain will be felt in 30 states and the District of Columbia. Communities in eight states served by the popular *Empire Builder* route from Illinois to Washington State (with a portion of the train split to Oregon) will absorb a \$391 million annualized economic loss. The seven states traversed by the *Texas Eagle* will lose \$318 million, and states from New York to Florida and in-between will feel the hit twice, from losses of service on the *Crescent* (\$153 million) and the *Silver* services (\$251 million).

ECONOMIC LOSSES TO SERVED COMMUNITIES	City Of New Orleans	Empire Builder	Silver Services	Southwest Chief	Texas Eagle	Crescent	SELECTED ROUTES TOTAL	12 INTERCITY PAX TRAINS
Direct Losses	\$ 35,608,308	\$ 158,346,509	\$ 101,577,377	\$ 128,990,668	\$ 147,724,518	\$ 61,944,425	\$ 634,193,804	\$ 1,268,383,607
Indirect Effects*	\$ 52,344,213	\$ 232,769,368	\$ 149,318,744	\$ 189,616,281	\$ 217,155,041	\$ 91,058,304	\$ 932,281,951	\$ 1,864,523,903
Total National Impact (Annualized)	\$ 87,952,521	\$ 391,115,877	\$ 250,896,120	\$ 318,606,949	\$ 364,879,559	\$ 153,002,729	\$ 1,566,475,755	\$ 3,132,907,510
TOTAL NATIONAL IMPACT (Adjusted to Nine Months)	\$ 65,964,390	\$ 293,336,908	\$ 188,172,090	\$ 238,955,212	\$ 273,659,669	\$ 114,752,047	\$ 1,174,840,316	\$ 2,349,680,632

Source: Rail Passengers Association modeling estimate

*Indirect effects include community-level effects such as sales taxes, real estate, local employment and other similar factors

Fig. 1.4

(*Rail Passengers would like to acknowledge our volunteer members and our partners at Transportation 4 America, who participated in the preliminary research we needed for this rapid-response study and helped to gather and collate the state-level tourism data we needed for our modeling exercise.*)

A BETTER ROUTE FORWARD

Even if we are to analyze 3x service proposal narrowly, we still can't support it as an operating plan based on its merits. The U.S. has been down this path before, and it didn't work.

In the mid-1990s, Mercer Consulting advised Amtrak leaders to eliminate several long-distance routes, shorten others, and take 11 routes down from daily to three and four times per week. In Fiscal Year 1995, the first year of diminished operations, Amtrak's network saw a decrease of 13 percent in total route miles and saved \$54 million. However, the General Accounting Office (the government watchdog now known as the Government Accountability Office) reported to Congress that the very next year Amtrak lost 1.1 million riders—a 5 percent drop in ridership—and never saw the savings they had projected for the 11 routes with less-than-daily service. A functioning passenger transportation service requires reliable and frequent connections. And there is nothing to suggest that the buying and traveling habits of today's riders are much different from those in 1994.

One of our members, former BNSF Railroad train dispatcher Mark Meyers, performed an analysis of 3x on the present-day network. He found that three-times weekly service—a 57 percent cut in overall service—only cuts the number of on-board crew starts by 38 percent and engineer-crew starts by 36 percent, while producing large compensable layovers for some of the affected crews. Equipment use is only cut 40 percent. Staffing at stations would be cut only minimally because even 3x weekly trains arrive over the course of more than five days, which would require a second station staff position to continue to be filled.

The problem will be exacerbated by missed connections. The devilishly tricky math of ensuring that one set of trains that only runs three days a week can connect reasonably to another set of trains also running three days a week guarantees that many thousands of journeys simply won't be taken. This is because a passenger planning on a connection would have to work backwards from her planned arrival date while taking into account not only that her original train is running only three out of seven days, but that so, too, is her connecting train. And in many instances, those trains will not mesh.

Some \$39 million of connecting revenue flows through Amtrak's Chicago Union Station alone, and the 3x schedule disrupts all of these connection patterns.

The *California Zephyr* and the *Texas Eagle* are particularly hurt. For example, travelers taking the *Eagle* to Chicago hoping to connect for a further eastbound trip on the *Capitol Limited* or the *Lake Shore Limited* can only make a same-day connection on Mondays and Saturdays. Going westbound it's even worse—with the exception of a single connection from the *Cardinal* on Tuesdays, *not a single Amtrak long-distance train will offer a same-day connection in Chicago to the westbound Eagle*. All passengers will have to assume a hotel stay in Chicago, perhaps even a multi-day stay. That will be enough to lead most passengers to forego the trip. *Eagle* connections from other routes accounted for nearly 12 percent of connecting travel through Chicago in Fiscal 2019, and this plan would largely eliminate those connections. On Tuesdays, Wednesdays, Thursdays, Fridays and Sundays, westbound passengers hoping to connect to the *California Zephyr* would be out of luck. The *Cardinal* will only have a same-day *Zephyr* connection on one day each week, Satur-

days, and passengers from the *Capitol*, *Lake Shore* and *City of New Orleans* will only get a same-day connection on Saturdays and Mondays.

If this seems complicated in written testimony, think of how complicated it will be for the average passenger trying to work out the best departure day to take a journey connecting to another train. The utility of a schedule like this to the traveling public quickly approaches zero for all but the most leisurely of trips. And as we know, despite a popular narrative, pure leisure trips are not the majority of trips on Amtrak.

The drastically reduced utility of a nationwide network of trains operating only three days a week on schedules that make connections difficult or impossible helps to explain why ridership will plummet even more than many observers would expect, driving catastrophic economic losses to the communities served.

We've already seen the negative effect this has on ridership. While the long-distance average was down 62 percent in July over the same period last year, *Silver Star* bookings—already subject to 3x service, losing four days of intra-Florida service—were off 72 percent in that same period. In light of Amtrak's metrics for returning service, this is a statistically significant reduction.

Amtrak has acknowledged this fact in the construction of its 3x schedule, with railroad management explaining that the decision to run the *Star/Meteor* on successive days "was made to allow for more efficient use of operating crews while assuring availability of crew resources for all journey segments ... While from a marketing standpoint alternating days may have had some utility for some customers, our overall demand patterns by day of week do not differ materially and do not justify the operational risk."

We understand that Amtrak leadership sincerely believes that this is the only choice available to the railroad. But the facts we've just outlined demonstrate that this choice is bad public policy for the country. Amtrak will throw away a little more than half the daily frequencies but will lose two-thirds of the ridership and save only 38 percent of the crew costs, squeezing out at most \$213 million of savings while hurting the taxpayers in 30 states to the tune of as much as \$3 billion.

Rail Passengers instead proposes an alternative: continue to run daily long-distance trains with shorter equipment consists for the duration of the pandemic. This has been the compromise in place since the crisis began in March, and it has served Amtrak well so far. As we've noted above, operating every day with shorter consists the 12 daily intercity passenger trains Amtrak plans to cut back have contributed the largest single share of Amtrak's revenues in every month this year since the pandemic began. Slashing daily frequencies to three times per week would only ensure that the long-distance trains would sink to levels similar to those being seen in Amtrak's other business lines. By contrast, running shorter consists but maintaining daily frequencies would preserve connections and jobs and allow Amtrak's National Network ridership to return to previous levels organically, all while still lowering some operating costs.

CONCLUSION

Amtrak is a taxpayer-supported public service. Its object is not profit, but to serve the Nation. It cannot fulfill its mandate by cutting service for half the country during one of the most severe economic crises our nation has experienced and during a pandemic that has made air travel a perilous gamble for millions of Americans. Our association, our 28,000 members and the millions of American passengers call upon Congress to provide Amtrak with the necessary financial relief to operate a full network in this pandemic, and to include safeguards for all Amtrak-served communities and Amtrak workers facing cutbacks and furloughs.

and your efforts include cross-media efforts such as e-mail, radio, press, and other similar efforts.

APPENDIX B—ANNOUNCED AIRLINE SERVICE CUTS TO CITIES

Cities highlighted in yellow are projected to see cuts to both air service and Amtrak service (long-distance and/or State-supported trains) on October 1st following the expiration of CARES Act service protections.

<p>American Airlines</p> <p>American Airlines will be dropping service to the following 15 cities:</p> <ul style="list-style-type: none"> • Sioux City, IA • New Haven, CT • Springfield, IL • Del Rio, TX • Dubuque, IA • Florence, SC • Greenville, NC • Huntington, WV • Joplin, MO • Kalamazoo-Battle Creek, MI • Lake Charles, LA • New Windsor, NY • Roswell, NM • Stillwater, OK • Williamsport, PA <p>Alaska Airlines</p> <p>Alaska Airlines will be dropping service to the following five cities:</p> <ul style="list-style-type: none"> • Charleston, SC • Columbus, OH 	<p>Frontier Airlines</p> <p>Frontier Airlines will be dropping service to the following five cities:</p> <ul style="list-style-type: none"> • Greenville/Spartanburg, SC • Mobile, AL • Palm Springs, CA • Portland, ME • Tyler, TX <p>JetBlue Airways</p> <p>JetBlue Airways will be dropping service to the following five cities:</p> <ul style="list-style-type: none"> • Albuquerque, NM • Palm Springs, CA • Sacramento, CA • Sarasota/Bradenton, FL • Worcester, MA <p>Silver Airways</p> <p>Silver Airways will be dropping service to the following five cities:</p> <ul style="list-style-type: none"> • Charlotte Amalie, VI • Huntsville, AL • Key West, FL • Tallahassee, FL • Tampa, FL
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<ul style="list-style-type: none"> • El Paso, TX • New Orleans, LA • San Antonio, TX <p>Allegiant Air</p> <p>Allegiant Air will be dropping service to the following six cities:</p> <ul style="list-style-type: none"> • New Orleans, LA • Ogdensburg, NY • Palm Springs, CA • San Antonio, TX • Springfield, IL • Tucson, AZ <p>Cape Air</p> <p>Cape Air will be dropping service to the following city:</p> <ul style="list-style-type: none"> • Portland, ME <p>Delta Air Lines</p> <p>Delta Air Lines will be dropping service to the following 11 cities:</p> <ul style="list-style-type: none"> • Aspen, CO • Bangor, ME • Erie, PA • Flint, MI • Fort Smith, AR • Lincoln, NE • New Bern/Morehead/Beaufort, NC • Peoria, IL 	<p>Spirit Airlines</p> <p>Spirit Airlines will be dropping service to the following five cities:</p> <ul style="list-style-type: none"> • Asheville, NC • Charlotte Amalie, VI • Christiansted, VI • Greensboro/High Point, NC • Plattsburgh, NY <p>Sun Country Airlines</p> <p>Sun Country Airlines will be dropping service to the following five cities:</p> <ul style="list-style-type: none"> • Madison, WI • Philadelphia, PA • Portland, OR • Sacramento, CA • St. Louis, MO <p>United Airlines</p> <p>United Airlines will be dropping service to the following 11 cities, tied for the most of any airline:</p> <ul style="list-style-type: none"> • Allentown/Bethlehem/Easton, PA • Charlotte Amalie, VI • Chattanooga, TN • Fairbanks, AK • Hilton Head, SC • Ithaca/Cortland, NY • Kalamazoo, MI
<ul style="list-style-type: none"> • Santa Barbara, CA • Scranton/Wilkes-Barre, PA • Williston, ND 	<ul style="list-style-type: none"> • Key West, FL • Lansing, MI • Myrtle Beach, SC • Rochester, MN

Source: One Mile At a Time, <https://onemileatatime.com/us-airlines-will-stop-flying-to-dozens-of-cities/>

APPENDIX C—IMAGE FROM AMTRAK TIMETABLE



Mr. LIPINSKI. Thank you, Mr. Mathews.

We will now move on to Member questions. Each Member will be recognized for 5 minutes, and I will begin by recognizing myself for 5 minutes.

Mr. Flynn, Ms. Griffin mentioned this in her testimony, and I was made aware that, at an Amtrak townhall on July 29th that you attended, your team said that the 401(k) match will return for management employees on October 1st, and the pay cut for certain management employees that they took will be restored in early November. Can you confirm that this information is accurate?

And if it is, do you think it is appropriate to restore the 401(k) matches and the pay for management employees when you are furloughing over 2,000 employees and cutting vital train service?

Mr. FLYNN. Thank you for your question, Mr. Chairman. So, yes, it is accurate that during that townhall meeting we discussed restoring the 401(k) match.

At the beginning of the pandemic we took the initiative to reduce expenses, and I referred to that in my remarks. And so we did cut the 401(k) match for all management employees.

The 401(k) program was put in place some years earlier, when we eliminated the defined benefit pension plan, and in exchange for eliminating what was viewed to be a very attractive pension plan with a much lower cost 401(k) match, we cut those expenses at the beginning of the pandemic. We thought that it was an appropriate action to take because, while it would have impact to total compensation for our employees, it wasn't immediate take-home pay.

But we have heard loud and clear from our employees that taking that match away had significant impact to them. And I will point out, of course, there were no cuts to any agreement benefits at that time. So, considering the equities of the situation, it made sense to us to restore the 401(k) match at the beginning of October.

On a voluntary basis, we—well, for me, on a voluntary basis, I elected to take no compensation when I joined the company at the beginning of April 15th, in view of the economic crisis that our company was suffering.

We took substantial cuts across our management ranks. And when I compare those cuts to reductions that other management teams and other transportation industries have taken, I believe

those cuts were larger and deeper, in terms of how far down the management ranks they went.

Mr. LIPINSKI. Mr. Flynn, I do appreciate that. I appreciate taking no compensation. The question is, should this be restored to management while we are furloughing frontline workers?

Mr. FLYNN. My view is we are restoring a basic level of pay, considering all the equities, to ensure that we also retain now a smaller group of management people, as a result of furloughs and VSIP, so that we can properly run the railroad.

Mr. LIPINSKI. Well, I think that that is not going to be looked on well, just for the equity. But let's move on.

If Congress gives you the \$4.8 billion by October 1st, as you indicated, will you commit on the record to rescinding the furloughs and rescinding the cuts to longer distance service?

Mr. FLYNN. I will commit that we will do as directed by Congress. And if that \$4.9 billion instructs us to rescind the furloughs and rescind the service cuts, we will do that.

Mr. LIPINSKI. If Congress does not provide any additional supplemental funding in the COVID relief bill or appropriations package, what other cuts can we expect to workers in service?

Mr. FLYNN. Excuse me, Mr. Chairman, is that providing the \$2 billion and nothing else, or providing nothing?

Mr. LIPINSKI. Let's say if \$2 billion was provided.

Mr. FLYNN. We would be in a very, very difficult position, as a company, Mr. Chairman.

As I mentioned in my testimony, our cash burn is about \$250 million a month right now. And so we would have to make very dramatic reductions across the company in order to stave off bankruptcy, I would argue, in the long term, certainly very, very significant challenges to run this company or operate this company on behalf of our customers and with our employees in the near term. So substantial reductions in all services, and perhaps elimination of some LD services, if that is the cash burn we are having and no supplemental funding.

Mr. LIPINSKI. Well, it would be good to see what those would be, just as we are looking at the providing of funding. As I said, I support providing the funding, but we want to know what additional cuts may be.

And I am running out of time here. So for the purpose of the record, are you willing to work with me to amicably resolve some local issues that I have, including Chicago Union Station contract disputes between Amtrak and Metra, and the request of Lemont, Illinois, for a new Amtrak stop on the *Lincoln Service*?

So I just want to get you on the record. Will you work with me to help to resolve these local issues?

Mr. FLYNN. I certainly will, Mr. Chairman. And, as I mentioned, I did meet with the Metra CEO, and we talked about some very useful measures we can take. And we will continue to work to resolve our differences.

Mr. LIPINSKI. Thank you. I appreciate it.

My time has expired. I will now recognize Mr. Crawford for 5 minutes.

Mr. CRAWFORD. Thank you, Mr. Chairman.

Mr. Flynn, in your written testimony you stated that the leading cause of delays to our long-distance trains is the failure of some of our host railroads to comply with this longstanding legal obligation to provide Amtrak trains with preference over their tracks. Can you clarify that remark? Because the data sets I have examined show that FTI accounts for only a small percentage of overall Amtrak delays, at least on the lines I have examined.

Mr. FLYNN. Thank you. Thank you, Ranking Member Crawford.

I think we stand by our remarks we publish every month and our statistics, which are available online, the number of minutes of delay that we experience on each of our host railroads, and have done that for quite a long period of time. We regularly and routinely find passenger trains are not given preference over freight railroads. And that is what our statistics and our experience reflect.

And that is why, in part, we were encouraged in the INVEST in America Act, that there is language there that would provide us a private right of action to be able to enforce our statutory rights.

Mr. CRAWFORD. I have been closely following the metrics and standards rulemaking out of the FRA. Understanding the need for preserving Amtrak ridership, and providing Amtrak riders with a safe and positive experience, it would make sense to me for Amtrak to revisit current schedules to account for actual runtime. Can you explain how you are working with freight railroads on lengthening some of your schedules, in light of the new FRA metric?

Mr. FLYNN. Well, we are working with the FRA to have the new standards and metric rule finally issued. That hasn't been issued yet.

We are in regular routine correspondence and communications with the FRA about the schedules that we have in place, and how those schedules could be adjusted. We have a team of people here who are simply dedicated to the working relationship with our Class I railroads, and they speak with the Class I railroads regularly, in some cases at least once a week on the different scheduling issues we may have.

Mr. CRAWFORD. Can you commit that Amtrak is willing to lengthen schedules, where it is appropriate?

Mr. FLYNN. I am not sure I can answer that question. I am not sure what "where it is appropriate" means. We have a schedule requirement of 80 percent on-time arrival within 30 minutes. I don't know what your "appropriate" means, from the railroad point of view. We would need to really dig into the details. And we would need a final rule on standards and metrics for me to be able to do that.

Mr. CRAWFORD. OK. All right. Thank you.

I yield back, Mr. Chairman.

Mr. FLYNN. Thank you, sir.

Mr. LIPINSKI. Thank you, Mr. Crawford.

The Chair will now recognize Mr. Sires for 5 minutes.

Mr. SIRES. Thank you, Mr. Chairman. A lot has been made of the use of enhanced cleaning procedures, advanced air filtration systems, limited reservations, a lot of cleaning. What has been the feedback from rail passengers on the process?

Mr. FLYNN. Thank you for that question, Congressman Sires. The feedback has actually been very positive, both in terms of our customer satisfaction surveys, and focus groups that we have with our customers. We have regular focus groups, virtually, with our most frequent passengers.

And I can say also, anecdotally. I ride our trains between New York and DC quite regularly. I get to speak with our onboard service staff and with customers. And we have received very positive feedback on all—

Mr. SIRES. So you will be meeting with the Rail Passengers Association members?

Mr. FLYNN. I am certainly available always to meet with anyone that is representing our customers. And, as I mentioned in my remarks and in my filed testimony, we continue to investigate what more we can do to enhance that environment.

Mr. SIRES. So they are—they certainly are aware of your efforts.

Mr. FLYNN. I believe they are. And we continually communicate all the steps that we are taking, all the different actions that we have not only taken in terms of cleaning, and the cleaning protocols, but we have enhanced our communications with our customers to give them more information about service, about the trains.

For example, if you were to book a train today, you could understand what that level of booking is. And you may find that you want to book another train with just fewer passengers on it. Those are the kinds of enhancements that we provide, and we communicate them.

Mr. SIRES. So the question I have also about the furloughs is, have you have broken it down by State? For example, New Jersey, how many people will lose their jobs if this were to go through?

Mr. FLYNN. So we talk about 1,950 furloughs that we are going to announce. They are going to occur in October, and they are by craft. And they would depend on—it could well be that a person works in New York but resides in New Jersey, so that is further work that we need to do. But we can certainly provide that.

Mr. SIRES. Because I represent the northern part of the State, which is very heavily congested. And a lot of people work at Amtrak. So I am just wondering what the impact is going to be in that area for people being furloughed.

Mr. FLYNN. Yes, I want to get back to you with the accurate information, but I do understand that the number of employees who will be furloughed who identify themselves as New Jersey residents is a relatively small number. And I mean something less than 25.

Mr. SIRES. For New Jersey?

Mr. FLYNN. Yes, sir.

Mr. SIRES. So I assume that these—all right.

Mr. FLYNN. But what we will—

Mr. SIRES. Is that the reason, because of the Northeast Corridor?

Mr. FLYNN. Pardon me, sir?

Mr. SIRES. Is that the reason—the reason, is it because it is the Northeast Corridor, and it is very active in that area?

Mr. FLYNN. Yes, sir. But we will be happy to provide the committee staff with the numbers by State, so all the Members can have that information.

Mr. SIRES. OK, I appreciate that. Thank you very much.

Mr. FLYNN. Thank you.

Mr. SIRES. Thank you, Mr. Chairman.

Mr. LIPINSKI. The Chair will now recognize Mr. Graves for 5 minutes.

Mr. GRAVES OF MISSOURI. Thank you, Mr. Chairman. I appreciate it, and my question is for Mr. Flynn.

I am very optimistic, given your background in the private sector, that you are going to be able to meet that mandate for profitability and be successful.

And I know it is, obviously, not an ideal situation to take over an unprofitable business in the middle of a pandemic. That makes it that much harder.

But can you just give the committee your perspective or your ideas on how you are going to be able to achieve that mandate, and hopefully turn Amtrak around and make it profitable?

Mr. FLYNN. Thank you, Ranking Member Graves. That is a great question.

What we fundamentally believe, of course, is that we are in a pandemic. Earlier in the year we might have thought that the shape of the recovery would look perhaps like a V, or look like a U, but that is not the case.

What we believe, of course, is that the service we provide is essential, that there is real demand for our service. And as we come out of that pandemic, there will be a combination of regaining our prior customers, as well as attracting new customers to our services. And we are engaged in some of that now.

At the end of fiscal year 2019, we had, as a company, dramatically reduced losses on an adjusted operating income basis, and were well on track to have its first positive year in 2020. What that tells me is that our customers value the service that we provided, and the results were such that the amount of earnings we were generating in 2019 and into 2020 meant that the supplemental grants that we would get from Congress, we could use for capital investment and infrastructure that is desperately needed here.

I believe that future is still out there for Amtrak. I think it is a few years away, because we still don't know what the shape of the recovery is. But our vision is growth and expansion. There is a true demand for an intercity passenger rail service in the corridor, from our States, and in our long-distance network, and in particular many metropolitan corridors that exist on that network.

So I was excited to have the opportunity to lead Amtrak when I accepted the position at the beginning of the year. I had a belief there of what the future could be, and I still hold that belief. It is just further out in the future now than I might have thought of in early March.

Mr. GRAVES OF MISSOURI. Thank you, I appreciate it. And again, thanks for your testimony.

And I would yield back, Mr. Chairman.

Mr. FLYNN. Thank you.

Mr. LIPINSKI. Thank you. The Chair will now recognize Mr. Payne for 5 minutes.

Mr. PAYNE. Thank you, Mr. Chairman, for the opportunity to speak this day, and to welcome all the witnesses.

The CARES Act included an important section that provided payroll grants to airlines and their contractors, so that airline employees would be kept on payroll and avoid furloughs. The term of that requirement is set to expire at the end of this month. Do you think that any extension of the CARES Act payroll grant provision should be extended to Amtrak employees, as well?

And that is to all the witnesses.

Mr. Flynn?

Mr. FLYNN. OK, thank you, sir. I wasn't sure if you wanted me to respond first.

So we did receive just over \$1 billion in the CARES Act. We have not furloughed any of our employees at this point in time. The furloughs that we have announced take effect in October.

In our supplemental grant discussions and submissions we have identified the amount of supplemental funding that would be required for us to avoid furloughs and [inaudible] retain the full service.

Mr. PAYNE. OK. Anyone else?

Mr. MARATEA. Yes, Mr. Congressman. We would definitely support extending the CARES Act. In my testimony before, the CARES Act funding protections for [inaudible] and long-distance frequencies [inaudible] of Amtrak. So we would absolutely be supportive.

Mr. MATHEWS. Mr. Payne, I would like to add to that from the point of view of the rail passengers.

Our passengers really do rely on those frontline employees, particularly when you start looking at the number of disabled folks, elderly folks, people who need that extra hand. We really would very much hate to see anything happen to some of those frontline folks.

Our friends at TCU and TWU—and not only on the trains, but even in the call centers. For example, you know, now, if you are looking at the strange connection pattern that we are going to see of three times weekly service, and the drastic [inaudible] of connections in Chicago, planning a trip is going to become an incredibly complicated exercise. And having expert [inaudible] employees on the other side of that phone line to make that connection clear to a passenger is also going to be very important.

So whether you are looking at folks on the trains, or dealing with customers in remote ways, we would be very supportive for those folks to have that aid.

Mr. PAYNE. Thank you.

And Mr. Flynn, I understand that COVID-19 has upended the transportation industry across the country, and cost Amtrak billions in lost revenue. We know that Amtrak plans to furlough 2,000 employees, approximately 10 percent of the workforce, at the end of September. Now, I am sure these furloughs are your attempt to mitigate these revenue losses. We are here because Amtrak has requested \$4.9 billion in additional funding from Congress to deal with the revenue shortfall.

Amtrak is a public entity, and the profits should not be the priority. Passenger safety and service quality must be priorities. What would happen if Congress fails to provide the funding you are requesting?

Mr. FLYNN. Thank you, Congressman Payne.

Well, first, I fully agree with you that safety is our number-one priority, and safety informs everything that we do, regardless of the level of funding. The level of funding affects the level of operations, but never the level of safety.

If we are not able to achieve supplemental funding, as I replied to Congressman Lipinski and his question, we would have to make substantial other service reductions across the company, and that also means we would have to adjust the workforce [inaudible] that we have.

In addition, we also have to reduce our level of capital expenses [inaudible] capital expenditure, of course, whether that [inaudible] structure, and some of the other longer term capital projects, such as our bridges and tunnels [inaudible] and our capital program [inaudible] Amtrak [inaudible] reduction in service, a reduction in employment, a reduction in [inaudible] very difficult choices that we have to make.

Mr. PAYNE. OK, well, thank you. And my time is up.

And I would yield back, Mr. Chairman.

Mr. LIPINSKI. Thank you, Mr. Payne.

I just want to remind everyone to make sure you mute when you are not speaking. And hopefully Mr. Flynn also—the connection seemed to be going bad. Hopefully it will get back to the way it was.

The Chair will now recognize Mr. Perry for 5 minutes.

Mr. PERRY. Thank you, Mr. Chairman. And I will address my questions to Mr. Flynn, as well.

And in your written testimony it states that Amtrak was on track to generate passenger revenues exceeding operating expenses in fiscal year 2020 for the first time ever, prior to the COVID-19 outbreak. In other words, Amtrak was going to turn a profit before COVID-19 devastated ridership. And if true, that would be welcome news to the taxpayers.

And I don't think I need to remind you that the American taxpayers provided Amtrak with over \$100 billion in subsidies over the nearly 50-year history. And I heard you talk to the ranking member about the same claim, if I can use that term.

I am just wondering, can you explain, then, why Amtrak counts State-funded operation subsidizes as passenger revenue, but does not count Federal subsidies in the same manner? Because it seems to me that—I am not familiar with this accounting standard whereby you leave certain things out and put certain things in. So if you can explain that one, and also explain why Amtrak does not include depreciation costs in total expenses for its unaudited monthly performance report, but includes these costs in total expenses for Amtrak's audited financial reports.

These practices appear to be done in order, in my opinion, to hide the amount of losses Amtrak runs every year. But I certainly want to give you the benefit of the doubt. And how do these accounting practices improve the ability of Amtrak, Congress, or the American people, for that matter, to evaluate Amtrak's financial viability?

Mr. FLYNN. Thank you, Congressman Perry. Can you hear me OK?

Mr. PERRY. I do have you loud and clear at the moment.

Mr. FLYNN. OK, good. Well, thank you very much.

So your question really gets to the financial reporting of the company, and are we reporting on a GAAP basis, or are we reporting on adjusted operating income basis.

The numbers that I referred to in my answer to several of the other Members so far were indeed talking in terms of adjusted operating income, which, in the private sector, it would often be called EBITDA. And you also mentioned that this does not include depreciation, and that is exactly right. So, the largest difference between adjusted operating income and GAAP is the exclusion, or—of EBITDA, for discussion purposes.

Many companies across varied industries often talk in terms of EBITDA or some form of adjusted operating income to provide investors—if we are talking about a publicly traded company—with as accurate a view of the core operating results of the company.

But GAAP, of course, is the bottom line, and we report on that. The biggest number is depreciation, which largely addresses the catchup in investing that the company is doing in fleet and other infrastructure. That hasn't been done for many, many years. But we report both, and both are available on the Amtrak website.

Mr. PERRY. Well, I am just going to—because I want to move on to a couple of other questions. I remain unconvinced about the difference between State and Federal subsidies and how they are reported. I don't see the difference. And I don't think many of my bosses, my constituents, do, either.

Amtrak's latest supplemental funding request includes \$4.9 billion in anticipated expenses for fiscal year 2021 to operate and invest in the network. According to Amtrak's own figures, though, total expenses for fiscal year 2019 were \$4.198 billion. Can you explain why? Why is this such a vast difference? I mean, that is a lot of money. What is the difference there, \$4.198 billion to \$4.9 billion?

Mr. FLYNN. All right. So I want to just come back to your State question for just a second, please.

The State revenues are reported in other revenue, and it is what the State pays us to actually perform service. So we operate quite a few State-supported trains. And, for example, in Pennsylvania, the Harrisburg to Philadelphia line, the *Keystone Service*, is a State-supported train. They sell the capacity, the tickets. They put a price on those tickets and pay us the operating cost of running the train, maintaining track infrastructure.

And based on Ernst and Young, who is our outside auditor, Ernst and Young provided us the accounting guidance that said that is where you should properly account for the revenues, or the moneys you receive from the State, because we are providing a physical service. We would be happy to meet with your office or provide more detail—

Mr. PERRY. OK.

Mr. FLYNN [continuing]. Out of time.

But without being difficult, could you please repeat the question? I was thinking—

Mr. PERRY. Yes, I—

Mr. FLYNN [continuing]. Of the answer of your prior question when you were asking that question, so I apologize.

Mr. PERRY. I am out of time, but I would like to know the difference between the \$4.9 billion request and the \$4.198 billion expense for 2019. Why is there such a delta there? That is a lot of money, and I am trying to figure out what the difference is there.

Mr. FLYNN. Well, I think the expense there is a total expense on a GAAP basis. And so there are hundreds of millions of dollars of depreciation in that number.

The \$4.9 billion request as we go forward on fiscal year 2021, first of all, addresses the revenue shortfalls that we are experiencing as a result of the drop in ridership. It includes moneys, if Congress so directs, that we do not furlough employees. And so it would be covered in that. It includes operating expenses for the long-distance network, if we are directed to operate a 7-day service. It also includes moneys for the States and commuter railroads, based on what they have told us they need and what revenues, frankly, they do not have, but still want us to continue to operate a higher level of service.

We would be very happy to meet with your office or your staff and provide greater detail, since we are out of time on that question, sir.

Mr. PERRY. Thank you, sir.

Thank you, Mr. Chairman. I yield the balance.

Mr. LIPINSKI. Thank you. The Chair will now recognize Mrs. Fletcher for 5 minutes.

Mrs. FLETCHER. Thank you so much, Mr. Chairman, and thank you to all of our witnesses for being here today. This is an important hearing, and I am glad to have the witnesses here to testify about the COVID-19 pandemic's impacts that are evident across so many sectors.

From the energy industry here in my district, to transportation systems across the country, sectors are under strain from the disruption and the danger that the pandemic presents. And Amtrak, as we have discussed and heard about, already has plans to furlough 700 onboard service workers beginning in October, because of the uncertainty in funding they face. And that is something that, unfortunately, we are seeing across the country, and is of particular concern here, I know, for this committee.

So, while Congress did provide in the CARES Act, I am concerned that the billion dollars that was provided has fallen short when Amtrak's overall revenue was down 82 percent in July, compared to 2019, and where the ridership of these long-distance routes is 61 percent, as we have discussed a little bit already this morning.

So this—it was an important lifeline, but we still don't know—and I think Amtrak still has yet to provide a detailed accounting of—how it spent those funds from the CARES Act. So I am concerned, but also would like to know how and when we will know how the CARES Act funding has been spent.

So, Mr. Flynn, could you first address when a detailed accounting of CARES Act funding can be completed and made available to Congress and to the public?

Mr. FLYNN. Well, thank you. Thank you, Mrs. Fletcher. We are closely tracking every dollar that we spend under the CARES Act, and the Amtrak OIG recently issued a—I won't say a full report,

but an interim update on Amtrak's expenditure and recording of the tracking of those expenditures just several weeks ago.

In addition, we provided the FRA and the committee staff with a detailed accounting of how we have expended so far the CARES moneys that we have been provided, and would be happy to provide that to your office so you could have those details, because we are reporting that now on an ongoing basis, ma'am.

Mrs. FLETCHER. OK, thank you. Yes, that would be useful, I think, for all of us to have that, and to address this question of the funding.

Also in your testimony, Mr. Flynn, you mentioned the metrics Amtrak claims to use to decide when to bring back daily long-distance service on each route. And the three factors are public health, measured by COVID-19 hospitalization rates; future demand, measured by whether customers are booking trips near the same rate as 2019; and then the current performance, or how close ridership is to operating planned projections.

I believe that cutting long-distance service to the 3 days per week may unavoidably slash demand because the service becomes less convenient for passengers. And certainly we heard some concerns from our colleagues in the Northeast Corridor. We know in other parts of the country, where there is less frequent service, that there is an impact on demand.

So given that predicament, how will Amtrak guarantee the long-term prospects of the daily long-distance routes?

Mr. FLYNN. Thank you. Our view is we will continually evaluate our long-distance services with a view to restoring our long-distance services. That is our commitment. And you talked about the three areas we want to take a look at.

So first of all, we want to look at just the state of the pandemic. Has it subsided, or are we in a situation where we have a phase 2, or a second wave of the pandemic? And that is just practical and common sense.

The other thing in that public health that we are going to be looking at is whether there is, indeed, an effective vaccine or vaccines that have been developed and are also effectively being distributed and made available to the public, because we believe that is absolutely the inflection point as to when the public is going to feel safer about traveling again.

In terms of level of ridership, it is comparing the level of ridership against a low level of capacity that already exists. So we are not going to compare the level of ridership or future demand in 2021 against 2019, because they are simply not comparable. The level of utilization or load factor that we will be looking at would be load factor against very, you know, already reduced capacity or frequency. So it would account for perhaps a lower level of ridership as a result of a lower level of frequency.

And then the third area, Congresswoman, that we are going to look at is just our state of the company, and what level of funding have we received.

So I think they are three pretty commonsense metrics to look at. It is something we are going to look at on a continual basis.

And our goal here is to grow our company, not shrink our company. And so, as we come through the pandemic, and we see de-

mand improve, we clearly want to be growing the company. And that would include, certainly, our long-distance network.

And one other point I will make. We are certainly going to need the help and the cooperation of our host railroads in order to not only restore service, but grow service. Thank you.

Mrs. FLETCHER. Thank you so much. I have used up all my time, so I want to thank you for your answers, and thank all of our witnesses for being here.

And I will yield back. Thank you.

Mr. LIPINSKI. The Chair will now recognize Mr. Rodney Davis. Rodney, we hope that you are doing well.

Mr. DAVIS. Thank you, Mr. Chairman. I appreciate that. And great to be with you. Sorry I couldn't get on the call earlier. I had something else already previously scheduled.

Mr. Flynn, welcome. Great to see you again. I look forward to continuing to work with you in this new capacity of yours.

I don't know if you are aware of this or not, but one of my constituents, one of my local mayors, has been nominated to serve on your board of directors, Mayor Chris Koos of Normal, Illinois. I certainly hope the Senate can confirm him and the rest of the slate so they can get to work. He knows the issues with Amtrak in central Illinois inside and out. I am very proud to have him serving with you, and I look forward to you and he working together.

I know that this is a tough time, as my colleagues have mentioned, as you mentioned in your testimony, Mr. Flynn, financially for Amtrak, passengership, ridership. Obviously, those numbers have gone down. But now I think it is the time to address some of the institutional issues that exist with on-time service for Amtrak, while the passengership and the ridership is not at levels where it is impacting them.

We have an issue with the *Saluki* and the *Illini* in central Illinois with on-time service. And there has always been a conflict between the local railroad, who owns those tracks, and Amtrak service. And it seems like a constant game of back and forth.

Now, I would like to get your commitment to work with the railroad, especially on those two lines, to try to address the short shunt issue that has been driving some of these on-time service issues when the passengership is higher. And what are you guys doing now, with ridership down, to address some of those concerns, Mr. Flynn?

Mr. FLYNN. Thank you, Congressman Davis. It is good to see you again.

Well, you raise an excellent point. So, with lower levels of train operations, indeed, our level of on-time performance, frankly, has improved. And some of those lower levels of operations are, indeed, Class I host railroads, which suggests to me that real improvement is available and achievable, and why we were excited to see it in the legislation, the right of private action.

We are, specifically in Illinois, in discussion with the Canadian National Railway on levels of service and on operations, certainly for the *Illini* and the *Saluki*, but also for other operations that we have in and out of Chicago. And our belief is, while the COVID-19 certainly has created challenges for the long-distance services—frankly, all of our other services—the number-one issue we have in

long-distance service is cooperation with the Class I railroads to deliver a much higher level of on-time performance.

I personally have spoken with the CEO of Canadian National Railway, but our teams are working with them on a regular basis. I believe it is solvable, but it has to be solved, and it hasn't been.

Mr. DAVIS. Well, I appreciate that. And I agree with you, Mr. Flynn. I hosted a community roundtable with representatives of Amtrak and of the CN in Champaign, Illinois, and Urbana, Illinois, a few months before COVID hit. And I was assured by the CN and also by Amtrak that we were this close to the technological advancement that would make sure we were ready to address the on-time performance of those two lines in particular, which have abysmal on-time performance measures.

Now, I certainly hope, as we move forward, that you could reiterate to the CN—and I will do the same—that we certainly hope that this technology could be tested now, just to see if it addresses some of the short shunt issues on those two lines. Because if we are not testing it now, and if there is not the cooperation now, I am afraid we are going to go back to the same old, same old once we get there.

So if I can be helpful in urging the CN to work with you on testing this technology, please let me know. Or if you have any other ideas, I would like to give you the rest of my time to make those ideas known.

Mr. FLYNN. Thank you, sir. So we certainly understand the testing that needs to be accomplished with the short shunting situation that you describe. However, the folks and the technology that is going to test that are from the U.K.

Indeed, I am not going to blame everything on COVID, but this is one situation where I do believe that COVID-19 has had an impact to get this testing done. It is certainly something that we want to do, and our job certainly is to improve the level of service everywhere, and certainly on these routes.

Mr. DAVIS. Well, great. I just got off another call with Members of Parliament from the U.K., so maybe we can get the technology installed and provide the technical assistance via Webex or Zoom. I am sure Chairman Lipinski can help us do that.

Anyway, I yield back my time. Dan, I took it all.

Mr. FLYNN. Thank you, sir.

Mr. DAVIS. Thanks.

Mr. LIPINSKI. Thank you. We will now move on to Mr. Malinowski.

You are now recognized for 5 minutes.

Mr. MALINOWSKI. Thank you, Mr. Chairman, and thank you, Mr. Flynn.

I can only begin to imagine what it is like to take this leadership position at Amtrak at a moment of such crisis, when ridership is down 95 percent. And I want to tell you how much we appreciate how much responsibility you are bearing on your shoulders right now, and your willingness to serve in this job, and to take our tough questions. We are all trying to pull together and keep this extraordinary railroad strong to help it survive this crisis.

I do want to come back—speaking of tough questions—though, to the topic that Chairman Lipinski raised with you about the 401(k)

contributions and the furloughs. I listened to your answer. I completely understand where you are coming from, and I completely understand why an Amtrak employee would want to see those contributions resume.

But I am, I think, somewhat more concerned about those employees who may no longer be employees, if they are furloughed or lose their jobs. I have constituents in that category. I just heard from one this morning, in fact.

And I wonder, for example, if you believe that you have to move in this direction, why restore the full 7 percent? Why not 2 or 3 percent?

Why did Amtrak decide to move forward the date of restoration from January to October? Because originally, you told the employees it would be January, and now you are telling them October.

Is this all or nothing here, given the fact that so many people may lose their jobs?

Mr. FLYNN. Thank you for the question, Congressman Malinowski. It was a decision—the restoration decision was really a—I would call it balancing the equities that were involved. The vast majority of our employees that we are talking about are front-line managers and supervisors who often are making less than the agreement employees that they supervise, and their benefits are not as rich as the benefits can be for our organized employees.

We were hearing loud and clear from our employee base just how concerned they were about the lack of the match. I had explained earlier, I think to Chairman Lipinski, that the 7-percent contribution is substantially less than what the contribution would be under a defined benefit plan that prior existed here.

So it was a management judgment call, sir. And I thought, along with the senior leadership team here, that it seemed to be the right thing to do at the time, in part considering retention of employees. It is tough to furlough anyone. It is tough to lay anyone off. I come from a railroad family myself. I was 6, 7 years old, 2 years in a row my father was furloughed. He was a locomotive engineer on the New Haven Railroad. And I don't remember all the details, but I remember the anxiety our family felt when that happened, and—as a little 6- or 7-year-old—I don't remember a lot, but I do remember that period of time. And so it was a very difficult decision, personally.

Mr. MALINOWSKI. I am sorry, we don't have that much time, but could you convey to us, whether you know it now or after the hearing, how much this is going to cost, so that we can help evaluate this balance? Because you have to balance laying people off and paying people these benefits, which they richly deserve, I agree with you. But either way, there is a cost, and it would help us understand the balancing decision better if we knew exactly how much this is going to cost.

Mr. FLYNN. Yes, off the top of my head, I don't have the number. But I would be very happy—

Mr. MALINOWSKI. What about bonuses? Because I also understand Amtrak does have bonus programs for its management employees, bonuses that are tied to performance. Have those—

Mr. FLYNN. Our bonuses are wiped out—

Mr. MALINOWSKI. OK.

Mr. FLYNN [continuing]. Bonuses this year. And our long-term incentive bonuses, or the long-term incentive plan, is wiped out for the next 3 years.

Mr. MALINOWSKI. OK. Very quickly, on a happier note, the Portal Bridge, the first stage of the——

Mr. FLYNN. Yes.

Mr. MALINOWSKI [continuing]. Gateway project, we got the first grant announcement from the FTA. Can you give us an update on moving towards the construction phase of that incredibly important project?

Mr. FLYNN. Yes, it is incredibly important, as you say, and so we are working very closely with New Jersey Transit to ensure that the FTA, the Federal Transit Administration, has everything they need so that they can enter into the full funding grant agreement that is required.

And we are also very pleased to see the DOT commit more than \$765 million to the project. And we are hoping for the possible start of construction in early 2021, but certainly a very important project for us and for all of our customers.

Mr. MALINOWSKI. Thank you so much.

Mr. FLYNN. Thank you.

Mr. LIPINSKI. Thank you, Mr. Malinowski. The Chair will now recognize Mr. Babin for 5 minutes.

Dr. BABIN. Thank you, Mr. Chairman. I really appreciate it. I wanted to ask some questions of Mr. Flynn, as well.

I appreciate all of our witnesses being here, but Mr. Flynn, according to the Cato Institute, Amtrak currently receives a Federal subsidy of roughly 30 cents per passenger mile. And compare that to the aviation industry, which receives a subsidy of roughly 1 cent per mile. Do you believe this is an appropriate balance, here, subsidy per passenger mile, for Amtrak?

Mr. FLYNN. Thank you, sir. I am not specifically aware of the numbers, but certainly I can address the question.

Due to being an essential service, we are receiving the subsidies, as you point out. We are generating an operating income adjusted basis. In fiscal year 2019 and before, and well into 2020, we were generating a surplus on our Northeast Corridor, essentially a break-even level of operation in our State-supported network—perhaps a few pennies here and there. But the operational subsidy fundamentally underpins our long-distance services.

And so the vast majority, if not all of that subsidy, if we were to do it on a service line basis, would be in the long-distance service.

Dr. BABIN. OK. Well, it just seems to be quite a discrepancy between, you know, 30 times greater than what we are seeing for the aviation industry.

My second question would be when Amtrak received over \$1 billion as part of the CARES Act here in Congress, we were expecting that this was going to help avoid layoffs and furloughs. However, Amtrak then announced that it would potentially be cutting roughly 3,700 jobs by October the 1st, 2020, while increasing its fiscal year 2021 funding request by almost \$1.5 billion. How do you reconcile cutting those jobs, while asking a dramatic increase in the amount of \$1.5 billion?

Mr. FLYNN. Thank you, sir. The slightly above \$1 billion that we were fortunate to receive in the CARES Act really addressed our level of operations in fiscal year 2020. In early March, when we were first trying to gauge the impact of what the level of ridership would be post—or in the pandemic, we anticipated about a 50-percent level of ridership in fiscal year 2021, as compared to fiscal year 2019, which—I will call it our last full normal year.

That simply hasn't happened. Our level of ridership is going to be about 34 percent of fiscal year 2019. The supplemental request that we made in May, as you point out, was just about \$1.5 billion. It presupposed that we would have some level of furloughs, as well as a reduction in the long-distance service, and about \$500 million of cost reductions that, as a management team, we would achieve, in part through furloughs, and in part through other operating expenses being reduced.

Dr. BABIN. OK, and then I have got about 1 minute left or so.

What is your plan for Amtrak to increase ridership, restore services, and work towards making a profit in the next few years?

I know that is a big question, but if you can answer, hit some of the high points about your plans.

Mr. FLYNN. Thank you, sir. Well, our plan is, indeed, ultimately to grow our company. We are going to have a very challenging 2021. I don't know about 2022 at this point, but it will be difficult, I imagine. We won't see ridership levels start to return until we have a vaccine that is widely distributed and the public assumes that conditions have changed.

We can restore services on our long-distance network. We can restore services in the NEC. We can increase the level of State-supported routes. And frankly, many of the States were looking for increased levels of service before COVID pandemic. I believe that there is a great demand, latent demand and real demand, for our services after COVID. And I think that we can grow on new corridors, as well as regain customers that we have and, importantly, attract new customers to our business. That is a very high-level, very quick answer, but there is a lot of thought and detail behind that, sir.

Dr. BABIN. OK, thank you. My time has expired, so I appreciate that very much. We wish you the very best.

Mr. FLYNN. Thank you, sir.

Dr. BABIN. And Mr. Chairman, I will yield back. Thank you.

Mr. LIPINSKI. Thank you. The Chair will now recognize Mrs. Napolitano for 5 minutes.

Mrs. NAPOLITANO. Thank you, Mr. Chair.

Ms. Griffin and Mr. Maratea, are you concerned that COVID will be used as an excuse to furlough employees permanently, even when ridership levels return?

Ms. GRIFFIN. Thank you for the question, and yes, I am.

Mrs. NAPOLITANO. Mr. Maratea?

Mr. MARATEA. Yes, Congresswoman. Yes, I do believe that they would use COVID-19 as an excuse to furlough people. Quite frankly, in the written brief that we just saw, they are looking for work pool concessions that were a shock to us. We never heard of anything during our months of talking with Amtrak.

Mrs. NAPOLITANO. Then—

Mr. MARATEA. [Inaudible] as an excuse.

Mrs. NAPOLITANO. Mr. Flynn, do you share your budget report with labor?

Mr. FLYNN. Can you hear me, Congresswoman?

Mrs. NAPOLITANO. Yes.

Mr. FLYNN. Yes, we do. We keep labor informed of, really, everything that we are doing—

Mrs. NAPOLITANO. No, your budget reports, your budget reports. Actually, your expenses, what you are spending on—CARES Act for COVID.

Mr. FLYNN. Oh, so yes. All of our financial reports are publicly available on our website.

Mrs. NAPOLITANO. No, no, I mean directly to them, not the public.

Mr. FLYNN. Well, I am not specifically aware that we formally send them a report every month, but we have indeed shared our results with labor, and we speak with them, many labor leaders, on a regular basis.

Mrs. NAPOLITANO. All right. Ms. Griffin and Mr. Maratea, do you have any comment?

Ms. Griffin, Mr. Maratea?

Mr. MARATEA. Ms. Congresswoman, we have never received any financial updates. They might be on the website, but we never received them.

Mrs. NAPOLITANO. Ms. Griffin?

Ms. GRIFFIN. I have never received any.

Mrs. NAPOLITANO. It would behoove the agency to share with them, so they know where the money is spent. If you are doing the 401(k) only to certain people, what justifies your being able to do that?

Then the next question I have—I am from California, and three of the five busiest State-supported routes are in California. Has the ridership on these routes not on the Northeast Corridor diminished to the same proportion as ridership on the Northeast Corridor?

What is being done to assist State-supported routes and our workers on these routes being furloughed differently than workers on other areas of Amtrak operations?

Mr. FLYNN. So State-supported routes in California, the three JPAs, are very important operations for Amtrak and important for the State—

Mrs. NAPOLITANO. I know that.

Mr. FLYNN [continuing]. Congresswoman. We are operating a level of train service based on what the three JPAs instruct us to operate. So they make the decision of how many trains we should operate during COVID and post-COVID. So we respond to them. They make the, I would say, the business decision on how many trains to operate.

And our State partners are certainly working with us, but also insisting that we keep our costs low. And in part, that gets to what level of employment base will we have to support the services. It is something that we hear about from the three JPAs regularly as part of our ongoing discussion with them as we are planning for 2021 levels of service, ma'am.

Mrs. NAPOLITANO. All right. Well, I would suggest that you communicate with all your employees, your labor organizations, and have some transparency so they can see why you have to do what you do.

And I support Amtrak. No doubt they do a great job, and I support the employees. But I would wish that the organization, with you being new onboard, that you might consider connecting with them to allow them to see why you are doing the things you are doing, and not have to come up before us, and explain it to Congress.

I think that the waiver of Buy American, we want to keep things in America. We want to do more manufacturing in America. So I suppose that there might be some need for it, but let's look at how important that is to your organization.

And, Mr. Chair, I yield back.

Mr. LIPINSKI. The Chair will now recognize Mr. Smucker for 5 minutes.

Mr. SMUCKER. Thank you, Mr. Chair, I appreciate you holding this hearing. I would like to address some comments to Mr. Flynn, as well. I have some questions, as well.

But first, I recognize that I know you have taken leadership of this organization during a particularly challenging time. The coronavirus has certainly taken a tremendous toll on families, businesses, and workers all across my district and across the country. And I know that——

Mr. LIPINSKI. Mr. Smucker?

Mr. SMUCKER. Yes?

Mr. LIPINSKI. Mr. Smucker, if you will hold for a second there, can you turn your camera on? It doesn't appear to be on.

Mr. SMUCKER. Sorry. I must have hit that when I muted myself. Sorry about that.

Mr. LIPINSKI. All right.

Mr. SMUCKER. That wasn't on.

So, as I was saying, as individuals have shifted their work habits and travel, I know that there has been a tremendous toll on Amtrak. And so it has got to be a tough time to take on the leadership of an organization like this, and I want to congratulate you, and understand that it's a difficult time.

Rail is important to our transportation infrastructure, and I support rail passenger service, as well. It is important in my community, particularly Amtrak. The *Keystone* line runs right through the district that I represent. Lancaster Station is one of the busiest stations in Pennsylvania, right behind 30th Street Station, and so it is important.

You have talked a little bit about the virus impact on Amtrak, but I specifically want to sort of understand what has happened on the *Keystone* line, and then have some specific questions.

You said ridership was down 97 percent, I believe, overall. What have you seen on the *Keystone* line?

Mr. FLYNN. So 97 percent was the immediate impact, Mr. Congressman, in March, April, and May. Our ridership has recovered about 20 percent. So we are down 80 percent. On a——

Mr. SMUCKER. And did that track similarly on the *Keystone* line?

Mr. FLYNN. The *Keystone* line was actually the first of the State-supported lines to shut down. Early in the pandemic, at the direction of SEPTA, the *Keystone* line was shut down for a period of time, and I think, in part, because of the COVID outbreak, or incidents of COVID within several of the SEPTA operations itself.

We are happy that the *Keystone* line has been reinstated, and we are operating the *Keystone* line for SEPTA today, as we speak. I don't, off the top of my head, know the specific level of ridership, but that is certainly something we can get back to you with.

Mr. SMUCKER. How is the——

[Microphone unmuted.]

Mr. SMUCKER. I am sorry?

Mr. FLYNN. It would be similar, although several of the commuter services or State-supported lines that operate more like a commuter service have had a bit higher level of ridership as people are returning to work, more than people are taking leisure travel. I just don't have the number, off the top of my head.

Mr. SMUCKER. Yes. Do you know how the revenue compares year to date, compared to last year at this time?

Mr. FLYNN. I don't have that, off the top of my head, Congressman Smucker. I will have to get back——

Mr. SMUCKER. If you can get that information, that would be great for me to know that.

You mentioned it is a State-supported line. How does Amtrak's capital investment in the *Keystone* line compare to the investment from the Commonwealth?

Mr. FLYNN. Another area I would have to get back to you on.

Mr. SMUCKER. Sure.

Mr. FLYNN. I don't recall that number, off the top——

Mr. SMUCKER. I would be glad to get that from you later.

Do you know what percentage of the Amtrak stations along the *Keystone* line are ADA compliant?

Mr. FLYNN. I do not. I do know that we are making substantial investments in ADA compliance, and certainly the *Keystone* line is part of that. We have a requirement——

Mr. SMUCKER. And I am sorry, I am almost running out of time. Do you know what percentage of those upgrade projects were paid for by Amtrak, as compared to by the State, by the Commonwealth?

Mr. FLYNN. Most of it is paid by Pennsylvania, sir, in my understanding.

Mr. SMUCKER. Do all of the Amtrak revenues outside of ticket sales, including fees generated from other rail line utilizers and additional revenue, get reinvested back into the *Keystone* line?

Mr. FLYNN. *Keystone* revenues into *Keystone* line? The *Keystone* line is part of the entire Northeast Corridor, and so there is a very comprehensive set of rules and legislation under 212——

Mr. SMUCKER. I am going to stop you, I am sorry. I am at the end of my time here. You might be able to guess what I am getting at.

During the committee's markup earlier this year, I offered an amendment that would transfer the *Keystone* line to the Commonwealth of Pennsylvania. Next week, when the House returns to session, I plan to offer that amendment as a bill. I just would like to

ask you, don't you think that, at this time, that Amtrak is losing money on the *Keystone* line, particularly with the challenges now? Don't you think that transferring the line to the Commonwealth would put Amtrak in better financial standing?

Mr. FLYNN. I don't, sir. I think making a short-term decision over the long-term level of operations, I don't think it would be a good decision.

Mr. SMUCKER. As I said, I know rail service is important. And I think at this time, with these challenges, I think it is important we consider outside-of-the-box innovations to better serve the American people.

But I thank you for your answers, and I look forward to some of those answers coming forward. Thank you.

Mr. FLYNN. Thank you, sir.

Mr. LIPINSKI. The Chair will now recognize Mr. Cohen for 5 minutes.

[Pause.]

Mr. LIPINSKI. Do we have Mr. Cohen?

[Pause.]

Mr. LIPINSKI. OK, the Chair will now recognize, then, Mr. García.

Mr. GARCÍA OF ILLINOIS. Thank you, Mr. Chairman Lipinski and Ranking Member Crawford, for convening this timely hearing.

Like my colleagues, I am deeply concerned about the changes that we are hearing about at Amtrak. Concerned, but not surprised, given the magnitude of this pandemic. I do not envy the tough decisions that you are having to make at this time. But no one could have predicted the financial onslaught the transportation sector would suffer when the pandemic first struck.

Since March we have quickly seen ridership drop precipitously, and the financial disaster that COVID has been for so many sectors. It has been especially clear in Chicago, where almost 1,300 Amtrak workers live and work every day.

The vast majority of frontline workers at Amtrak—train operators, engineers, and the like—are union members. They make decent, livable wages, thanks to their good-paying union jobs. For Amtrak employees getting the pink slip, the decision is crippling. Frankly, my constituents are feeling the pain. Not only have they kept our economy moving, but they have done so at the risk of their own health and that of their families, as well. Still, we are letting them down, and you are letting them go.

In our preliminary conversations with representatives from Amtrak in Chicago, I was informed that nearly 200 employees in the Chicagoland area will be either furloughed or severed entirely. Mr. Flynn, can you confirm the number of furloughed versus fired employees we can expect from this proposed action at Amtrak, both nationally and in Chicago or Illinois?

Mr. FLYNN. So thank you very much for your question, Congressman García. Furloughed would apply to any union-represented employee. So they are not severed from the company. They have rights of return to service on a seniority basis, and those seniority recall rights, or the recall rights, are indefinite. The only time a union employee would be severed would be if the union employee

did not accept a return to service when so advised. And so they retain those rights.

A management employee, however, does not have a right of recall. And so management employees are severed when furloughed. I think we are severing about 100 people. Again, a very difficult decision to do. Management employees—100 total—management employees have the right to reapply, or apply to be rehired, one year or more after their severance.

I don't have, off the top of my head, specific Chicago numbers, but would be happy to provide that.

Mr. GARCÍA OF ILLINOIS. If you would. And then, will these families receive any severance or extended benefits? What about healthcare?

Mr. FLYNN. Well, that is a very important question. Thank you, sir.

So we have gone beyond our contract requirements with our union-represented employees, and they will have full healthcare coverage at no cost to the employee or his or her family through September 30th of 2021. For a management employee, we have reduced COBRA for them for a period of months after they are severed from the company.

Mr. GARCÍA OF ILLINOIS. And can you briefly—changing gears—shed light on the type of service changes we can expect in Chicago?

I understand several interstate routes like trips to Detroit and through Wisconsin will be heavily impacted. And brief me, please.

Mr. FLYNN. Our long-distance routes that come through Chicago will go to a 3-day-a-week service, those that are not already there will go to a 3-day-a-week service from a 7-day, although a couple are already at 3-day-a-week.

And then the State-supported routes will be dependent on what the States tell us they want us to operate. We don't control that.

Mr. GARCÍA OF ILLINOIS. I wanted to ask you more indepth about the thousands of people in Indiana, Wisconsin, and the collar counties of Chicago that rely on State-supported Amtrak trains to get to work or family. But I will skip that, because my time is running out.

If the THUD Act were enacted instead of languishing in the Senate under Mitch McConnell's desk, how would that additional funding be utilized beyond the \$4.9 billion you have requested?

Mr. FLYNN. So if we were to get the \$10 billion of funding that THUD has spoken to, about \$4.9 billion would be used for the—as we have already described, in the incremental supplemental expense. And then the other \$5 billion would be used both across our company, some in the Northeast Corridor, but the majority, or greater than half, in our national network. And we would use it to invest in fleet, our bridges and tunnels, as well as in workforce training and working with our labor unions to develop internships and job training opportunities.

Mr. GARCÍA OF ILLINOIS. Great. Thank you, sir.

Mr. Chairman, I yield back. Thank you for your indulgence.

Mr. LIPINSKI. Thank you, Mr. García. The Chair will now recognize Mr. Fitzpatrick for 5 minutes.

Mr. FITZPATRICK. Thank you, Mr. Chairman, for yielding, for holding the hearing today. Thanks to all the panel for being here with us today. My question is for President Maratea.

I was wondering if you could walk us through and explain to the committee what TCU has done to assist Amtrak with reducing its overall costs of doing business.

Mr. MARATEA. Thank you, Mr. Chairman, for the question. First, Mr. Chairman, I want to thank you for your ongoing support for the Amtrak workforce, and for leading a bipartisan letter, along with Congressman Moulton, supporting emergency relief funding for Amtrak, and protections for our workers. You have also shown time and again that you support and care about Amtrak workers, even standing with us at our rally in freezing cold February in Philadelphia.

To answer your question, what have TCU members been doing? Most recently our onboard workers have received a 10-percent pay cut. By putting them on the actual list, their guaranteed money has been reduced. And that is continuing. Many employees took voluntary leave without pay to help Amtrak. They lost a week's pay per month. And we have also said to Amtrak, "What could we do to work together to try to make other side agreements," which, unfortunately, we have not had any movement on.

To go back a little further, I negotiated the last round of the contract bargaining. I was the lead spokesman for our coalition. Meeting with Amtrak, they wanted major needs from us. One was relief on their healthcare. Not short-term—long-term relief on their healthcare plan.

We buckled down, rolled up our sleeves, and we attacked it. By making a whole new healthcare plan for the first 5 years of an employee's employment before they can go into the higher level plan, which, according to our numbers, generated \$4 million over those 5 years of savings. Rolling it out for the future, 10 years, would generate \$17 million, and over 25 years, \$72 million, which Amtrak needed for stability in their healthcare.

We also increased our membership cost share that, during term, would have generated \$20 million in money back to Amtrak for our employees. Plus, on wages, they needed relief early on, and we gave them that relief by adding a 6-month zero in the front of the contract, and basically taking a 1.25 for 18 months of the first 2 years of that contract. Industry standard, everybody was getting a 2.5. Again, we took 1.25 and backloaded that deal to help Amtrak, both for the future, and future employment for our members.

We have a long history of bargaining with Amtrak, sitting down, and rolling up our sleeves and making things work. We have added part-time agreements in our call centers and our ticket windows, anything we could do to keep our people moving. And this is just a small step in the right direction that we had to take time and time again to make things work.

And that is why it is a little disheartening to see our frontline people, who, when you talk about heroes, these guys are the heroes. These brothers and sisters are your frontline people: ticket clerks, ushers who are cleaning the station, doing spot cleaning so everybody stays safe, and now risking their lives and families, have to go out and take a—lose their job.

And to further respond to the congressman's question, I just want to add—and I am sorry, Congressman—the managers, if they hold rights to the union, they come back. They don't hit the street. And most managers hold rights. They paid us dues. They come back, they bump. So that has to be taken into consideration. The TCU has always stepped up, and we have many times. We will.

I hope that answers your question, Congressman.

Mr. FITZPATRICK. Yes, thank you, Mr. Maratea.

And to Chairman Lipinski and all my colleagues on the committee, I just think it is important that we remember and recognize these frontline workers. We hear that term used a lot. These people actually should be included in that definition. As you just heard Mr. Maratea walk through, they have significant skin in the game, and have made tremendous sacrifices. And when we talk about Amtrak, we got to start the conversation with the men and women who are on the front lines.

So, sir, thank you for your service.

Mr. Chairman, I yield back.

Mr. LIPINSKI. Thank you. The Chair will now recognize Ms. Norton for 5 minutes.

[Pause.]

Mr. LIPINSKI. Ms. Norton, are you there?

Ms. NORTON. I am sorry, can—

Mr. LIPINSKI. OK, go ahead, you are recognized for 5 minutes.

Ms. NORTON. OK, I am sorry. I must have been muted.

I particularly appreciate this hearing. Amtrak is on the Northeast Corridor, and Washington Union Station is its second busiest station, nationwide. Of course, I represent the District. It is a question first for Mr. Flynn.

Mr. FLYNN, I know the continuing or competing pressures you have. You have got a decrease in ridership, a drop in revenue. You have got new safety protocols. And yet, I know capital improvements are continuing, for example, the Portal North Bridge, among others. I would like you to answer how you are able to continue capital improvements in the middle of this economic and health crisis that Amtrak faces.

Mr. FLYNN. Thank you, Ms. Norton. The capital improvements that we continue to pursue are improvements that have been pursued for a long time, as you know, and we believe are essential improvements for the company and for our riders.

Ms. NORTON. Where does the revenue come from for these improvements?

Mr. FLYNN. The revenue for the improvements comes from Congress. It is moneys that are allocated to us, working jointly with the Department of Transportation and the Federal Railway Administration and FTA, where appropriate.

So Portal North, for example, is, I believe—

Ms. NORTON. So have there been any cuts in the revenue you have gotten from Congress for these improvements?

Mr. FLYNN. No, there haven't been any cuts. The capital funding is fairly specific as to what it is intended to do, and these are investments in 100-year-old infrastructure.

I am not sure if you can hear me. I am getting a—

Ms. NORTON. I can hear you. Yes, I can hear you. And I understand the importance of these capital improvements, I am simply trying to reconcile the funds you are not receiving, for example, from Congress in the Heroes Act, funds you need so badly, and your ability to continue to fund capital improvements in and across the country, it looks like. But I take it that those funds were already appropriated.

Mr. FLYNN. Yes, ma'am.

Ms. NORTON. For the capital improvements.

Mr. FLYNN. Yes, ma'am. Those funds were appropriated. And certainly additional consideration for capital expenditures in CARES, as well.

Ms. NORTON. For—in CARES, all right.

I am intrigued, upon learning of your partnership, I will call it, with RB, which is the maker of Lysol. Ms. Griffin of the Transport Workers Union earlier testified about lack of coach cleaners. I am wondering about this new partnership to strengthen disinfectant protocols for trains and stations, and I am interested in it because you are trying this out first in Washington Union Station and on our *Pacific Surfliner*, but in Washington Union Station, which is one of the busiest in the Northeast Corridor.

So could you give us some greater detail on these enhanced protocols that you will be using on Amtrak in this new partnership with the maker of Lysol?

Mr. FLYNN. Yes, ma'am. So Lysol, the RB product Lysol, is one of very few products that the Food and Drug Administration has determined to be effective against COVID-19, and effective against other coronaviruses of different types.

And what we are doing is we are constantly researching, seeking to understand what more can we do to mitigate and/or, essentially, eliminate the potential for our customers and our employees to contract COVID while in a station or on a train.

And so, in working out this agreement with Lysol, they are providing us with what the FDA has determined to be a very efficacious product. They are also working with us and providing advice to us on how we can enhance the cleaning protocols that we employ on the trains. In fact, before they would sign this agreement with us, they did a very comprehensive review of what we are doing, because while we are cobranding with Lysol, they are cobranding with us, and they weren't going to cobrand with an entity that they didn't feel had the right level of protocols and actions in place.

And so we are testing it first in the stations, as you pointed out, now. We believe those products could also be useful on the train. But that is a next step that we are doing with the company RB for their products.

Ms. NORTON. That is reassuring. Thank you very much, and I see my time has expired.

Mr. LIPINSKI. Thank you, Ms. Norton. The Chair will now recognize Mr. Balderson for 5 minutes.

Mr. BALDERSON. Thank you, Chairman Lipinski. It is great to have Mr. Flynn here today.

Mr. Flynn, thank you for being here, and I want to thank Amtrak for their service through these trying times. But I appreciate you being here.

Mr. Flynn, I would like to follow up on a point my colleague, Congressman Perry, made earlier regarding depreciation. On November 8, 2019, Amtrak announced its lowest ever adjusted operating loss of \$29.8 million for fiscal year 2019. In that same statement, Amtrak went on to project a profit for 2020, which would be a first in Amtrak's near 50-year history. If depreciation was included in this financial reporting, what would Amtrak's net loss have been in 2019, and what would the projection have been for fiscal year 2020?

Mr. FLYNN. If we were to add back the depreciation, it would be about, say, \$750 to \$800 million. So at an adjusted operating income basis, I believe that fiscal year 2019 was a -\$29 million, or near break-even on that level. You would have to add back to \$750 million or so of depreciation, and there may be some other expenses in there, but that would get you to about an \$800 million loss on a GAAP basis. And it is a similar level, sir, of depreciation going into fiscal year 2020. I don't know the exact number, but it would increase somewhat, but not of an order of magnitude.

Mr. BALDERSON. OK, good to know, thank you.

The next question would be, assuming a level playing field, including workforce protections and safety standards, would you oppose opening certain national network routes for a competitive bid, if that meant driving down cost and improving service?

Mr. FLYNN. Well, I have—certainly not a question I have considered, and I appreciate your asking that, Congressman.

But as a first impression to me, no, I don't believe we would operate or open up our long-distance routes for competitive bids at this point in time. We have a hard enough time just getting on the network with our host railroads to operate the services that we provide. More operators create more complexity, among other things. And I would imagine it could be highly disruptive to us, and I would imagine it could be highly disruptive to the Class I railroads.

And I think that would also—such a situation there, I think, would certainly jeopardize employment opportunities for our current employees, were that—

Mr. BALDERSON. OK, thank you.

Mr. Chairman, I can't see the clock. How is my time?

Mr. LIPINSKI. You have 2 minutes.

Mr. BALDERSON. Thank you, sir.

Mr. Flynn, my last question, then, I understand you worked for a Class I railroad, and I know you are familiar with the importance of freight railroads to our economy. How do you plan to work with all classes of freight railroads to strengthen a relationship between those railroads and Amtrak to eliminate conflicts and improve on-time performance?

Mr. FLYNN. Thank you, sir. I did have the opportunity to work for CSX for several years a while ago. And so I do believe I have a Class I freight railroad perspective. And I believe we can certainly coexist, but I think we can do more than coexist. I believe we can both prosper. Freight railroads make an important contribution to our economy, broadly, and so does Amtrak.

And so I think, if we could have standards and metrics in place, clarify the ground rules there, obtain the right of private action, I

believe we can sit down with the Class I railroad and absolutely work to an operating profile that allows for high-quality, on-time operations for both our passenger operation and our host railroad's freight operation.

Mr. BALDERSON. Mr. Flynn, thank you very much for taking the time to be here, and please pass along our thanks to Amtrak employees for their frontline workers, and being out there, and God bless them, and stay safe and healthy.

Mr. Chairman, I yield back my remaining time.

Mr. FLYNN. Thank you.

Mr. LIPINSKI. Thank you. The Chair will now recognize Mr. Lowenthal for 5 minutes.

Mr. LOWENTHAL. Thank you, Mr. Chair, and thank you to all—and to the ranking member, and thank you to all the panelists on this very interesting issue on—talking about Amtrak and the future of Amtrak. I would like to really focus in on Amtrak's response to COVID-19, specifically. My first questions are to Ms. Griffin.

Ms. Griffin, in your written testimony you provide a concerning account of your experience in July, when you were in contact with a COVID-19-positive colleague. You took steps to notify your supervisors, to initiate protocols that would remove you from further service to avoid further spreading the virus. However, you were not immediately removed from service, and were only removed after further intervention from supervisors.

Most concerning to me is that you were told by Amtrak to return to service after only 10 days, and were never tested for COVID before returning to work. While you did not display any symptoms, we know that asymptomatic individuals spread the virus just as much. In fact, a study that has just recently been published in last month's Journal of the American Medical Association's Internal Medicine found that asymptomatic and presymptomatic individuals carried as much of the virus as those who were exhibiting symptoms.

Since your experience in July, do you know if Amtrak has instituted a different process to remove possibly infected individuals from work, and to ensure that they are COVID-free before returning to work?

Ms. GRIFFIN. Thank you for your question. And as far as I know, no, it is the same procedures as I went through. Actually, I have been quarantined twice through Amtrak with possible exposure. And this has been the same protocol.

Mr. LOWENTHAL. Thank you.

Mr. Flynn, what went wrong in Ms. Griffin's case?

Mr. FLYNN. Well, I paid very close attention to Ms. Griffin's testimony as she was describing the conditions and circumstances to the committee. And I am going to ensure that we look into those details very closely.

We require that our employees quarantine after we confirm exposures, real exposures to another employee. And if they are on the road, we ask them to isolate on the return trip. And also, we require a 14-day period of time.

I can't comment, again, specifically on Ms. Griffin's circumstances. I believe she might have just said that the first time that she quarantined it was for 14 days.

Ms. GRIFFIN. Ten days.

Mr. FLYNN. Well, again, I want to look into the details of that. I don't know if 10 days was an elapsed total of 14 days since the exposure. I don't know, and it wouldn't be appropriate for me to presuppose any of that. But as I said to you, and I confirmed to Ms. Griffin, who is on the panel here with me, I will certainly look into those details.

Mr. LOWENTHAL. So, and I—

Mr. FLYNN. But we do require our employees to quarantine. We do pay-protect our employees when they are on quarantine. So far, we have had, for example, 3,921 employees that we have pay-protected, and not only because they were potentially exposed or exposed, but if they believe that they had some exposure, or if they had some of the symptoms of COVID. We have had 1,845 employees test for COVID, 482 tested positive, of which only 7 are current. And we are now providing testing on demand, which is over and above CDC guidelines, to any employee that requests it, sir.

Mr. LOWENTHAL. Thank you. Thank you for describing the processes that Amtrak has in place to ensure that potentially infected employees are not on duty, or in trains, or in the stations.

My next question is, does Amtrak have any processes in place to contact trace COVID-infected passengers? What happens if a passenger tests positive a day or two after their train trip? Do employees who worked on that train, do they find out about that? So, if you could, describe that process, also.

Mr. FLYNN. Yes, we do have contact tracing in place, our workers and, where we can, with our passengers. And what I mean by where we can is that we don't always know where a passenger sits on a train. We did actually have an early COVID case passenger as early as March on a train from Chicago to St. Louis. We were able to contact virtually everyone on the train—there weren't a lot of riders on that train—not just everyone in the car, but certainly all of our employees. And so we are also working with the public health departments to continue to do so.

Mr. LOWENTHAL. Well, thank you. Thank you, Ms. Griffin, and thank you, Mr. Flynn, for that testimony. I am very concerned about the processes that are in place, and whether examples of Ms. Griffin, where things did not work out as well as she would have liked, that they have improved.

And with that, Mr. Chair, I yield back.

Mr. LIPINSKI. The Chair will now recognize Mr. Carson for 5 minutes.

Mr. CARSON. Thank you, Chair. Am I on? OK. Yes. So my question—

Mr. LIPINSKI. We can hear you, but your camera is not on. We can't see you.

OK, there you go.

Mr. CARSON. I had to logon online. It is Webex. So my question is for Mr. Flynn regarding Beech Grove.

I have been very concerned about the furloughs you are considering. I am especially concerned about the possible impact on maintenance facilities. Can you tell me if you plan to cut positions at Beech Grove?

I would also appreciate, in writing, any plans you have to change the workforce levels at the Beech Grove facility.

Mr. FLYNN. Thank you, Congressman Carson. We are not furloughing any employees at Beech Grove. In fact, a number of our Beech Grove employees did take the VSIP, the voluntary separation, and retire. So, in fact, we are actually hiring some employees in Beech Grove to backfill the positions.

As you know, Beech Grove requires some substantial capital investments over the next several years. But as we develop future plans about Beech Grove, or plans that would impact Beech Grove, we would be very happy to advise your office of what those plans would be.

Mr. CARSON. Thank you. That would be a big help. Thank you very much.

But Mr. Mathews, I appreciate listening to your testimony about the damage being done to the passenger rail service in the Midwest by reducing the daily service on long-distance routes. Indianapolis was previously served, and benefitted from this.

To Mr. Mathews, can you elaborate on what happens to Midwestern cities when daily services are cut? Do you think Congress should mandate daily services?

And if anyone else wants to jump in about a congressionally mandated daily service, chime in.

Mr. MATHEWS. So, well, yes, sir. Our position is that, yes, these services should be, at a minimum, daily. And the reason for that is because of the multiplier effect that these services have in the communities.

We have heard a lot this morning, an assertion that Amtrak is required by Congress to make a profit. It is not. It is required to minimize subsidies. And when we have the conversation about profit, that ignores the benefits that the communities receive, and we talked about that, and the Midwest is a perfect example of that.

When we looked at the effect of the long-distance routes, 12 of the 15 long-distance routes that would be affected by these cuts, those routes together contribute about \$4.7, \$4.8 billion to the economy. That is the profit. The profit is going to those communities that are served. And whether you are looking at places like St. Louis or Indianapolis or anywhere in the Midwest, these services provide an outsized benefit in terms of tourism, in terms of visitor spending, in terms of taking vehicles off the road. All of those impacts are measurable, quantifiable.

Amtrak itself used to talk about \$7.4 billion of value to the economy that was created. We think that number is actually a lowball. We think it is actually a little higher than that.

When you cut the daily service down to three times a week, you don't just cut 4 days' worth of ridership. The ridership declines more than that because of the diminished utility, and because of the diminished connections.

Chicago is an enormous connection point, as you know, and that is going to be a particularly difficult situation for the Midwest, because a lot of those connections, because they are difficult to make, those trips simply won't take place. Thirty-nine million dollars of revenue, of connecting revenue, flows through Chicago alone. And a lot of these trips are going to originate in Chicago and flow

through the Midwest, and those trips will not take place because the network does not have the utility required to make those trips worthwhile.

So those are people that will not be getting off in those smaller towns, will not be spending their money in those towns, will not be eating in the restaurants, and will not be supporting the local economy. And that is a big blow. It is already a big blow, and it is only going to get worse.

Mr. CARSON. Thank you. Thank you both.

Chairman, I yield back.

Mr. LIPINSKI. Thank you, Mr. Carson. The Chair will now recognize Mr. Lynch for 5 minutes.

Mr. LYNCH. Yes, Mr. Chairman, can you hear me?

Mr. LIPINSKI. We can hear you and we can see you.

Mr. LYNCH. All right, well, that is good. Two for two.

First of all, I want to thank you, Chairman Lipinski, for keeping your focus on this. This is a very important issue. And I appreciate the witnesses trying to help.

Mr. Flynn, going back to the CARES Act, we pushed through \$1 billion, hoping that that would help recapitalize Amtrak so that you could avoid furloughs. Then we put through \$10 billion in addition to that, on the transportation appropriations bill. And then, under H.R. 2, we actually, I thought, were very generous to Amtrak by supporting \$30 billion for Amtrak over the next 5 years. And to be honest with you, I thought we were very generous.

And just so you know, during the debate of H.R. 2, I had an amendment. The amendment would have prohibited any furloughs, layoffs, or reductions in force during the term of this pandemic. And yet, the feeling between Amtrak and members of the committee and staff was that, with this generous funding of Amtrak, that this would be unnecessary, and that I should withdraw my amendment. And so in good faith—in good faith—I did. I withdrew that amendment that would have prohibited what you are doing right now. So I am not happy about that.

I just want to tell you that there are consequences to your decision.

In good faith, I supported all that funding for Amtrak. And as a matter of fact, while my district is at one end of the Northeast Corridor that provides a profit for Amtrak, I am entirely comfortable, and I fully support Amtrak using the profit that they would make in the Northeast Corridor to help our Midwestern and Southern and Western States, some of those red States, those rural areas that would be without service. So I support that. I don't think that we should cut out those lines of service, those long-haul lines that don't necessarily benefit my district, but I think benefit the country.

I hope you take very seriously the credibility that you will lose by engaging in these furloughs, and the reputational damage that comes to Amtrak management because of this decision. These 2,000 line workers are very important to us. They are the heart and soul of Amtrak. And I appreciate that the management personnel are important, as well.

We are going through a rough patch right now. And I think this decision, you are not keeping faith with our line workers for Am-

trak, you are not keeping faith with the people who drive those trains and maintain those trains every single day. I really have some deep misgivings about my own decision to pull that amendment.

So, I am asking you to rethink that. We are all in this together. I don't think that your decision to furlough these 2,000 employees is going to save the day, quite honestly, because cutting them out is going to reduce service. Cutting them out is going to continue to spiral that bottom-line deficit. And you are going to lose the faith of Members of Congress like me, who were behind you and supportive of you, because of this decision.

So do you have any other alternatives, other than what you are suggesting right now with this furlough decision?

Mr. FLYNN. Thank you, Congressman Lynch. These are really very difficult decisions, and ones that we all feel very personally.

As you pointed out, if H.R. 2 were to become law, it would be game-changing for Amtrak on many, many levels, including the ability to retain everyone employed, and to retain the long-distance service.

Should the economic recovery, as proposed under THUD legislation, that would be some multiple of game changing. I am not sure what the right adjective is for that.

But we don't have that funding certainty yet. And that is why, in the \$4.9 billion supplemental that we presented to the committee, and had discussions with staff and with Members, it is about retaining employees who would otherwise be furloughed, or may be furloughed and then recalled, and the long-distance service.

As I mentioned in a response to another member of the committee, we had quite a bit of input from a wide array of stakeholders, including the Senate, and including in the administration that said, "You need to, in your request, look at those areas where, given the very, very low levels of ridership you are experiencing, you need to engage and you need to take some self-help in reducing cost," and those are the equities we are simply trying to balance.

And I heard everything you said, which is why, in my remarks here today, I was pointing out levels of funding, given a 34-percent level of ridership in 2021 as compared to 2019, that we would require.

Mr. LYNCH. Well, you know, I think we have got to hang together, and I just do not see the support that I think we owe to our line workers. I just don't see it in this, these 2,000 furloughs. So I would encourage you to revisit that decision.

The other piece of the question I had was the vendor bidding on contracts that may result in jobs being exported overseas, lost in the United States and then exported overseas. Do you have anything to say about that?

Mr. FLYNN. We did receive a waiver to purchase some very specific track-laying equipment from overseas, and we did that after the FRA and the committee satisfied themselves it was absolutely necessary and not available.

If you are referring to a recent RFP for IT work, that has certainly very strongly been brought to my attention—I was unaware—by both—

Mr. LYNCH. OK.

Mr. FLYNN [continuing]. Chairman DeFazio and Ranking Member Graves, or by Chairman DeFazio, specifically. And we have adjusted that RFP and taken out the ability of the responder, or the successful responder, to outsource that IT programming work.

Mr. LYNCH. OK.

Mr. FLYNN. We had some other RFPs, and we also made those changes, as well.

Mr. LYNCH. All right. Under the circumstances, you could see how you would be under severe criticism for doing that. But I appreciate that you have revisited that, and I am glad you are listening to Chairman DeFazio, and happy that at least the IT portion of that has been retained.

Mr. Chairman, I am going to yield back, and I want to thank the witnesses for their help with the committee at this hearing. Thank you. I yield back.

Mr. LIPINSKI. Thank you, Mr. Lynch.

Are there any Members who have not had a chance to ask any questions?

All right, hearing none, I want to thank the witnesses for your testimony.

I think Mr. Lynch's comments there at the end were a very good way to conclude. We need to be supportive of the workers at Amtrak. I am sorry that Mr. Maratea and Ms. Griffin didn't have more of an opportunity here to field questions, but I think everyone understands that Mr. Flynn is really in the driver's seat here for what is happening.

But Amtrak needs the support and the help from Congress. I was very happy to hear at the end, I was not aware—I sent that letter, along with Chairman DeFazio, about the outsourcing of the IT jobs. So I am very glad to hear that that has been changed, that the option has been changed. That is good news to hear from you, Mr. Flynn.

But we are going to have to continue to talk about the need to make sure that Amtrak workers are taken care of, and also that Amtrak passengers receive the service that they deserve, and when the pandemic is over, that we can return to all of the service. Which is very questionable, if we have cuts to service in the meantime.

But I want to thank all the witnesses again for your testimony.

I ask unanimous consent that the record of today's hearing remain open until such time as the witnesses have provided answers to questions that may be submitted to them in writing.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

And with that, the subcommittee stands adjourned.

[Whereupon, at 1:31 p.m., the subcommittee was adjourned.]

SUBMISSIONS FOR THE RECORD

Prepared Statement of Hon. Peter A. DeFazio, a Representative in Congress from the State of Oregon, and Chairman, Committee on Transportation and Infrastructure

Thank you, Chairman Lipinski and Ranking Member Crawford, for calling today's hearing to discuss Amtrak's response to COVID-19.

The COVID-19 pandemic has wrought devastating public health and economic impacts—185,000 Americans dead to date and tens of millions of job losses. And the numbers just keep going up.

Sadly, the Trump administration and Senate Republicans have turned a blind eye to the pressing needs of average Americans by stonewalling House-passed measures and downplaying the clear need for another relief bill. Their tactics have needlessly cost our country more lives and jobs. The bottom line is that the challenges facing us in this pandemic are far from over. Similarly, the challenges Amtrak faces from COVID-19 are far from over.

Like every other transportation mode, Amtrak has been hammered by the COVID-19 pandemic. At one point in March, ridership across Amtrak's network was down 95 percent. Even now, ridership and ticket revenues are significantly down across the network ... and Amtrak is estimating that it will take several years for ridership to fully recover. For example, ridership on the Cascades route through my home state of Oregon is down significantly—from 85,700 riders in July 2019 to 6,400 in July 2020. Right now, Amtrak estimates that, in 2021, they'll have 34 percent of the systemwide riders that they had in 2019. That means roughly 34 percent of the ticket revenues used to operate its trains, reduce its state-of-good repair backlog, improve service, and pay workers.

In July, the House passed a comprehensive infrastructure bill, H.R. 2, the Moving Forward Act, that provided Amtrak \$29 billion in funding over five years and would invest in infrastructure to jumpstart a post-COVID economic recovery. Also in July, the House passed a FY 2021 appropriations bill with \$10.05 billion for Amtrak, including \$8 billion of recovery aid for Amtrak and its state partners to help keep the trains running and workers employed.

And from the Senate, we've heard ... crickets. No leadership, no accountability. Abandoning its responsibility to legislate, the Senate went on recess while the COVID-19 pandemic continued and millions without work saw cuts to their unemployment benefits take effect.

As a result, on October 1st Amtrak will cut 2,050 people from its workforce. These include workers who provide onboard services; assist passengers as Red Caps and ticket and station agents; work as conductors and engineers operating trains; as well some management staff. Thanks to strong Federal labor protections, these are good jobs that pay wages that sustain American middle-class families. To show the real-world impacts of these cuts, we will now hear a voicemail my office received from an Amtrak conductor who just learned that he will be furloughed.

[Committee staff will play audio recording of Amtrak conductor discussing his fear and concern and asking for Congressional support.]

To make things harder for Amtrak employees, these job losses come at a time of high unemployment. Though the unemployment rate recently rebounded to 8.4 percent from historic highs of 14.7 percent in April, the rate was at 3.5 percent in February. And 29 million Americans are still drawing some form of jobless benefits. It won't be easy for laid-off Amtrak workers to find new jobs with wages that allow them to pay their mortgages and support their families.

In addition to cutting jobs, Amtrak plans to drastically reduce service. Amtrak has already cut Northeast Corridor service frequencies and worked with states to trim state-supported route frequency. Now on the chopping block is long-distance service. This service, which connects rural and urban areas around the country, has fared better than the rest of the service lines, with long-distance ridership down 62

percent from the previous year, versus a reduction of about 80 percent for the Northeast Corridor and state-supported routes.

Still, Amtrak plans to cut almost all of its daily long-distance routes to just three times per week. The impacts of this change will trickle down, limiting travel choices for rural Americans, hurting cross-service connections, damaging rider loyalty, and taking money away from the towns and cities along the routes that benefit from Amtrak service.

While Amtrak has announced metrics it will use to resume daily service on long-distance routes, I have concerns about slashing service on the routes where demand has fallen less dramatically. I also worry about creating a chicken-or-the-egg situation where reduced frequencies cause lower rider demand, making the metrics impossible to achieve. This could lead to service cuts that linger for years and dramatically hurt Amtrak's long-distance network.

The truth is that daily service is vastly more convenient than three days a week, and Amtrak will have an uphill battle to rebuild demand if it's offering less attractive service options. As the travel economy recovers, Amtrak should be capitalizing on the advantages of long-distance travel by train, including Amtrak's trains' effective ventilation and air filtration and the options for better social distancing than other transportation modes. Amtrak also has added enhanced safety and cleaning measures, instituted contact-less notification measures to improve the safety of traveling, and has, for months, required passengers and Amtrak workers to wear face coverings onboard trains.

I'm curious to hear from the witnesses today on Amtrak's COVID-19 response and recovery, and the ways that job and service cuts hurt workers and threaten the future of Amtrak's rail network. Thank you.

**Statement of Ross Capon, Consultant, Submitted for the Record by Hon.
Eric A. "Rick" Crawford**

I am an independent consultant and president emeritus of the Rail Passengers Association (RPA, formerly National Association of Railroad Passengers) which I led as executive director and then president and CEO from 1976 to 2014. I do not represent RPA but I am in frequent touch with my successor, Jim Mathews, and generally support his testimony. From 1971–75, I worked for the Massachusetts Secretary of Transportation & Construction and was responsible for one of Amtrak's earliest state-supported trains.

Massive reductions in long-distance service are ill-advised and may well be irreversible. The "restoration metrics" Amtrak has presented are a trap; Amtrak's statement that "the service reductions are temporary" is not credible, nor is the notion that Amtrak can drop so much service and restore it by June 30, 2021, while meaningfully reducing taxpayer costs.

The long-distance trains are more resistant to COVID-19 than are Amtrak's short-distance trains. Starting in April, long-distance train revenues have exceeded revenues of NEC and State-supported trains combined. Also, Amtrak's plan worsens the nation's economic inequality, since long-distance coach travelers are Amtrak's lowest income market segment.

Intercity travel now is dominated by three factors—concern about health, ability to telecommute and availability of alternatives.

Amtrak deserves praise for good work in creating the healthiest possible environment for staff and passengers, and in promoting that fact. For some travelers, this likely has tipped the balance from air to rail. It is ironic that Amtrak now plans to remove so much of this service.

Telecommuting has challenged commuter rail and Amtrak's short corridors. Many former riders, if they can work from home, see no (or much less) need to travel.

A key reason long-distance travel has returned more strongly than shorter rail trips is that many longer trips were not work-related before the pandemic, and for many people the alternatives are less attractive or—for the car-less—non-existent. Indeed, the transcontinental trains serve regions where Greyhound has over the last decade done its heaviest route reductions. Coach demand for short round-trips is likely to increase and would be hit hard by planned service reductions.

Amtrak paints long-distance service reductions as leveling the playing field with its short corridors where the number of trains per day has been reduced. This is wrongheaded.

First, ridership on the short-distance trains has declined more sharply than has the number of short-distance departures.

Second, “less-than-daily” weakens the network far beyond the impact of “three trips versus seven.” There is an existential difference between providing daily service vs. telling people they must wait two to five days for the next train, or that their trip newly requires one or more overnights at an intermediate point. (Tables on pages 6–8[†] show days and times of arrivals and departures at Portland, Sacramento, Los Angeles, New Orleans, Chicago, and Washington.)

For example, anyone wishing to travel from the East to Arkansas or Texas is out of luck because the *Texas Eagle* departs Chicago on the days *after* the three East Coast trains arrive there. This is good for private car owners since Amtrak no longer offers same-day switches in Chicago for an extra fee, but it is not good for the general public. As well, Wednesday’s *California Zephyr* departure from Chicago will have no connections from the East or South.

Amtrak often quotes *systemwide* figures and polls which hide the stronger performance of long-distance routes.

- Mr. Flynn’s May 25 letter to Congress: “We know from recent polls that approximately half of those surveyed expressed reluctance to ride a train in the next six months.”
- Stephen Gardner’s August 4 letter to me: “Amtrak has never faced a situation of losing 95% of its riders and revenues in the space of two weeks . . . Although there were early signs of a small recovery in the Long Distance sector, the pandemic in the United States shows no signs of slowing.” This invites the incorrect assumption that ridership on routes serving COVID-challenged states significantly weakened.

In attempting to convince political leaders and the public that the service reductions will be temporary *and* will yield significant financial savings, Amtrak asks us to ignore the huge costs of making and reversing these changes. Here are just the sales and marketing “front end” costs:

- The immediate “negative marketing” effect of the May 25 announcement, which led some people to think service reductions were immediate.
- Sales are open out 11 months and were not closed until mid-August, after which the reservation bureau had to contact any passenger whose itinerary completely or partly involved canceled trains, attempt to rebook, or issue refunds.

Then there are the ongoing costs:

- Long talk times for reservation agents attempting to match days desired with days on offer. Some connecting passengers would find their trip impossible or requiring costly overnight layovers.
- Skyrocketing hotel and meal costs of missed connections, anxiety for passengers, and “brand risk” for Amtrak. Today, if a late train misconnects, the passenger is accommodated for one night. Under the October plan, the layover would be two or three nights (four or five in some Florida-train cases). Misconnects result from big delays due to freight train incidents or weather, and Amtrak mechanical problems—not from the handful of minutes associated with adding or removing private cars.
- Amtrak continues health insurance for workers for a year after they are furloughed.
- Will surplus rolling stock be maintained or cannibalized? Will the cost of restoring it become part of an unacceptably high level of “adequate funding” [Flynn’s May 25 letter] Amtrak will request to restart service?

Finally, the restart costs:

- Significant marketing expenses, almost like a new service, will be incurred to convince travelers that daily service has returned. How far in advance will service restoration be announced? The further in advance, the better the load factors once service begins, but also the more publicity is wasted because it will reach people who see the promotion but want to travel before service resumes.
- Rehiring and requalifying/retraining skilled personnel—if they are available.

Amtrak (in the above-referenced August 4 letter) quoted \$945 subsidy per long-distance passenger for *April and May*. Outside Zoom, home delivery companies and the like, few economic activities in those months were sustainable. Ridership has grown significantly since the spring and should continue to grow if the service is not dramatically reduced. Also, how much of that \$945 is allocated fixed costs that will not disappear when service is reduced—certainly not before June 30, 2021?

[†] *Editor’s Note:* The page numbers listed for the tables refer to Mr. Capon’s original statement and not as the statement appears in this document.

Tri-Weekly History:

Amtrak began the *Coast Starlight* and the *California Zephyr's* Denver-west segment in 1971 as tri-weekly trains. In 1973, they were converted to daily as summer experiments which proved so successful they became permanent.

Amtrak President George Warrington testified to the Senate Commerce Committee on September 26, 2000, that less-than-daily service on select routes in 1995–96 “ended up costing [Amtrak] more in lost revenue than we were able to take out in the way of expenses, given the fixed cost nature of the operation” p. 99 (computer p. 103).

Short Distance, Long Distance:

The September 1 *New York Times* Amtrak report ends with Stephen Gardner saying long-distance rail is “a small part of our business. We need to be where the people are.” Right now, as noted on page one, Amtrak long-distance *is* where the money is, reflecting the devastating impact of COVID-19 on shorter runs. There is some concern about long-distance ridership suppression, including cases where sales have been blocked even though seats were available (after taking into account Amtrak’s COVID-related restrictions on sales). Cases brought to my attention include *California Zephyr* eastbound trips that originated August 10 and 24 and September 5.

Gardner’s quote recalls the June 26, 2019, Senate Commerce testimony of then Amtrak President and CEO Richard Anderson: “We should be looking at breaking up some of those long-distance trains and figuring out how we serve the American consumer to provide high-quality service in short-haul markets where they’re using that service today.” This implies new short-distance corridors where neither state DOT or host railroad circumstances are supportive. For segments like Charlotte-Atlanta or Jackson-New Orleans to thrive, speeds and frequencies would need to be increased, at huge costs. Prospects for such investments are limited and include the Colorado Front Range and New Orleans-Mobile which face challenges; neither are segments of existing long-distance routes.

Certainly, there is a strong case for Amtrak’s short-haul markets. That is reflected in at least thirty years of organic growth in those markets; now 14 states fund such service. California’s June 5, 1990, election was pivotal. California voters approved Propositions 116, 108 and 111, forcing Caltrans to move towards genuinely balanced transportation. Props 116 and 108 produced almost \$3 billion for rail; Prop 111 generated major additional funding for transportation, including transit.

Today, as noted, short corridors are more vulnerable to telecommuting—and to the negative impacts of Amtrak’s long-distance reductions. Amtrak’s May 25 request said “the elimination of any of the state services would result in increased costs to the remaining services, as common network costs are reallocated, further increasing the financial pressure on the states that wish to continue their rail service.” Similarly, reduction of long-distance service would harm state services on the cost side and also eliminate revenue from connecting passengers. The latter effect would be particularly harsh for the Oklahoma City-Fort Worth *Heartland Flyer*, about 30% of whose passengers connect to/from the *Texas Eagle*.

Private cars and charter trains:

This statement is pro bono except for this paragraph. My major client is American Association of Private Railroad Car Owners (AAPRCO). The Association appreciates Section 9219 of HR 2—and indeed most of the bill’s passenger rail provisions. AAPRCO believes that the more positive approach to private cars and charter trains envisioned in that provision would yield valuable revenue for Amtrak—revenue that is more important now than ever. In particular, the elimination of key access points such as Tucson, Arizona; Jacksonville, Florida; Whitefish, Montana, and Huntington, West Virginia, seem counterproductive, as does the restriction of charter trains to Amtrak’s existing network.

Suspension of Amtrak Package Express:

Here again, Amtrak is turning away revenues. “Effective October 1, 2020, Express shipping service on Amtrak’s regularly scheduled passenger trains will be suspended until further notice. The last date for accepting these shipments will be September 15, 2020, which will ensure all shipments will reach their final destinations before October 1st ... In addition, human remains will not be accepted.” <https://www.amtrak.com/express-shipping>

Perhaps this was yet another casualty of “universal tri-weekly” service. It also appears that management neglected the business and was overcharging for it. When something is carried on a train that is operating anyway, rates charged should cover direct costs plus a reasonable profit margin. In contrast, the Amtrak Inspector General said “Management stated that [Amtrak] will use the results of its costing anal-

ysis to confirm that the pricing for each private railcar activity exceeds both the direct and fully allocated costs of performing that activity” [Report OIG–A–2019–003, February 6, 2019, page 14]. This is pricing to drive away business and also appears to have been applied to Express shipping. By contrast, Robert Menzies, owner and board chair of the freight shortline Aberdeen, Carolina & Western Railway, says, “We carry sand even though it might not cover full cost like chemicals and plastics, but sand does cover variable cost and contribute to our fixed costs.”

Amtrak has a fleet of new baggage cars ideal for handling express.

RAILnet-21 <https://www.railnet-21.com/> is a legislative proposal leveraging private funds against a federal loan, fully secured by a third-party, *investment-grade* repayment guarantee, to bring Amtrak-owned infrastructure to a state-of-good-repair. This proposal recognizes that Amtrak-owned infrastructure, primarily the Northeast Corridor, constitutes a huge financial drain that threatens Amtrak’s entire network. Under RAILnet-21, Amtrak-owned infrastructure would be leased to an infrastructure management organization (IMO) selected by the Surface Transportation Board. The IMO would be a railroad subject to FRA, STB, and DOT IG oversight, and required to comply with the Railway Labor Act, the Federal Employers Liability Act, the Railroad Unemployment Insurance Act, etc. The IMO would be required to hire all current Amtrak infrastructure employees; assume their collective bargaining agreements where-is, as-is; honor their seniority; and recognize their labor representation. The IMO—in order to make the substantial infrastructure investments required to achieve its business goals and satisfy its statutory mandates—would hire additional unionized personnel in the field and in its offices, both from which Amtrak has been laying off employees. Amtrak would remain the nation’s rail passenger carrier, and the IMO would be statutorily proscribed from offering any form of revenue train service on the NEC or elsewhere.

Not surprisingly, Amtrak leadership is skeptical, having written: “We don’t believe that the RAILnet concept offers value to the company or to the NEC at this time and we believe that most, if not all, of the central tenets underlying the proposal have deep flaws or are practically unworkable” [Stephen Gardner, August 4 letter]. However, given the unfortunate direction Amtrak is now taking, and Amtrak’s funding requirement (per the Northeast Corridor Commission) of at least \$45 billion to achieve state-of-good-repair, Congress should (a) get Amtrak to explain the “central tenets underlying [RAILnet’s] deep flaws” and why RAILnet is “practically unworkable,” and (b) grill Robert Serlin and his colleagues on RAILnet-21. Both conversations should include discussion of the impact of COVID–19 on NEC passenger revenues.

Thank you for the Committee’s hard work on intercity rail passenger issues, and for considering my views.

APPENDIX

ARRIVAL & DEPARTURE DAYS AT KEY CONNECTION POINTS UNDER AMTRAK’S FORTHCOMING “TRI-WEEKLY EVERYWHERE” SCHEME

The number in parentheses after the time is the Monday of the October 2020 week when reduced service begins on that route. (This will be a challenge for some October travelers using two or more routes with different tri-weekly implementation dates.)

Connections at Chicago

Train	From	At Chicago	To
29 Cap Ltd	Wash/Martinsburg/PGH/CLE/TOL/South Bend	8:45 (5) MThSa	
58 City of N.O.	NOL/Jackson/Mem/Carb	9:15 (5) MThSa	
49 Lake Shore Ltd ..	BOS/NYP/Aib/Buf/CLE/TOL/South Bend	9:50 (12) MThSa	
51 Cardinal	NYP/WAS/WSS/CIN/INDY	10:00 MThSa	
21 Texas Eagle		13:45 (12) TuFSu	StL/Little Rock/Texas/ Tucson/Maricopa/[LAX]

Connections at Chicago—Continued

Train	From	At Chicago	To
22 Texas Eagle	[LAX]/Maricopa/Tucson/Texas/ Little Rock/StL	13:52 (12) MWSa	
5 Cal Zep		14:00 (5) MWSa	Omaha/Denver/SLC/Reno/Sac/Bay Area
7 Emp Bldr		14:15 (19) MThSa	StPaul/Fargo/Havre/Whitefish/ Spokane/Portland/Seattle
3 SW Chief		14:50 (12) MThSa	KC/Garden City/La Junta/Flagstaff/ SanBernardino/LAX
4 SW Chief	KC/Garden City/La Junta/Flagstaff/ SanBernardino/LAX	14:50 (12) MThSa	
6 Cal Zep	BayArea/Sac/Reno/SLC/Denver/Omaha	14:50 (5) MThSa	
8 Emp Bldr	Seattle/Portland/Spokane/ Whitefish/Havre/Fargo/StPaul	15:55 (19) MThSa	
50 Cardinal		17:45 TuThSa	INDY/CIN/WV/WSS/WAS/NYP
30 Cap Ltd		18:40 (5) MThSa	South Bend/TOL/CLE/PGH/ Martinsburg/Wash
59 City of N.O.		20:05 (5) MThSa	NOL/Jackson/Mem/Carb
48 Lake Shore Ltd ..		21:30 (12) MThSa	South Bend/TOL/CLE/Buf/Alb/NYP/BOS

Connections at Portland, OR

Train	From	At Portland	To
7 Builder	Chicago/WI/MN/ND/Whitefish/ Spokane	10:10 (19) MWSa	
11 Starlight		14:25 (12) MWSa	Sacramento/Oakland/LAX
14 Starlight	LAX/Oakland/Sacramento	15:32 (12) TuThSa	
28 Builder		16:45 (19) TuThSa	Spokane/Whitefish/ND/MN/WI/ Chicago

Connections at New Orleans

(currently single-overnight for every *Sunset* and *City of New Orleans* trip; the *Sunset* has been tri-weekly since before Amtrak's creation)

Train	From	At New Orleans	To
20 Crescent		7:00 (5) SuTuTh	Meridian/Birmingham/ATL/Charlotte/ Charlottesville/WAS/NYP
1 Sunset		9:00 MWSa	Houston/San Antonio/NM/Tucson/ Maricopa

Connections at New Orleans—Continued

(currently single-overnight for every *Sunset* and *City of New Orleans* trip; the *Sunset* has been tri-weekly since before Amtrak's creation)

Train	From	At New Orleans	To
58 City of New Orleans		13:45 (5) SuWFr	Jackson/Memphis/Carb./Champaign/ Chicago
59 City of New Orleans	Chicago/Champaign/Carb./Memphis/ Jackson	15:47 (5) SuTuF	
19 Crescent	NYP/WAS/Charlottesville/Charlotte/ ATL/Birmingham/Meridian	19:32 (5) MWSa	
2 Sunset	LAX/Maricopa/Tucson/NM/San Antonio/ Houston	21:40 TuFrSu	

Crescent to Sunset—Monday & Saturday arrivals require 2 nights in New Orleans; Wednesday arrival 3 nights

Sunset to Crescent—all trips require 2 nights

City of New Orleans to Sunset—all trips 1 night

Sunset to City of New Orleans—Sunday arrival requires three nights; Tuesday one, and Friday two. (Arriving Sunday connects to the same 58 [Wednesday] as arriving Tuesday.)

Connections at Sacramento

Train	From	At Sacramento	To
11 Coast Starlight ..	Seattle/Portland/Eugene/Klamath Falls	6:35 (12) SuTuTh	
6 California Zephyr		11:09 (5) TuThSa	Reno/SLC/Glenwood Springs/ Denver/Omaha/Chicago
5 California Zephyr	Chicago/Omaha/Denver/ Glenwood Springs/SLC/Reno	14:13 (5) SuWF	
14 Coast Starlight ..		23:59 (12) MWF	Klamath Falls/Eugene/Portland/Seattle

Connections at Los Angeles

Train	From	At Los Angeles	To
1 Sunset	NOL/Houston/San Antonio/EI Paso NM/Tucson/Maricopa	5:35 MWF	
3 Chief	Chicago/IA/KS/CO/Albuquerque Flagstaff/San Bernardino	8:15 (12) MWSa	
14 Starlight		10:10 (12) MWF	Bay Area/Sacramento/Portland/Seattle
4 Chief		18:00 (12) TuThSa	San Bernardino/Flagstaff/Albuquerque CO/KS/IA/Chicago
11 Starlight	Seattle/Portland/Sacramento Bay Area	21:00 (12) SuTuTh	
2 Sunset		22:00 SuWF	Maricopa/Tucson/NM/EI Paso San Antonio/Houston/NOL

Starlight arrivals:

Sunday—3 nights to Sunset; 2 nights to Chief

Tuesday—1 night to Sunset; 2 nights to Chief

Thursday—1 night to Sunset; 2 nights to Chief

Starlight departures:

Monday and Wednesday same-day connections from *Chief*; effectively no connection on Friday.

All three *Sunset* arrivals have same-day connections.

Connections at Washington, DC

(Silver Service reductions took effect July 6, 2020)

Train	From	At DC	To
98 Silver Meteor	Miami/Orlando/Jacksonville Savannah/Charleston/Richmond	7:07 MTuWTh	
20 Crescent	NOL/Meridian/Birmingham Atlanta/Charlotte/Charlottesville	9:53 (5) MWF	
51 Cardinal		11:00 SuWF	Charlottesville/CharlestonWV Cincinnati/IND/CHI
30 Capitol Ltd	Chicago/South Bend/Toledo Cleveland/Pittsburgh	13:05 (5) SuTuF	
92 Silver Star	Miami/Tampa/Orlando/JAX Savannah/Columbia/Raleigh/RVR	14:38 SuMSa	
91 Silver Star		15:05 SuFSa	RVR/Raleigh/Columbia/SAV JAX/Orlando/Tampa/Miami
29 Capitol Ltd		16:05 (5) SuWF	Pittsburgh/Cleveland Toledo/South Bend/Chicago
50 Cardinal	[CHI]/Indianapolis/Cincinnati CharlestonWV/Charlottesville	18:19 SuWFr	
19 Crescent		18:30 (5) SuTuFr	Charlottesville/Charlotte/Atlanta Birmingham/Meridian/NOL
97 Silver Meteor		19:25 MTuWTh	San Bernardino/Flagstaff Albuquerque/CO/KS/IA/Chicago

Same-day connections from eastbound *Cardinal* to southbound *Meteor* not sold.

Letter of September 3, 2020, from Randal O'Toole, Senior Fellow, Cato Institute, Submitted for the Record by Hon. Eric A. "Rick" Crawford

SEPTEMBER 3, 2020.

Hon. DANIEL LIPINSKI,
Chairman,
Subcommittee on Railroads, Pipelines, and Hazardous Materials, Committee on Transportation and Infrastructure, U.S. House of Representatives, Washington, DC.

Hon. RICK CRAWFORD,
Ranking Member,
Subcommittee on Railroads, Pipelines, and Hazardous Materials, Committee on Transportation and Infrastructure, U.S. House of Representatives, Washington, DC.

DEAR CHAIRMAN LIPINSKI, RANKING MEMBER CRAWFORD, AND MEMBERS OF THE SUBCOMMITTEE:

My name is Randal O'Toole and I am a senior fellow with the Cato Institute and author of *Romance of the Rails: Why the Passenger Trains We Love Are Not the Transportation We Need*, as well as of several policy papers about Amtrak. Thank you for allowing me to submit comments for the September 9, 2020 hearing on Amtrak.

I love passenger trains and ride them whenever I get the opportunity, but I don't think other people should have to subsidize my hobby. Objectively, the COVID-19 pandemic has proven that Amtrak is an insignificant and obsolete part of our transportation system and does not deserve the attention and federal funds given to it by Congress. Even before the pandemic, Amtrak's contribution to transportation was less than a rounding error.

According to table 1–40 of the Bureau of Transportation Statistics’ *National Transportation Statistics*, Amtrak carried the average American less than 20 miles in 2018. For comparison, Americans bicycled an average of 26 miles per year and walked an average of more than 100 miles per year. Motor coaches carried more than ten times as many passenger miles as Amtrak; domestic airliners more than 110 times; and automobiles more than 750 times as many passenger miles as Amtrak. Nationally, Amtrak carried just one-tenth of one percent of passenger travel.

Amtrak brags that it carries more people than the airlines in the Northeast Corridor. But it admits that it carries just 6 percent of intercity travel in the corridor, with the airlines carrying 5 percent and the rest going by bus or automobile. While no one keeps an exact record, based on bus schedules and average bus loads, I estimate that intercity buses alone carry about 25 percent more passenger miles in the corridor than Amtrak.

Amtrak’s insignificance has been underscored by the current pandemic. In a crisis such as the pandemic, the relative worth of various modes of transportation can be assessed by how much they are affected by the crisis and how quickly they rebound.

By these criteria, Amtrak did not perform well. According to Amtrak’s *Monthly Performance Reports*, compared with the same months in 2019, Amtrak lost more than 95 percent of its riders in April, 92 percent in May, 85 percent in June, and 81 percent in July. In contrast, according to the Federal Highway Administration’s *Traffic Volume Trends*, the year-over-year decline in driving was 40 percent in April, 26 percent in May, and 13 percent in June. July data are not yet available but traffic monitor INRIX estimates that July 2020 driving was slightly more than in July 2019.

People drove because they needed to both cope with the pandemic and take care of their daily needs. They did not ride Amtrak because intercity passenger trains did not serve those needs.

Further evidence of Amtrak’s failure to meet people’s transportation needs can be seen in the decline of its fare revenues. For October 2019 through February 2020, Amtrak fares averaged 38 cents per passenger mile. With the pandemic, this quickly declined, with fares falling to 26 cents per passenger mile in April and 22 cents in June.

Amtrak’s irrelevance would be unimportant if it were a profit-making company. There are many fields in which small companies can profit and thrive despite having only a tiny share of their markets. But Amtrak is far from profitable, nor will it ever be profitable.

This contradicts Amtrak’s claims that its operations lost only \$29.8 million in 2019 and that it was on its way to making an operating profit in 2020 if the coronavirus hadn’t intervened. Amtrak was able to make these claims only by cooking its books in two different ways.

First, Amtrak counted \$235 million in operating subsidies provided by 18 states as “passenger revenues.” State subsidies to passenger trains are no more passenger revenues than federal subsidies, yet Amtrak counts only the state subsidies as passenger revenues, not the federal subsidies.

Second, Amtrak ignored the second largest line item in its budget: depreciation, which was \$870 million in 2019. Depreciation is included as an operating cost in Amtrak’s audited consolidated financial statement for 2019, but Amtrak left it off when it claimed in press releases and other public statements that it lost only \$29.8 million. If Amtrak were truly a private company, such omissions would be considered securities fraud.

Deleting the state subsidies from passenger revenues and adding depreciation to operating costs increases Amtrak’s actual operating loss to \$1.13 billion, which is 38 times as much as Amtrak claimed. Clearly, with such a large operating loss, Amtrak is never going to be profitable. Amtrak claims that its trains in the Northeast Corridor are profitable, and it is only the long-distance trains that lose a lot of money. It makes this claim without allocating depreciation to individual routes. Amtrak admits that it has developed an accounting system that makes such allocations, but it has never published the results.

Recognizing that most of the infrastructure owned by Amtrak is in the Northeast Corridor, I made a rough calculation of the profits or losses per passenger mile for Amtrak’s three groups of trains: the Northeast Corridor, state-supported day trains, and overnight long-distance trains. I found that they all lost about the same amount of money per passenger mile. This will disappoint those who think we might be able to privatize the Northeast Corridor.

Depreciation is more than just an accounting fiction that was imposed on railroads years ago by the Interstate Commerce Commission. It represents the amount of money a railroad needs to spend or set aside to deal with wear-and-tear on its

physical plant. Being able to set aside that money is a signal to investors that the railroad is well managed.

Railroads that can't cover depreciation with their operating revenues end up deferring necessary maintenance and capital replacement. Amtrak is in this situation today. Railroad passenger cars are fully amortized and should be replaced after about 25 years. Yet, according to table 1-33 of *National Transportation Statistics*, the average age of Amtrak passenger cars in 2015 was 31 years. Amtrak hasn't replaced many cars since then, so the average age today must be close to 36 years.

The Northeast Corridor, most of which is owned by Amtrak, suffers from a huge state-of-good-repair backlog. According to the Northeast Corridor Master Plan Working Group, the corridor has \$52 billion of capital replacement needs. Not all of that is attributable to Amtrak, but most of it is needed if Amtrak is to continue to operate. Amtrak's failure to allocate depreciation to individual routes deceptively ignores this problem.

Federal subsidies, state capital grants, and state operating subsidies to Amtrak in 2019 totaled to nearly \$2.5 billion. This works out to 38 cents per passenger mile, the federal share of which is 30 cents. Since ticket revenues averaged just 35 cents per passenger mile, subsidies cover more than half the cost keeping Amtrak running. In contrast, subsidies to flying averaged about a penny per passenger mile in 2017 and subsidies to driving averaged less than a penny per passenger mile in 2018, the latest years for which data are available.

Instead of debating about which Amtrak routes should receive daily service, which should be three days a week, and which should not be served by passenger trains at all, Congress should simply give Amtrak an incentive to operate and let it decide where it is most effective. That means promising Amtrak a fixed subsidy per passenger mile. Whether that subsidy should be a penny, as it is for the airlines and highway, or the 30 cents that Amtrak receives today is a matter for debate, but as much as I personally love passenger trains I don't see that the benefits Amtrak produces justify greater subsidies than other modes of travel.

Responding intelligently to the pandemic means recognizing that some modes of travel are more resilient than others in the face of unexpected events (black swans). Those unexpected events can include terrorist attacks, natural disasters such as hurricanes or wildfires, financial crises, or epidemics.

One mode of travel has proven itself to be most resilient in the face of all of these unexpected events: motor vehicles and highways. Rather than penalizing automobiles, as some advocate, in favor of modes that are less resilient, Congress should recognize the advantages of motor vehicles in a wide range of conditions and end its favoritism towards other modes. Congress does not need to favor motor vehicles as they are the mode of choice for 80 percent of our travel even without such favoritism. Instead, Congress should either ending federal subsidies to all modes of travel or reduce those subsidies to be at parity with one another.

Thank you for your consideration.

Yours truly,

RANDAL O'TOOLE,
Senior Fellow, Cato Institute.

APPENDIX

QUESTIONS FROM HON. ERIC A. "RICK" CRAWFORD TO WILLIAM FLYNN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

A. Schedules & On Time Performance (OTP)

Question 1. Is it correct that no segment of a schedule should be shorter than the minimum achievable run time for the segment?

ANSWER. Schedules are designed with the following components:

- Pure Running Time: The least amount of time that a passenger train will take to operate between two points over the train's optimal route, operating at maximum authorized speeds with the most favorable possible signal aspects on that route.
- Recovery Time: Time added to the schedule to help a train "recover" to the published schedule in the event that it encounters delays.
- Miscellaneous Adjustment: Additional recovery time in the schedule, typically for a specific reason, such as a planned meet with another passenger train.
- Dwell Time: Time scheduled at station stops for passenger detraining and boarding and any required servicing of the train or crew changes.

The minimum possible scheduled time for a given segment between two stations will be equivalent to the Pure Running Time of the segment, however, many segments also include additional Recovery Time and Miscellaneous Adjustment minutes to absorb delays experienced by the train.

Question 2. Please provide a table showing the minimum run time for each Amtrak train. Please include within the table the last time the minimum run time was validated against the present schedule in coordination with the host for each Amtrak train.

ANSWER. Please see the attached exhibit that provides the Pure Running Time and total scheduled time by train. All train schedules in operation have been agreed upon with each host railroad over which the train operates. The Pure Running Time of a segment is periodically updated at either the host railroad's or Amtrak's request.

Question 3. If operations remain unchanged, but your schedules are lengthened, could that improve Amtrak's On Time Performance (OTP)?

ANSWER. Lengthening the schedule inevitably changes the operation; when a schedule is modified, the host railroad is required to dispatch the Amtrak train differently in order to meet the new schedule. Lengthening the schedule allows for additional time to delay the train and inconveniences our passengers who would otherwise be able to travel to their destination in less time. And of course, lengthening the schedule costs Amtrak and its passengers more time, money and inconvenience.

The premise of this question fails to recognize the historical reality: when Amtrak has lengthened schedules in the past, on-time performance has become worse. For example, after the on-time performance of the *Sunset Limited* plummeted due to increased freight train interference in the early 2000s, Amtrak lengthened the train's schedule by approximately three hours eastbound and more than two hours westbound in the hope that this would improve OTP. Unfortunately, performance deteriorated further: OTP fell to just 4% in 2004 and ridership dropped due to chronic delays and the longer schedules, which required that key markets such as Mobile and the Mississippi Gulf be served in the middle of the night. See also the response to Question C1, which describes the similar deterioration in the on-time performance of VIA Rail Canada's *Canadian* after major schedule lengthening. Schedule lengthening is not an antidote to poor OTP.

Question 4. Amtrak seems to emphasize faster service as more important than strong OTP. How does Amtrak assess the trade-off between modestly longer schedules and higher OTP?

ANSWER. Amtrak's statutory mission requires schedules that are both trip-time competitive with other modes of travel and operated with a high degree of reliability. Amtrak has made significant changes to schedules when justified, but often host railroad claims that schedules should be lengthened are not supported by data or experience.

While some host railroads assert there is a trade-off between longer schedules and on-time performance, that is a false choice. Current schedules already include plenty of "pad" to absorb delays and lengthening schedules provides more opportunity to delay passengers. Further, what some host railroads deems to be a "modest" schedule change has historically included the addition of as many as several hours to the schedule—drastic and unnecessary schedule changes when OTP could be improved by simply enforcing the law that ensures Amtrak trains receive preference on freight railroads.

Amtrak is required by statute to offer "efficient and effective intercity passenger rail mobility consisting of high-quality service that is trip-time competitive with other intercity travel options." Statute also requires that Amtrak "operate Amtrak trains, to the maximum extent feasible, to all station stops within 15 minutes of the time established in public timetables" and "implement schedules based on a system-wide average speed of at least 60 miles an hour that can be achieved with a degree of reliability and passenger comfort."¹

For many of Amtrak's trains, schedules already reflect an average speed that is far below 60 miles per hour and offer limited trip-time competitiveness. Communities and passengers across the country deserve intercity passenger rail service that meets the standards set forth under law and schedules must be designed accordingly.

Question 5. A significant problem with measuring Amtrak customer OTP is that it involves using Amtrak schedules that are badly outdated and inaccurate. Will you commit to ensuring that these schedules are accurate and updated, including lengthening as necessary, especially when used to enforce OTP?

ANSWER. All schedules in operation have been agreed upon with every host railroad and state partner associated with each train. Amtrak and host railroads discuss schedules frequently—every week, in the case of several host railroads—and schedule modifications are regularly implemented, including changes for host railroad maintenance activities. Schedule accuracy is also tested regularly using statistical analysis and ride study programs. It would not be correct to say that Amtrak schedules are outdated and inaccurate.

The customer OTP metric accurately reflects the customer experience, in that it provides the percentage of customers that arrive at their detraining station on time, which also allows for a grace period of 15 minutes, in addition to the recovery time "pad" included in the schedule. Amtrak has used the customer OTP metric as our internal measure of reliability since October 2018 and has engaged host railroads since then to seek to adjust schedules as needed to ensure the schedules are aligned with the metric. In addition, Amtrak is not opposed to lengthening schedules, provided Amtrak trains are receiving the preference over freight transportation required by law. We are not willing to inconvenience our customers solely to allow freight railroads to put freight ahead of people.

Question 6. Do you agree that if a State sponsor prefers to trade off a shorter or longer schedule for greater OTP for its state-supported route, and it is willing to bear any additional associated costs and the host is agreeable, you should honor the State sponsor's wishes? If you do not agree, please explain why. If you do agree, please provide an example where this has occurred.

ANSWER. All schedules for state supported trains are approved by the respective state partners and designed to meet their transportation needs. If the state partner would prefer a longer schedule and is aware of all the cost implications, and the host railroad is providing Amtrak trains with preference over freight transportation, Amtrak would be agreeable to implementing such a change. There are many examples of state supported schedules being modified, including lengthening the schedule, to accommodate host railroad maintenance of way projects, such as several Michigan Service trains this summer. However, the more frequent scenario that we encounter is a host railroad refusing to agree to implement schedules that state partners propose or support.

¹ See 49 U.S. Code § 24101.

Question 7. The data for measuring Amtrak train performance is collected by Amtrak. To ensure proper monitoring of train performance and improved OTP, will you commit to sharing with your hosts real-time station-specific ridership data, historic station-specific ridership data, and Amtrak's projections of future station-specific ridership data?

ANSWER. There is no "real-time" station-specific ridership data available. Amtrak passengers can book reservations and purchase tickets up to and even after they board an Amtrak train.

Amtrak already provides host railroads with the following:

- Direct access to the Amtrak network and its on-time performance and delay database, which includes:
 - Real-time and historical delay entries for every train in the Amtrak network.
 - Real-time and historical station arrival and departure times for each train.
 - Real-time and historical train status reports for any train.
 - Reports that provide real-time accounting of updates and source information for delay entry data and station times.
 - Reports that provide historical arrival and departure information for any station by train and by route.
- Some host railroads have opted to receive a data feed throughout the day (nearly real-time) that provides all delays, train status information, Amtrak crew information, and other data directly to host railroad systems of their choosing.
- Daily customer on-time performance report that includes the customer on-time performance for each train traveling over the host railroad for the prior day, month to date, quarter to date, and fiscal year to date.
- Quarterly ridership report that shows the number of detraining passengers by station for each train for each of the preceding four quarters.
- Daily ridership data by train and station, subject to execution of a nondisclosure agreement to prevent disclosure of this commercially sensitive data.

B. Preference and Coding of Delays (FTI/HRD)

Question 1. The freight railroads claim to give Amtrak's trains the highest traffic priority on their lines. What more do you think freight railroads should do in order to meet their obligation to provide preference to Amtrak's trains? Are railroads required to hold freight traffic even if it is not necessary for the Amtrak train to arrive on time in accordance with its schedule?

ANSWER. Freight train interference caused *1 million minutes of delay* to Amtrak trains in FY 2019, which demonstrates that on many host railroads Amtrak trains are not receiving the preference over freight transportation required by law, despite any claims by host railroads to the contrary. On any given day, Amtrak trains are directed into sidings to allow freight trains to pass. While a freight railroad may claim this represents their "highest priority" this is not acceptable for Amtrak passengers trying to get to a business meeting or to visit a relative. Recovery time is included in all schedules to absorb delays encountered by a train. However, if there is sufficient time in the current schedule for a freight train to delay an Amtrak train and still arrive on time, that schedule would be a strong candidate for shortening the schedule to offer passengers and communities a more trip-time competitive and effective transportation service.

Question 2. Is it correct that when the Surface Transportation Board (STB) proposed a policy regarding preference it did not agree that preference is absolute (i.e., always requiring that Amtrak trains go first, even where no explicit exception to preference applies) (See *Ex parte* 728 (December 28, 2015))?

ANSWER. This is incorrect insofar as it fails to account for the fact that the STB later withdrew the proposed Policy Statement.

On December 28, 2015 the STB issued a "proposed Policy Statement" (Proposal) in Docket No. EP 728 regarding STB investigations of poor on-time performance, which it characterized as "a potential starting point for parties to consider when developing evidence" for OTP investigations, and stressed that the Board was "not making any binding determinations." The STB sought public comment on the Proposal, so that interested parties "may suggest other interpretations" of Amtrak's preference rights as it pertained to OTP investigations. The Proposal was a severe departure from the clear language of the statute, as well as positions of the DOJ and other agencies regarding the meaning and effect of Amtrak's right to preference.

Indeed, on July 28, 2016, *the STB withdrew the proposed Policy Statement*, stating that its approach to preference issues would be "developed and refined in the context of specific" STB OTP investigations. Any statements in the Proposal regarding how the Board would interpret Amtrak's statutory right to preference are therefore null and of no effect. The Board has not issued any decision or guidance interpreting the scope of Amtrak's statutory right of preference since then.

Question 3. Do you know how many minutes the freight railroads delayed their own trains due to Amtrak? If the railroads are delaying their own trains much more than they are delaying Amtrak, does that suggest that they are providing Amtrak with preference?

ANSWER. While Amtrak has repeatedly sought basic information from freight host railroads regarding the operating plans and performance data for their freight trains, analogous to information that Amtrak provides host railroads for its own trains, nearly all requests are denied even when there is a non-disclosure agreement in place intended specifically to cover this type of information.

If any host railroad believes that providing preference to Amtrak materially lessens the quality of freight transportation provided to shippers, the law allows the host railroad to apply to the Surface Transportation Board for relief from the obligation to provide preference. Not one host railroad has ever sought such relief.

Question 4. Your written testimony stated that it does not make economic sense for Amtrak to expend capital funding to operate “nearly empty trains” (*See* Written Testimony at pg. 9). Does that same principle prove that freight railroads should not be required to park and hold their trains in the name of absolute preference to allow Amtrak’s “nearly empty trains” to proceed without delay?

ANSWER. The referenced testimony stated that “[u]sing scarce capital funding to operate nearly empty trains *would* not be productive.” (Emphasis added.) As the testimony indicated, Amtrak does not intend to do that. Instead, we have adjusted service frequency on all our services to reflect greatly reduced passenger demand due to COVID-19. The trains we are operating on our host railroads continue to carry a significant number of passengers—and those passengers are no less important. Every passenger has a right to arrive at their destination on time.

Question 5. On page 7 of your written testimony you state that long distance passengers bear the brunt of host “railroads’ inability or refusal to obey the law” regarding Amtrak preference. Please elaborate on what is meant by “inability.” Further, please explain how you can claim a “preference” requirement has been violated in a situation where a host is unable to obey it.

ANSWER. Amtrak trains sometimes do not receive preference over freight trains due to the poor training or overwork of dispatchers, rather than a deliberate decision or practice of giving freight trains preference over Amtrak trains. Fatigue or insufficient training are not excuses for violating the laws and regulations governing railroad operations—or, for that matter, for violating traffic laws. Some railroads have claimed inability to provide preference but have offered no evidence of that. If a railroad was truly unable to give Amtrak trains preference over freight trains without materially lessening the quality of freight transportation it provides to shippers, the statute (49 USC 24308(c)) allows the railroad to ask the Surface Transportation Board (STB) to establish preference rights of freight and Amtrak trains on reasonable terms. No railroad has ever made such a claim to the STB.

Question 6. Does Amtrak have evidence that host railroads are not following the law that requires them to give preference to Amtrak? If so, please provide this evidence and documents to the Subcommittee. Over the last 30 years, have any of Amtrak’s host railroads been found by a court or agency to have violated its preference obligation?

ANSWER. Freight train interference is the largest cause of delay to Amtrak trains traveling on host railroads. The high level of freight train interference on some host railroads demonstrates that they are prioritizing freight trains over Amtrak trains, a violation of Amtrak’s legal right to preference.

While other organizations can defend themselves when their rights are being violated, only the United States Attorney General can enforce Amtrak’s right to preference, which is why Amtrak supports preference enforcement legislation currently under consideration in Congress.

The Department of Justice found in 1979 that the Southern Pacific was not providing Amtrak preference, despite the Southern Pacific’s claims to the contrary, and brought an enforcement action that resulted in a consent decree. We believe a similar conclusion would be reached if there were a court or agency proceeding today to determine whether some host railroads are giving preference to Amtrak trains.

Question 7. Your written testimony states that “the leading cause of delays to [y]our long distance network is the failure of some of [y]our host railroads to comply with th[e] longstanding legal obligation to provide Amtrak trains with preference over their tracks.” (Written Testimony at pg. 7). However, data reviewed shows that Freight Train Interference (FTI) is not the greatest cause of Amtrak train delay.

ANSWER. The evidence clearly supports the statement that the leading cause of delays to our long distance network is the failure of some of our host railroads to

comply with their longstanding legal obligation to provide Amtrak trains with preference over their tracks, as shown in the table below.

CY 2019 Delay Minutes by Delay Type for Long Distance Services

Responsible Party	Delay Code	Delay Description	Delay Minutes	Percentage of Total
Host Railroad	FTI	Freight Train Interference	657,910	27%
Host Railroad	DSR	Slow Orders	341,760	14%
Host Railroad	PTI	Passenger Train Interference	212,517	9%
Amtrak	SYS	Crew and System	193,852	8%
Host Railroad	DCS	Signals	166,203	7%
Amtrak	HLD	Hold for Passengers or Baggage	121,448	5%
Amtrak	SVS	Servicing	100,991	4%
Host Railroad	RTE	Routing	99,330	4%
Third Party	WTR	Weather	79,484	3%
Amtrak	ENG	Engine	74,037	3%
Amtrak	OTH	Other	60,055	2%
Amtrak	ADA	Hold for Passenger Mobility	58,630	2%
Host Railroad	CTI	Commuter Train Interference	51,662	2%
Host Railroad	DMW	Maintenance of Way	46,105	2%
Amtrak	CON	Connection Hold	34,373	1%
Third Party	TRS	Trespasser	34,236	1%
Third Party	POL	Police Hold	33,401	1%
Amtrak	ITI	Late Inbound Train	26,966	1%
Amtrak	CAR	Car Mechanical Issue	17,950	1%
Host Railroad	DTR	Detour	14,174	1%
Third Party	DBS	Debris	10,811	0%
Amtrak	INU	Injury	9,535	0%
Third Party	MBO	Movable Bridge Opening	5,500	0%
Third Party	CUI	Customs	375	0%
Amtrak	CCR	Cab Car Mechanical Issue	274	0%

Question 7a) First, the “Reports & Documents” page on Amtrak’s website (last accessed Sept. 23, 2020) shows delays attributed to host railroads, but no reports comparing that to all sources of delay, or even showing all delays attributed to Amtrak or third parties.

ANSWER. Amtrak delays, including the top two delay categories, are reported for every train and route in the Federal Railroad Administration’s *Quarterly Report on the Performance and Service Quality of Intercity Passenger Train Operations*, published every quarter since September 2010, as Congress directed, and publicly accessible on the Federal Railroad Administration website [<https://railroads.dot.gov/passenger-rail/amtrak/rail-service-metrics-and-performance-reports>].

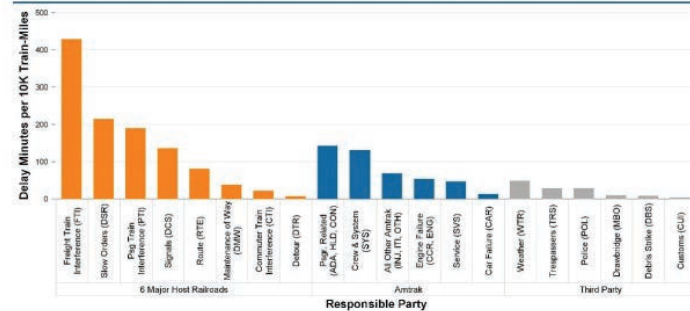
The “Host Railroad Report” posted to the Amtrak website [<https://www.amtrak.com/reports-documents>], as the name suggests, is designed to provide performance information related to host railroads. The report also provides the total Amtrak and Third-Party delays for trains operating over the six major host railroads, as shown in the excerpt below.

Page 4 of the December 2019 Host Railroad Report

Delays to Amtrak Trains by Responsible Party

1 Year Snapshot

Delay minutes per 10,000 train-miles on the six major host railroads categorized by delay type and responsible party.



Responsible Party	6 Major Host Railroads	Amtrak	Third Party
Delay Minutes per 10K Train-Miles	1110	445	120
Percentage of Total Delays	66.3%	26.6%	7.2%



Question 7a.i.). Please direct the Subcommittee to public reports that have that information you relied upon. If Amtrak publishes data for “host responsible” delays but fails to publish equivalent data for Amtrak responsible delays, that creates a false and misleading picture that hides Amtrak’s responsibility for causing delays and unfairly suggests that hosts are responsible for Amtrak’s own poor performance. Accordingly, if Amtrak is not publishing equivalent data on delays attributable to Amtrak, will you commit to publishing complete delay information in the future?

ANSWER. Amtrak delays, including the top two delay categories, are reported for every train and route in the Federal Railroad Administration’s *Quarterly Report on the Performance and Service Quality of Intercity Passenger Train Operations*, published every quarter since September 2010, as Congress directed, and publicly accessible on the Federal Railroad Administration website [<https://railroads.dot.gov/passenger-rail/amtrak/rail-service-metrics-and-performance-reports>].

The “Host Railroad Report” posted to the Amtrak website [<https://www.amtrak.com/reports-documents>], as the name suggests, is designed to provide performance information related to host railroads. The report also provides the total Amtrak and Third-Party delays for trains operating over the six major host railroads.

Question 7a.ii.). There are concerns about the accuracy of what Amtrak codes as “Host Responsible Delays.” For example, Amtrak includes Passenger Train Interference (PTI) within Host Responsible Delays, which includes delays caused by interference with Amtrak’s own trains, even if delays due to such conflicts are unavoidable by the host. Is that correct? If so, would Amtrak also be responsible for some of these host delays, as PTI is a greater source of delay for State-sponsored services than FTI?

ANSWER. Host railroads make all dispatching decisions regarding which trains are allowed to go first and which trains must wait on their rail lines. When two Amtrak trains are operating on a host railroad and must meet or pass each other, the host railroad is in complete control of each train’s movement, which means they control the amount of any delay experienced by the Amtrak trains. Amtrak schedules contain recovery time so Amtrak trains operating on-time can meet one another without impact to on-time performance. When an Amtrak train is delayed by a freight railroad causing a train to operate off-schedule, it frequently results in additional delay to both Amtrak trains.

The duration of a passenger train interference delay can vary substantially from one host to another depending on the efficiency of the host railroad’s operation, dis-

patching effectiveness, and the amount and quality of rail infrastructure that a host has chosen to provide. Schedules agreed upon with each host railroad are designed to specifically account for any scheduled meets between Amtrak trains.

The largest cause of delay to state supported trains is freight train interference, not passenger train interference, as shown in the table below.

CY 2019 Delay Minutes by Delay Type for State Supported Services

Responsible Party	Delay Code	Delay Description	Delay Minutes	Percentage of Total
Host Railroad	FTI	Freight Train Interference	339,410	15%
Host Railroad	PTI	Passenger Train Interference	311,491	14%
Host Railroad	DSR	Slow Orders	290,221	13%
Host Railroad	DCS	Signals	189,393	9%
Host Railroad	CTI	Commuter Train Interference	174,986	8%
Amtrak	SYS	Crew and System	154,472	7%
Host Railroad	RTE	Routing	112,646	5%
Amtrak	HLD	Hold for Passengers or Baggage	88,202	4%
Amtrak	OTH	Other	81,424	4%
Amtrak	ADA	Hold for Passenger Mobility	71,236	3%
Host Railroad	DMW	Maintenance of Way	64,561	3%
Amtrak	ENG	Engine	61,401	3%
Third Party	WTR	Weather	44,626	2%
Amtrak	ITI	Late Inbound Train	42,576	2%
Third Party	POL	Police Hold	41,732	2%
Third Party	TRS	Trespasser	37,737	2%
Amtrak	SVS	Servicing	31,214	1%
Amtrak	CAR	Car Mechanical Issue	15,725	1%
Third Party	MBO	Movable Bridge Opening	13,791	1%
Amtrak	CCR	Cab Car Mechanical Issue	9,141	0%
Amtrak	CON	Connection Hold	7,925	0%
Third Party	CUI	Customs	7,662	0%
Third Party	DBS	Debris	7,396	0%
Host Railroad	DTR	Detour	7,227	0%
Amtrak	INJ	Injury	2,910	0%

7b) Data fails to support your claim that host carrier freight train interference is the greatest source of Amtrak delays to long distance trains. Please review and confirm in writing for the subcommittee the following facts, which are based on Amtrak's calendar year 2019 data:

Question 7b.i.). The delays your conductors attribute to Amtrak-caused delays accounted for 30% of the total delays to long distance trains, whereas delays attributed to FTI accounted for only 26% of total delays;

ANSWER. This statistic highlights the severe impact that freight train interference has on Amtrak trains: *a single delay category, freight train interference, is responsible for nearly as many delay minutes as all 11 categories of Amtrak delays combined.* The delay data for CY 2019 are provided below.

CY 2019 Delay Minutes by Responsible Party for Long Distance Services

Responsible Party	Delay Minutes	Percentage of Total
Host Railroad	1,589,661	63%
Amtrak	698,111	30%
Third Party	163,807	7%

CY 2019 Delay Minutes by Delay Type for Long Distance Services

Responsible Party	Delay Code	Delay Description	Delay Minutes	Percentage of Total
Host Railroad	FTI	Freight Train Interference	657,910	27%
Host Railroad	DSR	Slow Orders	341,760	14%
Host Railroad	PTI	Passenger Train Interference	212,517	9%
Amtrak	SYS	Crew and System	193,852	8%

CY 2019 Delay Minutes by Delay Type for Long Distance Services—Continued

Responsible Party	Delay Code	Delay Description	Delay Minutes	Percentage of Total
Host Railroad	DCS	Signals	166,203	7%
Amtrak	HLD	Hold for Passengers or Baggage	121,448	5%
Amtrak	SVS	Servicing	100,991	4%
Host Railroad	RTE	Routing	99,330	4%
Third Party	WTR	Weather	79,484	3%
Amtrak	ENG	Engine	74,037	3%
Amtrak	OTH	Other	60,055	2%
Amtrak	ADA	Hold for Passenger Mobility	58,630	2%
Host Railroad	CTI	Commuter Train Interference	51,662	2%
Host Railroad	DMW	Maintenance of Way	46,105	2%
Amtrak	CON	Connection Hold	34,373	1%
Third Party	TRS	Trespasser	34,236	1%
Third Party	POL	Police Hold	33,401	1%
Amtrak	ITI	Late Inbound Train	26,966	1%
Amtrak	CAR	Car Mechanical Issue	17,950	1%
Host Railroad	DTR	Detour	14,174	1%
Third Party	DBS	Debris	10,811	0%
Amtrak	INJ	Injury	9,535	0%
Third Party	MBO	Movable Bridge Opening	5,500	0%
Third Party	CUI	Customs	375	0%
Amtrak	CCR	Cab Car Mechanical Issue	274	0%

Question 7b.ii.). Delays attributable to Amtrak exceeded FTI delays by over 110,000 minutes; and

ANSWER. This question compares a group of 11 delays to a single delay category. Host railroads caused more than 1.6 million minutes of delay to long distance trains, equivalent to 3 years of delay, and freight train interference delays alone accounted for 657,910 minutes of delay.

Question 7b.iii.). Nine of the 15 long distance services had more minutes of Amtrak delay than FTI delay, and FTI delay was not the major cause of total delay for any Amtrak long distance service.

ANSWER. This statement is incorrect. Freight train interference delays were the largest cause of delay for 14 of the 15 long distance services, and slow orders were the largest cause of delay for one long distance service, as shown in the table below.

CY 2019 Leading Cause of Delay for Long Distance Services

Service	Largest Cause of Delay	Responsible Party	Delay Minutes
<i>Auto Train</i>	Freight Train Interference	Host Railroad	30,953
<i>California Zephyr</i>	Freight Train Interference	Host Railroad	63,154
<i>Capitol Limited</i>	Freight Train Interference	Host Railroad	61,050
<i>Cardinal</i>	Freight Train Interference	Host Railroad	9,056
<i>City of New Orleans</i>	Freight Train Interference	Host Railroad	27,732
<i>Coast Starlight</i>	Freight Train Interference	Host Railroad	37,068
<i>Crescent</i>	Freight Train Interference	Host Railroad	59,694
<i>Empire Builder</i>	Freight Train Interference	Host Railroad	82,087
<i>Lake Shore Limited</i>	Freight Train Interference	Host Railroad	49,129
<i>Palmetto</i>	Freight Train Interference	Host Railroad	13,367
<i>Silver Meteor</i>	Freight Train Interference	Host Railroad	21,929
<i>Silver Star</i>	Slow Orders	Host Railroad	22,855
<i>Southwest Chief</i>	Freight Train Interference	Host Railroad	49,947
<i>Sunset Limited</i>	Freight Train Interference	Host Railroad	63,390
<i>Texas Eagle</i>	Freight Train Interference	Host Railroad	70,086

Question 8. Is it correct that the difference between Amtrak caused delays and FTI is even greater for state-supported routes? Please review and confirm in writing for the subcommittee the following facts, which are based on Amtrak's calendar year 2019 data for state-supported routes:

Question 8a) FTI delay accounted for just 15% of total delays, and FTI delays were less in number than delays caused by meets with Amtrak's own passenger trains (i.e., PTI);

ANSWER. Freight train interference delays were the largest cause of delay to state supported trains in CY 2019, amounting to nearly 340,000 minutes, equivalent to 236 days of delay caused by freight trains alone, as shown in the table below.

CY 2019 Delay Minutes by Delay Type for State Supported Services

Responsible Party	Delay Code	Delay Description	Delay Minutes	Percentage of Total
Host Railroad	FTI	Freight Train Interference	339,410	15%
Host Railroad	PTI	Passenger Train Interference	311,491	14%
Host Railroad	DSR	Slow Orders	290,221	13%
Host Railroad	DCS	Signals	189,393	9%
Host Railroad	CTI	Commuter Train Interference	174,986	8%
Amtrak	SYS	Crew and System	154,472	7%
Host Railroad	RTE	Routing	112,646	5%
Amtrak	HLD	Hold for Passengers or Baggage	88,202	4%
Amtrak	OTH	Other	81,424	4%
Amtrak	ADA	Hold for Passenger Mobility	71,236	3%
Host Railroad	DMW	Maintenance of Way	64,561	3%
Amtrak	ENG	Engine	61,401	3%
Third Party	WTR	Weather	44,626	2%
Amtrak	ITI	Late Inbound Train	42,576	2%
Third Party	POL	Police Hold	41,732	2%
Third Party	TRS	Trespasser	37,737	2%
Amtrak	SVS	Servicing	31,214	1%
Amtrak	CAR	Car Mechanical Issue	15,725	1%
Third Party	MBO	Movable Bridge Opening	13,791	1%
Amtrak	CCR	Cab Car Mechanical Issue	9,141	0%
Amtrak	CON	Connection Hold	7,925	0%
Third Party	CUI	Customs	7,662	0%
Third Party	DBS	Debris	7,396	0%
Host Railroad	DTR	Detour	7,227	0%
Amtrak	INU	Injury	2,910	0%

Question 8b). Amtrak delays accounted for 28% of total delays; and

ANSWER. Host railroads were responsible for 67% of delays and Amtrak was responsible for 26% of delays, as shown in the table below.

CY 2019 Delay Minutes by Responsible Party for State Supported Services

Responsible Party	Delay Minutes	Percentage of Total
Host Railroad	1,489,935	67%
Amtrak	566,226	26%
Third Party	152,944	7%

Question 8c). Delays attributed to Amtrak exceeded FTI delays by more than 275,000 minutes.

ANSWER. This statement compares a category of 11 delays to a single delay type. The correct comparison is between Amtrak and host railroad delays: *host railroad delays to state supported trains exceeded Amtrak delays by more than 900,000 minutes.* Freight train interference was the largest type of delay to state supported trains, amounting to nearly 340,000 minutes of delay in 2019.

Question 9. How can Amtrak prove that there is a level of preference violations when Amtrak does not record a category of delays due to alleged preference violations? Does Amtrak categorize delays as FTI only when Amtrak views the delay as due to a preference violation? Should the FTI delay category be broader than that? Is your delay category of Host Responsible Delays not also broader than FTI? Please delineate and explain each item or criteria utilized in the delay category and Amtrak's justification for its usage.

ANSWER. Freight train interference delays are delays to Amtrak trains caused by freight trains. These delays represent clear evidence of violations of Amtrak's rights to preference as required by law.

There are eight types of host-responsible delays—information publicly available in the monthly Host Railroad Report posted to the Amtrak website²—as summarized in the table below:

Types of Host-Responsible Delays

Host-Responsible Delay	Description
Commuter Train Interference ...	Delays from meeting or following commuter rail trains.
Detour	Delays from detours.
Freight Train Interference	Delays from freight trains.
Maintenance of Way	Delays from host railroad maintenance of way activities.
Passenger Train Interference ...	Delays from meeting or following other intercity passenger rail trains.
Routing	Dispatching delays.
Slow Order	Delays from slow orders, except for heat or cold orders which are coded as third-party weather delays.
Signals	Signal-related delays.

For each delay, the following details are reported to the extent known, based on direct observations, train bulletins, radio traffic, and information relayed by the engineer, dispatcher, maintenance of way staff, signal maintainers, other train crews, and others:

- Location names or mileposts.
- Train symbol or number and/or locomotive number (with railroad initials) for other trains causing delay.
- Mileposts or other locations, speeds, and track number for slow-order delays.
- Names and aspects for signal delays.
- Engine or car number (with initials for non-Amtrak equipment) for mechanical delays.
- Locations for diversion delays, and track numbers routed from/to.
- Additional comments and information regarding the circumstances of the delay.

Question 10. We are troubled by the appearance that Amtrak’s delay data includes supposed delays to its trains even when the delay is planned for as part of its schedule, or when a train makes up lost time, or even when the delayed train is not actually late. Does your delay data include these items? If Amtrak categorizes trains as delayed without regard to their actual schedule and whether they are on time, will you clarify these different delays in the data that present to the public?

ANSWER. Delays in a given segment of a route are recorded against the Pure Running Time for that segment, as a “delay” represents an impediment to the movement of the train. Amtrak’s detailed approach to delay recordation provides actionable information, allowing both Amtrak and the host railroads to take corrective action to reduce delays, improving the on-time performance of Amtrak trains. Customer OTP, on the other hand, reflects the performance of the train based on the public schedule and provides a clear picture of the customer experience.

C. Proposed Private Right of Action

Question 1. You stated that Amtrak needs the ability to enforce its right of preference over freight trains, but there are non-Amtrak passenger rail services throughout the country that run on time without any right of preference. Why do you think that Amtrak needs the ability to enforce its right of preference over freight when other non-Amtrak passenger rail services run on time without such a preference?

ANSWER. Preference of passenger trains over freight trains is essential to providing on-time passenger rail service. The question provides no evidence to the contrary.

The experience of VIA Rail Canada, Canada’s intercity passenger rail operator, demonstrates the dire consequences to passenger rail in the absence of a right to preference over freight transportation. As noted in a 2016 Special Examination Report of VIA Rail by Canada’s auditor general, “in Canada, passenger trains do not have the right of way. Therefore, VIA’s trains are frequently required to yield to freight traffic, which sometimes results in significant delays.”³ These delays due to lack of preference have decimated the performance of VIA’s principal long distance train, the Toronto-Vancouver *Canadian*. In 2009, VIA added an extra night to the

² <https://www.amtrak.com/reports-documents>

³ https://www.viarail.ca/sites/all/files/media/pdfs/About_VIA/VIA%20SPECIAL%20EXAMINATION%20REPORT%20FINAL.pdf

Canadian's schedule with the expectation that this would improve its poor on-time performance. Instead, on-time performance plummeted to just 8% in 2018 and some trains operated as much as 43 hours late, "impeding VIA Rail from effectively providing a viable travel service" according to VIA's 2019–2023 Corporate Plan.⁴ In that year, VIA added an *additional* 12 hours to the *Canadian's* schedule, but on-time performance continued to deteriorate according to VIA's Second Quarter 2019 Report.⁵

Amtrak's own experience also validates the vital need for real preference enforcement. Around the time of the enactment of the Passenger Rail Investment and Improvement Act of 2008, which included the metrics and standards provisions regarding on-time performance, the average on-time performance of long distance trains increased 45 points to 75%. However, after the Association of American Railroads initiated litigation regarding the metrics and standards provision, the average on-time performance of long distance trains fell 22 percentage points within a year. The data confirms that freight host railroads limit the freight train interference delays to Amtrak passengers when there are real consequences for violating Amtrak's right to preference.

Question 2. Regarding enforcement of preference, does the Passenger Rail Investment and Improvement Act of 2008 allow Amtrak to enforce its rights regarding underperforming services at the STB? Is that right insufficient to keep Amtrak trains on time because the STB does not share Amtrak's view regarding the requirements of preference?

ANSWER. The reason that Section 24308(f) of the Passenger Rail Investment and Improvement Act (PRIIA) is not a sufficient tool for enforcing the federal law giving Amtrak trains a right of preference are the actions of the Association of American Railroads (AAR) and certain freight railroads to block the applicability of that statute at every possible turn. Moreover, whatever views the current members of the STB may have regarding the requirements of preference has nothing to do with why the existing provisions of the PRIIA are insufficient to keep Amtrak trains on time.

Section 24308(f) of PRIIA allows Amtrak to begin a proceeding to have the STB investigate poor OTP, but only if OTP falls below certain triggers. The statute contains two triggers, and the AAR and certain of the freight railroads banded together shortly after PRIIA was passed to bring litigation to invalidate both of those triggers.

The first trigger for an action under Section 24308(f) is that the host railroad fail to meet certain metrics and standards developed by FRA and Amtrak pursuant to PRIIA Section 207. FRA and Amtrak did develop those metrics and standards, after notice and comment, but AAR and certain freights sued the Department of Transportation, claiming that Section 207 and the metrics and standards developed under them were unconstitutional. The case went up to the Supreme Court and back down to the D.C. Circuit Court of Appeals, where—after ten years of litigation—it was finally held that the statute was generally constitutional but that the metrics and standards would need to be developed again. FRA and Amtrak have begun that process, but it is not certain that AAR and the freights will not attempt to invalidate them again in order to keep Amtrak from enforcing its rights to preference at the STB.

The second trigger for an STB action under Section 24308(f) is that an Amtrak train fall below a certain percentage OTP. At the AAR's request, the STB, through notice and comment rulemaking, determined how OTP would be measured for purposes of that provision. The AAR and certain freight railroads promptly challenged the STB's rule in the Eighth Circuit Court of Appeals, where the rule was invalidated.

The result of the litigation brought by the AAR and freight railroads is that the two existing cases Amtrak had brought under PRIIA were dismissed by the STB. Any STB proceeding Amtrak brought after issuance of new metrics and standards could once again be nullified by future judicial challenges.

Question 3. Is it the case that the Department of Justice (DOJ) is empowered to enforce the freight railroad's preference obligation? How many preference enforcement actions has Amtrak asked the DOJ to bring over the past 30 years? How many actions has the DOJ refused to bring? Please provide the details of any cases or refusals to bring cases.

ANSWER. Under 49 USC § 24103(a)(1), only the Attorney General of the United States (DOJ) may bring a civil action when a freight railroad refuses, fails, or ne-

⁴ https://www.viarail.ca/sites/all/files/media/pdfs/About_VIA/our-company/corporate-plan/Corporate_Plan2019.pdf, pg. 9.

⁵ https://media.viarail.ca/sites/default/files/publications/VIA_Q2_2019_EN_1.pdf, p. 37

glects to discharge its duties and responsibilities under certain provisions of the law, including Amtrak's right to preference under 49 USC § 24308(c). However, the Attorney General is only empowered to seek equitable relief, rather than monetary relief such as damages caused by the unlawful behavior.

In the 47 years since the preference law was enacted, the DOJ has only commenced one case to enforce Amtrak's preference rights. That was in 1979, in a case against what was then the Southern Pacific (since merged into Union Pacific). In that case, the District Court for the District of Columbia entered a Consent Order under which Southern Pacific was ordered to "accord to the operations of the *Sunset Limited* between New Orleans and Houston a preference over freight trains in the use of Southern Pacific's rail lines in accordance with" the preference law, as well as other requirements to support that order.

Since then, Amtrak has attempted to convince the DOJ to enforce federal preference law when appropriate, but without success. Because DOJ does not represent Amtrak but only other federal agencies, it has no obligation to enforce Amtrak's preference rights or to prioritize preference enforcement over enforcement of other federal laws. Amtrak does not have a record of every conversation or meeting with representatives of the DOJ or the DOT over the past 30 years regarding preference and so cannot answer with certainty your question about every instance where Amtrak asked the DOT or DOJ to enforce Amtrak's preference rights.

Question 4. Without evidence that violations of preference are a significant problem for Amtrak, is it worth the potential lost time, expense, and harm to relationships that would be caused by Amtrak threatening or litigating preference claims against the very hosts it needs to work with to provide quality service? Should the right of preference be limited to instances where FTI represents the majority of all delays to a service? Should it at least be limited to instances where FTI exceeds all other sources of delay that cannot be reasonably controlled by the host?

ANSWER. *Freight train interference—violations of Amtrak's right to preference—caused 1 million minutes of delay to Amtrak trains in FY 2019.* That is equivalent to nearly *two years of delays to passengers*. It is the leading reason why the on-time performance of long distance services was only 42% last year, with a third of long distance routes less than 30% on time. This disregard of the law is a fundamental challenge to Amtrak's ability to provide reliable service and meet our mission set forth by Congress in statute.

Amtrak has repeatedly sought to work with host railroads to jointly reduce delays, which has led to important successes and reliable service for some routes. However, long-term and consistently reliable performance cannot be achieved systemwide without the real possibility of preference enforcement.

Amtrak would prefer not to litigate preference claims, but history has proven that the only times when Amtrak is provided with reliable service across the system is when a real threat of preference enforcement has existed. Around the time of the enactment of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), which included the metrics and standards provisions regarding on-time performance, the average on-time performance of long distance trains increased 45 percentage points to 75%. After the Association of American Railroads initiated litigation regarding the metrics and standards provision of PRIIA, the average on-time performance of long distance trains fell 22 percentage points within a year.

Amtrak's right to preference protects our customers, our mission, and is an essential element in providing reliable service. Passengers will experience more reliable service when more host railroads comply with the law.

Federal law provides that the right of preference is not limited to the instances that the question suggests it should be limited to, and for good reason. It should be noted that the law provides an opportunity for host railroads to demonstrate that providing preference would materially lessen the quality of freight transportation provided to shippers and seek relief from the law, but no freight railroad has ever sought such relief. It is therefore appropriate to assume that relief has never been required. Excusing repeated host railroad violations of preference that did not exceed some arbitrary threshold would be no different than allowing drivers who repeatedly run red lights to avoid paying fines until they receive a large number of tickets.

Question 5. You verbally suggested that increased OTP during this period of reduced train operations supports the need for a private right of action for Amtrak to enforce preference. But data shows that most of the improvement in OTP during this period has been the result of reductions in Amtrak delays rather than freight delays. For long distance trains, for example, during April 1, 2020, through August 30, 2020, a period of reduced freight and passenger operations, the average FTI delay per train decreased by 14 minutes from 2019, whereas the average delay per

train caused by Amtrak decreased by 34 minutes. Does this suggest that Amtrak could achieve its OTP goals by reducing its own delays or adding time to the schedule to account for delays it cannot eliminate and delays the Host cannot control?

ANSWER. No. In fact, the question lays bare the unfortunate reality: while Amtrak continues to make great strides in reducing its own delays, many freight host railroads continue to prioritize freight over passengers, failing to comply with their legal obligations to provide Amtrak trains with preference. Freight train interference delays are entirely within the control of host railroads and represent the largest cause of delay to Amtrak trains. In the period referenced by the question (April 1, 2020 to August 30, 2020), there were 35% more freight train interference delays to long distance trains than *all Amtrak delays combined*. Moreover, freight train interference is just one type of host railroad delay. Considering all host railroad-responsible delays to Amtrak trains, there were *234% more delay minutes caused by host railroads* than all delays caused by Amtrak.

The greatest single opportunity for improving the on-time performance of Amtrak trains is to reduce freight train interference delays. In CY 2019, there were nearly 11,000 hours of delay to Amtrak long distance train passengers from freight train interference alone, equivalent to more than one year of passengers waiting for freight to operate first. The fact that some freight host railroads have elected not to reduce delays merely proves there is much more for host railroads to do to comply with the law. America's rail passengers deserve nothing less.

D. Private Sector Contracting

Question 1. One idea for helping Amtrak become more efficient and profitable is contracting out services to the private sector. How can Amtrak partner with the private sector on passenger rail operations and services on a broader scale?

ANSWER. Amtrak already contracts out many services that other entities can better provide at a lower cost. Examples including commissary operations for on-board food services and servicing of Amtrak equipment at remote terminals. We also have many contractual arrangements and partnerships with private sector entities in areas such as station development and provision of bus services that connect with our trains. We are open to other opportunities for contracting and partnering with private entities that will improve financial performance and service quality and are not inconsistent with legal requirements or collective bargaining agreements.

It is important to keep in mind, however, that contracting out services does not necessarily reduce costs, and can lead to degradation, loss of control over, or impairment of services. When Amtrak began operation in 1971, it contracted with private railroads to perform virtually all aspects of its operations and services, which resulted in high costs and poor service quality. Recognizing this, Congress amended the Rail Passenger Service Act in 1973 to direct Amtrak to “operate and control directly, to the extent practicable, all aspects of the rail passenger transportation it provides” (49 U.S.C. 24305(a)(2)). Amtrak’s assumption of direct operation and control of most aspects of its services significantly reduced costs and improved service quality. More recent experience of Amtrak and other passenger railroads with privatization of services, discussed in detail in a white paper entitled “Should Amtrak Services and Infrastructure be ‘Privatized?’” on Amtrak’s Stakeholder FAQs website (“Privatization White Paper”),⁶ demonstrates that privatization is not a magic panacea that would make Amtrak profitable, but rather can increase costs, diminish operational performance and customer service, and jeopardize safety and continued operation of services.

Question 2. You testified that certain National Network routes for competitive bid would create more complexity. Please explain what you meant and include any evidence that supports this claim.

ANSWER. Competitive bidding for National Network routes—which the Federal Railroad Administration and a Midwestern state unsuccessfully attempted in recent years, as discussed in the Privatization White Paper⁷—would create additional complexity, and increase administrative and oversight costs, because Amtrak would no longer control aspects of the services it provides to passengers that were privatized; terms under which Amtrak would continue to provide other aspects of those services would have to be negotiated or determined through adjudicatory proceedings; and the provision of services by both Amtrak and other entities would create inefficiencies, customer confusion, and disputes over responsibility for ensuring safe oper-

⁶ <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/position-papers/white-paper-amtrak-privatization.pdf>

⁷ *Ibid.*

ations and addressing service deficiencies that do not exist when all aspects of a service are provided or controlled by a single operator.

Question 3. Please answer each the following questions in detail:

Question 3a) Do you agree that opening routes up for competitive bid could drive down costs? If not, please explain why, including evidence supporting this denial.

ANSWER. As discussed in detail in the Privatization White Paper,⁸ the costs to taxpayers in Great Britain increased greatly after rail services were privatized; in September, British rail regulators announced that the government would reassume control over rail services and end franchising of routes to private operators. The Midwestern state that partially privatized an Amtrak state supported route terminated that arrangement after just 17 months when the private operator sought large increases in the state's payments.

Question 3b) Do you agree that opening routes up for competitive bid could improve service? If not, please explain why, including evidence supporting this denial.

ANSWER. Privatization of Great Britain's rail services resulted in degradation of service quality, including severe overcrowding and poor on-time performance. (See Jones, Owen, "Why Britain's Trains Don't Run on Time: Capitalism," New York Times, April 4, 2017.)⁹ As discussed in the Privatization White Paper,¹⁰ during the first year of partial privatization of a Midwestern Amtrak state-supported route, mechanical delays, which were attributable to problems with the contractor's equipment, increased 35%.

Question 3c) Do you agree that opening routes up for competitive bid would likely create jobs in communities along Amtrak routes? If not, please explain why, including evidence supporting this denial.

ANSWER. No. The creation of jobs in on-line communities due to the operation of passenger rail service is heavily dependent on increasing the number of passengers carried, since this translates into more commercial activity and more spending by visitors on hotels, restaurants, entertainment, etc. As indicated in the Privatization White Paper, ridership *declined* by more than 10% following partial privatization of a Midwestern Amtrak service.

Unsuccessful privatization efforts have led to discontinuance of passenger rail services, which eliminates both railroad jobs and other jobs in on-line communities that are dependent upon passenger rail service. A Canadian intercity passenger rail service was suspended in 2015 when the newly-selected private operator was unable to fulfill its contractual obligations, and subsequent efforts to find a suitable private operator were unsuccessful. The service has never resumed. See Kelly, Lindsay, "Rail supporters reboot search for third-party operator," Northern Ontario Business, March 4, 2016.¹¹

E. Buy America Waiver

Question 1. On August 13, 2020, you responded to Ranking Member Crawford's letter regarding the Buy America waiver Amtrak sought to purchase foreign equipment. None of Amtrak's responses directly answered the questions posed by Ranking Member Crawford. Accordingly, please respond directly to each of the following questions without restating the responses Amtrak provided in the August 13, 2020, letter.

Question 1a) Please list all items/equipment for which the Buy America waiver was sought.

ANSWER. Between March 2018 and May 2019, Amtrak issued three requests for proposal (RFP):

- One railbound tunnel crane
- One track laying machine
- Eight two-man rail car movers with heavy cranes, railgear, and rail car couplers (and related equipment)

In the case of the tunnel crane and the track-laying machine, the request was sent to multiple potential offerors; in the case of the rail car movers, the request

⁸ Ibid.

⁹ <https://www.nytimes.com/2017/04/04/opinion/why-britains-trains-dont-run-on-time-capitalism.html>

¹⁰ <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/position-papers/white-paper-amtrak-privatization.pdf>

¹¹ <https://www.northernontariobusiness.com/regional-news/sault-ste-marie/rail-supporters-reboot-search-for-third-party-operator-371850>

was sent to a single bidder based on a previous RFP. In two of three cases, the request was also posted publicly on Amtrak's website.

Question 1b) Please list the cost of all items purchased or sought to be purchased with the Buy America waiver.

ANSWER. This procurement process continues to be ongoing. As Amtrak negotiates the contracts, some elements of the contract have remained at play. Pricing, as is common to any business negotiation, is a critical part of a contract negotiation. We are happy to report that over the past several weeks, Amtrak and vendors have finalized two of the three negotiations and contracts have been issued:

- Railbound Tunnel Crane—\$12,979,205.00
- Two-man Rail Car Movers—\$7,464,000.00

The third and final contract for the Track Laying Machine remains under negotiation, but we are happy to follow up with your staff with that information once that contract has been issued. We expect to complete that TLM negotiation in the coming months. In the meantime, my team can be available to discuss this with you or your staff if you have any additional questions.

Question 1c) Please list the country or countries where the equipment was sought from or purchased.

ANSWER. Equipment was purchased or will be purchased as follows:

- Railbound Tunnel Crane—Switzerland
- Two-man Rail Car Movers—Canada
- Track Laying Machine—Germany

Question 1d) Please state whether the equipment was, or will be, purchased using funding provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. If so, how much of the CARES Act money is or will be spent on the equipment?

ANSWER. Amtrak closely tracks how CARES Act funds are used, consistent with the terms of the legislation and our agreements with the FRA. No CARES-provided funding has been or will be used to acquire the equipment that was part of this procurement. At all stages, the waiver process has been independent of the pandemic, and of Congress's financial response to the pandemic.

This is a snapshot of the waiver request timeline and process:

- Amtrak first sought an Amtrak Buy American waiver weeks before the first confirmed COVID-19 case, months before the first U.S. case.
- This process began approximately six months before enactment of the CARES Act (P.L. 116-136).
- The FRA's public notice of Amtrak's request preceded the execution of CARES Act grant agreements.

I want to reiterate my earlier message that this waiver request, a process that began over two years ago now, is a step Amtrak rarely takes and that we worked hard to avoid. On average, Amtrak spends just under \$2 billion a year on products and services. Since 1992, when the FRA began posting waiver requests, Amtrak has requested six waivers under the FRA statute (49 USC §22905(a), formerly 49 USC § 24405(a)) and the Amtrak statute, 49 USC § 24305(f). Of the six requested waivers, only five have been required. (One of the waivers, for the Amtrak High Speed Rail Prototype Trainsets, ultimately was not utilized.)

Amtrak's request for a waiver of its domestic buying preference requirements is not the product of an elective choice; rather, it is the result of market realities and Amtrak's need for equipment that meets certain technical specifications the company is unable to change. Amtrak sought to acquire the relevant equipment from manufacturers that can meet Amtrak Buy American requirements without a waiver but was unable to do so; the FRA has granted Amtrak's request based on narrow criteria that Congress spelt out in statute.

F. Amtrak Accounting

Question 1. According to the Cato Institute (see Cato statement submitted for the record), Amtrak currently receives a federal subsidy of roughly thirty cents per passenger-mile, whereas the aviation industry receives a subsidy of roughly one cent per mile. What specific amount do you think is an appropriate subsidy per passenger-mile for Amtrak?

ANSWER. Since the referenced testimony does not indicate how the subsidy per passenger mile figures were calculated (e.g., whether indirect federal, and all aviation trust fund, spending on the aviation industry was included), we are unable to assess the accuracy of the comparison. We believe that the level of federal funding Amtrak receives should not be based upon an arbitrary per passenger-mile figure, but rather on the benefits the country receives from investing in Amtrak.

The approximately \$2 billion Congress has invested annually in Amtrak in recent years, is a tiny fraction of what the federal government spends on competing transportation modes. For example, in 2017, according to data compiled by the Congressional Budget Office, federal spending on highways exceeded Amtrak's federal grant by a factor of more than thirty to one.¹² The funding Congress has provided to Amtrak has produced a very high return on investment. Significant, sustained investments in intercity passenger rail service, comparable to those in other countries, would result in much higher ridership, more efficient operations, and economies of scale that would significantly reduce expenditures per passenger-mile, as has occurred on Amtrak's Northeast Corridor.

Question 2. Does Amtrak use benefit-cost analysis when determining long-distance service?

ANSWER. Amtrak's decisions about long distance service levels reflect many factors, but are always informed by the mission, goals, and other directives Congress has spelt out for Amtrak in statute, including the requirements that we operate a "national rail passenger transportation system" (49 USC § 24701), defined in a way that explicitly includes long distance routes (49 USC § 24102), and that we use our best business judgment to minimize governmental subsidies (49 USC § 24101). Our business judgment is of course informed by cost-benefit analyses, and such analyses have prompted or supported major decisions about long distance service; the pre-pandemic transition to flexible dining on many eastern (single-night) routes and the post-pandemic reduction of service levels are two recent examples.

Question 3. Do you acknowledge Amtrak's Congressionally-mandated mission of making a profit as contained in the Rail Passenger Service Act of 1970? Please answer each of the following questions in detail.

ANSWER. Amtrak has never had a Congressionally-mandated mission of making a profit. The referenced provision in the Rail Passenger Service Act of 1970, which stated that Amtrak was to be a "for-profit company" was amended in 1979 to provide that Amtrak was to be "*operated and managed* as a for-profit company." (49 U.S.C. 24301(a)(2), emphasis added). The legislative history of the 1979 amendment indicates that it reflected the fact that Amtrak could not be profitable.

The Congressional Research Service (CRS) has found that there was "little evidence ... in the legislative history" of the 1970 Act to support the "assert[ion] that Amtrak was intended by Congress to be a profit-making enterprise." CRS noted that whatever expectations there were that Amtrak might eventually become profitable were premised on the assumptions that the federal government would provide the significant funding required to develop faster service in high-density corridors and that Amtrak would not be required to continue to operate a national network of unprofitable routes. CRS found that neither pre-condition had been met. (See CRS, "Amtrak Profitability: An Analysis of Congressional Expectations at Amtrak's Creation" (June 26, 2002).)¹³

Question 3a) COVID-19 considerations aside, do you agree that trying to make a profit should be a goal for Amtrak?

ANSWER. We believe that operating an efficient service in a business-like manner that makes optimal use of available public funding should be Amtrak's goal. Like Amtrak's long distance routes, virtually all of the airline and intercity bus routes that serve rural regions of the United States receive significant federal subsidies, without which these services would disappear. Every dollar we save is a dollar we can reinvest into the railroad to ensure we can better serve our customers and your constituents.

Question 3b) COVID-19 considerations aside, do you believe that Amtrak should operate in a fiscally responsible way that seeks to minimize wasting taxpayer money?

ANSWER. We agree that Amtrak should operate in a fiscally responsible way. We disagree with the implication that providing funding for intercity passenger rail service is a waste of taxpayer money.

Question 3c) Do you believe providing good service and making a profit are in conflict?

ANSWER. While providing good service is not in conflict with operating in a financially efficient manner, an expectation that a national network of intercity passenger rail service could be profitable is unrealistic. As indicated in the CRS re-

¹² <https://www.cbo.gov/publication/54539>

¹³ <https://crsreports.congress.gov/product/pdf/RL/RL31473>

port.¹⁴ Amtrak was created because the private railroads that then provided inter-city passenger rail service were all losing huge amounts of money operating passenger rail service that became inherently unprofitable after post-World War II public investments in competing transportation modes. No country in the world has a profitable passenger rail system that does not require public funding.

Question 3d) Looking beyond the COVID-19 pandemic, please explain in detail your plan to ensure that Amtrak makes a profit and meets its Congressional mandate. If you do not believe Amtrak should make a profit, please explain.

ANSWER. As discussed above, Amtrak does not have a congressional mandate to make a profit.

Question 4. What are the losses, per train or per passenger-mile, when taking into account the depreciation of equipment?

ANSWER. Amtrak uses the group method of depreciation (group method) in which a single composite depreciation rate is applied to the gross investment in a particular class of property or equipment, despite differences in the service life or salvage value of individual property units within the same class. While we know how much depreciation has been recorded for a particular group, we do not calculate equipment depreciation per train, which would vary from day to day depending upon the number and type of equipment units assigned.

Question 5. The previous Amtrak CEO developed accounting figures to factor in depreciation of equipment to each individual route but did not publish this information. Will you agree to publish this information and provide it to this Committee? If not, please state your reasoning.

ANSWER. Depreciation is not a cash expense and not a good measure of the day-to-day operating expenses of a route or the cost of replacing railroad assets. For that reason, our adjusted operating loss (similar to EBITDA) is a much better measure of route profitability. Many public companies, across varied industries, often talk in terms of EBITDA, or some form of adjusted operating income to provide investors with an accurate view of the core operating results of the company. You can see the adjusted operating loss for a route in our publicly available “Monthly Performance Report” on the Amtrak.com website under “Reports.”¹⁵

G. COVID-19 and CARES Act

Question 1. As a result of the coronavirus, many states are facing budget deficits and financial difficulties. What is Amtrak’s plan for working with the states in 2021, specifically regarding the state-supported routes?

ANSWER. We appreciate the tremendous financial strain that the coronavirus has created for our state partners. Our overarching goal as we navigate the coronavirus is to preserve all of our state supported services, so that as we emerge from this pandemic we can continue to provide mobility and connectivity to the states in support of economic recovery. To do this, we believe the foundation must be continued emergency federal funding to Amtrak and our state partners to replace the lost ticket revenue resulting from reduced travel associated with the coronavirus. In addition to this emergency funding, we are working to make our operating agreements with states as flexible as possible so that we can all respond as nimbly as possible to our quickly changing environments.

Question 2. Amtrak’s Office of Inspector General recently found that Amtrak is utilizing a “legacy process” to calculate state Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Section 209 payments and that management will not have an “alternative” billing and methodology system implemented before the end of this fiscal year. How can states trust that Amtrak will implement alternative billing and cost methodologies before their next service agreements are signed?

ANSWER. Under PRIIA Section 209 and the FAST Act, the cost sharing methodology is governed by the State-Amtrak Intercity Passenger Rail Committee (SAIPRC), of which Amtrak is a member along with states funding state supported services and the Federal Railroad Administration. Changes to the cost sharing methodology must be approved by all parties. Amtrak has repeatedly expressed its openness to considering alternative approaches to the process we have today. We look forward to collaborating with our SAIPRC partners to investigate these alternatives but based on the way the statute was designed Amtrak cannot unilaterally change the existing processes.

¹⁴ *Ibid.*

¹⁵ <https://www.amtrak.com/reports-documents>

Question 3. Amtrak's state-supported routes have identified clear reductions in service because of the COVID-19 pandemic but have not seen corresponding decreases in their cost of service. On state routes, what costs does Amtrak consider to be fixed and what costs does Amtrak consider to be variable?

ANSWER. From October 2019 to February 2020, the period in FY 2020 prior to COVID-19, Amtrak ran 1.2M state supported train-miles per month, which resulted in Section 209 operating costs of \$62.1M per month. From March through August 2020, based on guidance from state partners, Amtrak ran only 552K state supported train-miles per month, resulting in Section 209 operating costs of \$44.5M per month. To clarify, these costs during COVID-19 are lower than they were prior to COVID-19 based on the reductions in service.

A railroad is an entity where many costs are fixed. Certain costs can be fixed or variable based on the time period. Please see the following table, which we shared with our state partners during one of our weekly (now bi-weekly) conference calls where we address COVID-19 related issues:

Cost	% Labor	More Variable	More Fixed	Note
Host RR	na	Access fees, incentives	NRPC officer	Minor costs from some hosts even if no Amtrak service
Fuel & Power	na	Fuel	Negligible	Note that fuel management activities charged in T&E Additive
T&E Crew Labor	95%	Labor	Extra board, some costs at smaller crewbases.	<ul style="list-style-type: none"> • Variability can be short-run and long-run • Long lead times for crew qualification, training
Car & Loco Maint. & Turnaround.	55%	Labor, materials	Facilities, shop tools and equipment.	<ul style="list-style-type: none"> • Variability can be short-run and long-run • Long lead times for qualification, training for certain crafts
On-Board Passenger Technology.	na	Cellular access fees driven by installed base.	Fixed support costs	
OBS Crew	95%	Labor, provisions	Negligible	<ul style="list-style-type: none"> • Variability can be short-run and long-run • Lower lead times for qualification, training
Commissary Provisions ..	na	Café provisions	E.g., paper towels	Includes some consumables used outside of food service
Route Advertising	na	Media placement	na	Determined by individual states
Reservations & Call Centers.	40%	Labor	Technology	BPO call center provider offers greater variability of labor costs
Stations—Route	70%	Labor	Facilities	Variability can be short-run and long-run
Stations—Shared	70%	Labor	Facilities	Variability can be short-run and long-run
Station Technology	na	Access fees driven by installed base.	Fixed support costs	See above
Commissions and Res. System Access.	<1%	Commissions	na	Costs driven by revenue purchased through specific channels

Cost	% Labor	More Variable	More Fixed	Note
Customer Concession	<1%	Credits, refunds	na	Costs driven by passenger counts; category has decreased substantially due to accounting changes
Connecting Motor Coach	Low	Yes	na	Determined by individual states
Regional/Local Police	97%	Labor	Support costs	
Block & Tower Operations.	97%	Labor	Technology	These costs have been decreasing over years as remaining manual towers are automated / centralized
Terminal Yard Operations.	95%	Labor	Extra board, some crew base costs.	<ul style="list-style-type: none"> • Variability can be short-run and long-run • Long lead times for crew qualification, training
Insurance	na	Some insurance costs vary by activity levels.	Some costs determined by insurance market.	Some costs controllable by Amtrak, some costs determined by larger insurance market

Question 4. The Amtrak Office of Inspector General recently found that Amtrak was not providing states with clear data on how service changes due to coronavirus would affect state costs. This data is especially important as states face budget shortfalls due to coronavirus. Please explain how Amtrak is working to fix this problem. Secondly, will Amtrak agree to provide states with this data? If not, please state why. If so, please share a copy with the Subcommittee and notify the Subcommittee when this sharing occurs.

ANSWER. The question above about fixed and variable costs shows the blend of fixed and variable costs at a railroad. When service changes, variable costs change but most of the time fixed costs do not. Different state supported routes have different mixes of fixed and variable costs, based in part on their geography; their infrastructure; service decisions that have been made by states; and more. Together, these factors make it challenging to forecast how service changes will change costs. To address this issue, Amtrak has introduced a simplified forecasting approach for FY 2021 that will make it possible to provide states with estimated costs of service changes much more quickly. Please find attached an example of the kinds of forecasts we have provided states for different service levels on various state supported routes.

H. Amtrak Police

Question 1. Do the workforce layoffs and furloughs announced by Amtrak include members of the Amtrak police department? If so, how many employees of the Amtrak police department are affected and how does this decision impact passenger safety?

ANSWER. No members of the Amtrak Police Department were furloughed, and one member was laid off. That employee was a senior continuity of operations manager and was in a support position tasked with establishing corporate-level business continuity programs.

Question 2. Earlier this year, the Amtrak Office of the Inspector General reported issues with Amtrak's ability to define the role, priorities, and size of the Amtrak police department. Please explain how Amtrak is addressing these issues.

ANSWER. Issued on July 1, 2020, Amtrak OIG report OIG-A-2020-012¹⁶ offered four primary findings and three recommendations. To address them, Amtrak has committed to:

1. Facilitate discussions between the Executive Leadership Team and the Board of Directors to reach a consensus on what APD should be doing. The results of those discussions will inform the mission and objectives of the department, which will incorporate them into its strategic plan. In addition, the Executive Safety and Security Council will ensure that APD appropriately executes its

¹⁶ <https://amtrakoig.gov/sites/default/files/reports/OIG-A-2020-012%20APD.pdf>

strategic plan and ensures that it is incorporated into the company's integrated Safety and Security Policy. As part of this effort, APD has engaged a consultant to assist in the preparation of a strategic plan, due winter 2021. APD has engaged with the ELT for their input and feedback, which will inform the strategic planning process, scheduled for December 7, 2021. APD has always been clear on its public safety mission of protecting life, property, and infrastructure.

2. Review staffing models from partner agencies and best practice guidelines from police research organizations to develop a data-driven, risk-based process to recommend an optimal size for APD. The department expects to have a proposal to senior leadership during the first quarter of FY 2021. Additionally, APD leadership will use the results of a recently commissioned audit of the contract security services the company uses to develop proposals on alternative staffing options. APD intends to maximize agreements the company has in place and reallocate resources accordingly, to more effectively supplement APD sworn officers. APD leadership will forward the audit results and its related recommendations to the Executive Leadership Team for consideration and action. Also, APD is in the process of evaluating its current goals and metrics as part of the APD Security Management System annual review process. At the September 2020 Board meeting, APD presented its FY 2021 goals and metrics to the ELT and the Board, who approved them then. The target completion date for these tasks is March 31, 2021.
3. Remediate identified weaknesses with the Computer Aided Dispatch system and optimize several of the current IT platforms to improve workload data. Management stated that APD will use the improved workload data to inform decisions it makes about the size and allocation of its staff. In addition, IT is working with APD to determine the best reports and metrics it needs to inform its decisions about staff composition and allocation, and train APD staff on the use of any resulting dashboards and reporting tools it generates. The target completion date for this effort is July 1, 2021.

I. Miscellaneous

Question 1. Who should decide Amtrak's National Network routes: Congress, Amtrak, or someone else? Please elaborate on your rationale this decision.

ANSWER. Amtrak's 1997 reauthorization gave Amtrak responsibility for determining its route network, and directed Amtrak to "operate a national rail passenger transportation system which ties together existing and emergent regional rail passenger service and other intermodal passenger service" (49 U.S.C. 24701). Section 209 of the Passenger Rail Investment and Improvement Act of 2008 made states responsible for funding most of the costs not covered by revenues of routes of less than 750 miles in length (other than the Boston-to-Washington Northeast Corridor), which means that the continued operation of such routes, and the initiation of new less than 750-mile routes, is determined by states (subject to operational constraints and the availability of necessary funding and equipment).

Amtrak believes that it is appropriate that Amtrak, which is required by the Rail Passenger Service Act to operate and be managed as a for-profit business and to make the best use of available resources, determine Amtrak's long distance route network. We also believe that states should continue to be responsible for determining whether to initiate or continue operation of state supported routes they primarily fund, but that expansion of Amtrak service to corridors and regions that are underserved or not served by existing Amtrak services will require the federal government and Amtrak to play a greater role in initiating or expanding under-750-mile corridor services and providing the funding necessary to accomplish this. Finally, we recognize that it is ultimately up to Congress, which funds the operating losses and capital costs of Amtrak's long distance network and the state supported route costs that Amtrak pays, to set the policy for what passenger rail service Amtrak will provide.

Question 2. Amtrak currently requires any claims against it to be arbitrated. Do you think that arbitration is a fair, reasonable, and highly efficient means of alternative dispute resolution? Will you agree to continue this policy? If not, please state why in detail.

ANSWER. Amtrak's arbitration program is consistent with other major Amtrak initiatives to improve the overall customer experience, and Amtrak adopted it for two simple reasons: to expedite resolution of claims and to reduce unnecessary litigation costs.

First, Amtrak's arbitration program provides a much quicker resolution of claims and much faster compensation to injured parties than court litigation, while retaining most important aspects and protections of the civil litigation system: convenient

venues throughout the country; legal representation; an independent decisionmaker; authorization for appropriate discovery; and the ability of a prevailing claimant to be awarded damages and all other relief available under applicable law. The major difference is that arbitration provides a resolution in less time—generally well within a year of filing—by avoiding unnecessary discovery and other time-consuming proceedings, and the often years-long wait for a trial date on overcrowded court dockets. This is especially advantageous now, with the significant backlogs facing U.S. courts due to closures associated with the COVID-19 pandemic. There is no comparable backlog in the arbitration system, and arbitrations can be held remotely if necessary or desired by the parties.

Second, in its oversight of Amtrak, Congress has directed Amtrak to “use its best business judgment in acting to minimize United States Government subsidies.” Arbitration achieves that aim by streamlining the scope, and thus the expense, of the traditional civil litigation proceeding. The only beneficiaries of protracted and extraordinarily expensive court litigation are the lawyers, whose fee agreements can consume up to 40 percent of a successful claimant’s award.

Amtrak’s arbitration program has been carefully crafted to meet the standards for such programs set forth in Supreme Court and other judicial rulings, proving false the vague assertions that our program violates passengers’ constitutional rights. Indeed, the program goes far beyond those standards in order to provide a fair, flexible, and easy-to-utilize process for our passengers. Amtrak has a fundamental commitment to Congress to be a careful steward of taxpayer funds. Amtrak spends roughly \$2–3 million annually—some \$11 million over the last five years—for outside counsel to represent the Company with respect to passenger claims. We believe arbitrating disputed passenger claims under our policy will reduce those costs significantly; that is money that can then be spent in safety programs and other passenger service and care programs.

For these reasons, Amtrak plans to continue with this policy for the foreseeable future.

Question 3. Section 11207 of the FAST Act requires Amtrak to eliminate operating loss from food and beverage services. Despite this fact, there has been Congressional support for Amtrak serving expensive gourmet meals.

Question 3a) In light of COVID-19 and other financial difficulties, do you believe Amtrak should be offering meals such as filet mignon and French toast to passengers?

ANSWER. Section 11207 of the FAST Act’s prohibition on using federal funds to cover operating losses associated with food and beverage service (previously codified at 49 U.S.C. § 24321(d)) was repealed by P.L. 116–159 on September 30.

Amtrak offers traditional dining with sit-down meal service on six long distance routes with trip times over 30 hours, and to sleeping car passengers on the *Auto Train* between Virginia and Florida. Sample menus may be found online.¹⁷ While Amtrak does not serve filet mignon, French toast, a popular offering in diners and fast food restaurants, is one of the breakfast choices.

Due to COVID-19, only the *Auto Train* currently offers traditional dining. On other long distance routes we are temporarily offering sleeping car passengers the flexible dining service we have introduced in recent years for sleeping car passengers on most shorter (one-night) long distance routes. Flexible dining, which offers pre-plated meals picked up from an attendant or delivered to rooms, is described on our web site, where one can also find sample menus.¹⁸

Question 3b) Will you follow the law and ensure that Amtrak’s meal options are fiscally prudent, eliminate financial losses, and do not result in an unnecessary waste of taxpayer money?

ANSWER. Notwithstanding the repeal of 49 U.S.C. § 24321(d), improving financial performance of food service remains one of Amtrak’s goals. We will continue to make smart business decisions that seek to provide a positive customer experience while at the same time minimizing costs. As on airlines, most of which provide (complimentary) meal service to all passengers on trips of much shorter duration than trips on Amtrak’s long distance trains, offering food service that is both cost-efficient and meets customers’ expectations and dietary requirements is essential to optimizing financial performance.

Question 4. Do you support or oppose the use of private cars on Amtrak trains and charter trains operated by Amtrak?

¹⁷ <https://www.amtrak.com/onboard/meals-dining/dining-car.html>

¹⁸ <https://www.amtrak.com/onboard/meals-dining/flexible-dining.html>

ANSWER. Amtrak supports the use of private cars on Amtrak trains and charter trains operated by Amtrak. In 2018, Amtrak revised its policies related to both these activities to ensure we conducted them with the highest standards of safety, to minimize operational impacts, and to ensure the associated fees fully covered all the related costs. You can find all our private car information, as well as a link to our detailed private car policy, on our web site.¹⁹ For charter trains, the relevant information is also on the Amtrak site.²⁰

Question 5. Last year, some of Amtrak's creditors filed suit alleging inappropriate handling of Amtrak's Alstom-Bombardier HHP-8 locomotives.

- a) Is it true that Amtrak has retired all those locomotives after only 10 years of revenue service?
- b) What is Amtrak doing with the retired HHP-8 locomotives today?
- c) Is this situation indicative of Amtrak's typical fleet maintenance practices?

ANSWER. As this matter is subject to on-going litigation, we cannot comment at this time under guidance from our counsel.

Question 6. If funding and financing were put in place tomorrow, what would the timeline be for the Gateway Program? When would the new Hudson River tunnel open? When would rehabilitation of the existing tunnel be completed?

ANSWER. We and our partners continue to do everything in our power to advance Gateway, and we are optimistic that significant progress will be made in the coming year. Portal North Bridge will begin construction in 2021. Early work on Hudson Yards Concrete Casing Section 3 began in September. And additional Gateway projects, such as Sawtooth, Dock Bridge, and Penn Station Expansion, are advancing into the design phase and NEPA review. The Hudson Tunnel Project is a 10-year program: approximately seven and a half years for construction of the new tunnel, then a year and a half per tube for rehabilitation of the existing century-old tunnel. The broader Gateway Program, including expansion of Penn Station New York, the Sawtooth Bridges Replacement, and Portal South Bridge, among others, could be delivered by 2035 if all funding and financing were in place, and assuming that all necessary approvals and permits were granted expeditiously.

Question 7. Can you discuss the reasons for variations in load factor for Northeast Corridor, State-Supported, and Long-Distance routes?

ANSWER. Load factors on a given route or service line are driven by the capacity (seat-miles) offered on the trains, the level of total demand (passengers) on the trains, the distance those passengers choose to travel (passenger-miles), and the distribution of the various destinations along the length of the route served. Load factors in any period can vary based on decisions regarding capacity offered and by customer behavior, which in turn can be influenced by the economic environment, competition, product pricing, and a host of other external factors. Variations in load factors across the service lines in FY 2020 reflect the myriad differences across these variables in a fluid environment under great stress given the role of the pandemic in daily life. While a commercial airliner traveling from one city to another city could achieve a 100% load factor, a train that serves multiple destinations along a route is much less likely to do so. Conversely, that same airliner can only sell each seat once for a given trip, whereas an Amtrak train often sells a given seat multiple times. (For example, someone may travel from Washington to Baltimore and de-train, at which point a second person may ride from Philadelphia to New York in that seat, and then a third could ride from New York to Providence.) For a long distance train, it is also worth noting that sleepers tend to support a higher load factor than do coaches, such that the total load factor for a long distance train is an average between the full or nearly full sleepers and the coaches, which have more turnover and are relatively less full.

QUESTIONS FROM HON. LLOYD SMUCKER TO WILLIAM FLYNN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Question 1. What is the Keystone Line's current ridership as of 9/24/20 and do you believe projected passenger demand warrants full service?

ANSWER. Actual *Keystone* ridership in the first eleven months of FY 2020 was 761,987, with a forecast September ridership of 19,586, for a projected total FY 2020 ridership of 781,573. (Please note that service was entirely suspended for more than two months earlier in the year as a result of the ongoing pandemic; service between Philadelphia and New York City remains reduced.)

¹⁹ <https://www.amtrak.com/privately-owned-rail-cars>

²⁰ <https://www.amtrak.com/charter-your-private-train>

As one of Amtrak's state supported services, the *Keystone* is supported by funding from the Commonwealth of Pennsylvania; accordingly, service levels reflect the Commonwealth's wishes. Amtrak is committed to continuing to work with all its state partners to provide the level of service they wish to see.

Question 2. How does Amtrak's CY2020 revenue from the Keystone line compare to this time last year?

ANSWER. In January and February *Keystone* revenue in CY 2020 was up year-over-year, in keeping with the performance of many other routes. Because of the pandemic, revenue in subsequent months has lagged FY 2019 levels.

Actual *Keystone* ticket revenue in the first eight months of CY 2020 was roughly \$10.2 million, with a forecast September ticket revenue of roughly \$564,000. *Keystone* ticket revenue in the first eight months of CY 2019 was roughly \$31.4 million, and September 2019 ticket revenue was roughly \$4.0 million. The CY 2020 figures reflect the suspension of *Keystone* service for more than two months, as well as reductions in service.

Question 3. How does Amtrak's capital investment over the past 5 years in the Keystone line compare to the Commonwealth of Pennsylvania's investment in the line over the same timeframe?

ANSWER. Capital expenditures for Fiscal Years 2016 through 2020 by Amtrak, the Commonwealth of Pennsylvania and SEPTA on Keystone Line infrastructure and Keystone Line stations served by Amtrak were approximately:

• Amtrak	\$99.7 million
• Commonwealth of Pennsylvania	\$66.1 million
• SEPTA	\$43.0 million
<hr/>	
• Total	\$208.8 million

The figures for Pennsylvania and SEPTA reflect the amounts they provided to Amtrak (including any unpaid billings) or reported; Fiscal Year 2020 expenditures are pre-audit. The SEPTA figures reflect investments on the portion of the Keystone Line between Philadelphia and Thorndale predominantly used by SEPTA trains and passengers; they include funding provided to SEPTA by the Commonwealth of Pennsylvania and the Federal Transit Administration.

Question 4. As of 9/24/2020 what percentage of Amtrak stations along the Keystone line are ADA compliant?

ANSWER. Amtrak is solely responsible for ADA compliance at two of the 11 stations on the Harrisburg Line (Parkesburg and Middletown) and shares ADA responsibility with other entities at six stations (Paoli, Coatesville, Lancaster, Mount Joy, Elizabethtown, and Harrisburg). Of those eight stations:

- two are fully compliant (Paoli and Mount Joy);
- four are not fully compliant, but platforms and trains can be accessed by passengers using wheelchairs (Lancaster, Elizabethtown, Middletown, and Harrisburg); and
- two are not compliant (Coatesville and Parkesburg).

SEPTA is responsible for ADA compliance at three stations used predominantly by SEPTA trains and passengers. Of these stations, Exton is compliant and construction of investments at Ardmore and design of investments at Downingtown to bring these stations into compliance are underway.

Of the six stations that are not fully ADA-compliant for which Amtrak has or shares ADA responsibility:

- the Pennsylvania Department of Transportation is progressing projects to replace the Middletown and Coatesville stations with new, fully ADA-compliant stations; and
- design or construction of improvements to bring three other stations (Parkesburg, Lancaster, and Harrisburg) into full compliance is underway.

Amtrak expects that all components of Amtrak-served stations on the Keystone Line for which we have ADA responsibility will be fully ADA compliant by 2026. In recent years, Amtrak's expenditures on ADA compliance have exceeded the amounts that Congress has directed us to spend. We remain committed to working with Congress, and with the commuter railroads, states, municipalities, and other entities that have or share ADA compliance responsibility at the majority of our stations, to achieve full compliance at all stations.

Question 4a) What percentage of those completed upgrade projects were paid for by Amtrak compared to the Commonwealth of Pennsylvania or other entities?

ANSWER. The following are the approximate expenditures since 2009 for completed ADA compliance projects at the 11 Keystone Line stations:

• Amtrak	\$23.6 million
• SEPTA	\$57.0 million
• Commonwealth of Pennsylvania	\$59.0 million
• Total	\$139.6 million

The figures for Pennsylvania and SEPTA reflect the amounts they provided to Amtrak (including any unpaid billings) or reported; Fiscal Year 2020 expenditures are pre-audit. The SEPTA figures reflect expenditures at the Paoli and Exton stations predominantly used by SEPTA trains and passengers; they include funding provided to SEPTA by the Commonwealth of Pennsylvania and the Federal Transit Administration. The Amtrak figures do not include the \$11 million Amtrak has spent on completed ADA compliance projects at William H. Gray III 30th Street Station in Philadelphia, which is served by Keystone Service trains but is not located on the Keystone Line.

Question 5. Do all Amtrak revenues generated on the Keystone Line aside of ticket sales, including fees generated from other rail line utilizers get reinvested back into Keystone line?

ANSWER. Sec. 209 of the Passenger Rail Investment and Improvement Act defines “Keystone Line” as the segment between Philadelphia and Harrisburg; the *Keystone* segment between Philadelphia and New York is treated as part of the NEC, and revenues generated along that segment of track are credited accordingly.

The revenues generated from travel between Philadelphia and Harrisburg are credited against the operating costs that Pennsylvania is responsible for under the Sec. 209 formula. Those revenues are not specifically segregated and used for investments, but they are used to offset the state’s obligation, for operating purposes.

SEPTA access charges are assessed and allocated based on the PRIIA Sec. 212 formula; revenue based on real estate that Amtrak owns (i.e., from retail leasing in William H. Gray III 30th Street Station) is handled separately, along with an allocation of costs that support that revenue.

QUESTIONS FROM HON. SCOTT PERRY TO WILLIAM FLYNN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Question 1. In response to my question about the questionable accounting practices at Amtrak, you stated:

“So, the largest difference between adjusted operating income and GAAP is the exclusion of EBITDA for discussion purposes.

Many companies, across varied industries, often talk in terms of EBITDA, or some form of adjusted operating income to provide investors, if we’re talking about a publicly traded company, to provide investors with as accurate a view of the core operating results of the company. But GAAP, of course, is the bottom line and we report on that.

The biggest number is depreciation which largely addresses the catch up in investing that the company is doing in fleet and other infrastructure. That hasn’t been done for many, many years.”

According to the Congressional Research Service, Amtrak changed its definition of “total expenses” to exclude depreciation and other items in 2017—not “many, many years” ago.¹

Can you please provide me with Amtrak’s justification for why they chose to make such a definition change in 2017?

ANSWER. In Amtrak’s audited consolidated financial statements,²¹ the definition has not changed: “depreciation and amortization” is included within “total expenses” for FY 2014 through FY 2019 (i.e., all years for which the statements are posted), as it will be in the FY 2020 statement.

The CRS figures for Amtrak’s “total expenses” in the linked report agree with Amtrak’s own reported total expenses for FY 2015 and FY 2016; note that their figures in FY 2017 through FY 2019 are actually *lower*, not higher, than Amtrak’s reported totals. It is possible that the cited note is referring to a change Amtrak made in

¹ See “Table I. Amtrak Revenues, Expenses, and Federal Support, FY2015–FY2019, Notes.” Page 5. <https://fas.org/sgp/crs/misc/R45942.pdf>

²¹ <https://www.amtrak.com/reports-documents>

its monthly performance reports. During FY 2018, we began reporting adjusted operating results in those documents, specifically, to be more consistent with how management views financial data and in an effort to make sure various reports were consistent.

Question 2. Along those same lines, in response to my question about the difference between FY19 operating expenses and the FY21 request:

“Well, I think the expense there is the total expense on a GAAP basis. And so, there’s hundreds of millions of dollars of depreciation in that number.”

As the Congressional Research Service clearly indicates, the FY19 total operating expenses cited do not include depreciation.

According to your opening statement,

“Therefore, as explained this summer, we are implementing our plans to adjust our service and workforce levels, beginning in October. As difficult as these actions are, if we do not take such cost saving measures and fail to receive supplemental funding, we anticipate burning nearly \$250 million, each month. At this rate of loss, we would be forced to take drastic measures with long lasting impacts on the company, on our employees, and on our network.”

Assuming you reach the anticipated burn rate for each of the 12 months for FY21, the annual burn rate would be \$3 billion without adjusting service or workforce levels. This seems to contradict your answer that the \$4.9 billion is necessary if

“Congress so directs that we do not furlough employees” and “operating expenses for the long-distance network, if we’re directed to operate a seven-day service.”

Can you please explain why the request exceeds the annual burn rate by \$1.9 billion and why it exceeds the “total expenses” reported by Amtrak from FY19 by more than \$700 million?

ANSWER. The \$250 million “burn rate” figure to which I referred assumes that Amtrak does receive its requested level of base funding (\$2.040 billion) but does not receive its requested level of supplemental funding (an additional \$2.817 billion). The requested level of supplemental funding works out to roughly \$235 million per month—somewhat less than the burn rate we discussed.

Amtrak’s \$4.857 billion combined FY 2021 request (base + supplemental) for Amtrak and its state partners exceeds Amtrak’s FY 2019 total expenses (\$4.397 billion, as reported in our publicly available audited consolidated financial statements)²² primarily because it includes roughly \$500 million to replace payments that our cash-strapped Sec. 209 and Sec. 212 partners would otherwise need to make for the state supported service we provide, and for use of the NEC. Note that \$500 million exceeds the difference between these two figures.

Question 3. I understand that some of the \$4.9 billion comes due to lost passenger revenue and state subsidies.

Does Amtrak expect passenger revenue and state subsidies to increase during FY21 as the economy reopens or are they projected to remain flat and what impact will that have on future viability/need for additional federal funds moving forward?

ANSWER. We expect a gradual increase in ridership and passenger revenue as the fiscal year progresses, with ticket revenues remaining near current, COVID-affected levels through February, followed by gradual upticks beginning in March; we estimate that we could achieve close to 50% of pre-COVID levels by the end of FY 2021. Under such a scenario, total state subsidies would double their normal levels, from roughly \$235 million to roughly \$470 million (absent CARES-style assistance). However, these expectations entail a great deal of uncertainty, and reflect assumptions about conditions over which Amtrak has no control (e.g., progress towards development and widespread distribution of a vaccine for COVID-19).

Question 4. Further, the request for \$4.9 billion seems to exceed Amtrak’s transportation footprint—Amtrak carries less one tenth of one percent of National passenger travel. It also raises significant fairness questions about providing additional subsidies exceeding Amtrak’s total expenses from FY19 when Congress has yet to provide any assistance to direct, private competitors of Amtrak. The Motor Coach Industry carries more than ten times as many passenger miles as Amtrak does and

²² <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/financial/Amtrak-Audited-Consolidated-Financial-Statements-FY2019.pdf>

they have been devastated by the COVID-19 pandemic, yet they are expected to subsidize their competitors while they suffer.

How can the \$4.9 billion request be justified in light of Amtrak's small footprint and the lack of funding for its direct competitors?

ANSWER. The level of emergency financial aid Congress provides to Amtrak does not, and did not, constrain Congress from providing emergency funding to other modes of transportation. The \$50 billion in federal funding Congress provided to the airline industry, which competes with Amtrak, in the CARES Act dwarfs the approximately \$1 billion that Amtrak received. While the CARES Act did not provide direct funding to the motor coach industry (the vast majority of whose ridership is attributable to charter and commuter passengers for whom Amtrak does not compete), it provided over \$2 billion for the Federal Transit Administration's Section 5311 program that can be used for rural intercity bus service, and most motorcoach companies are small businesses eligible for Payroll Protection Program funding. Nonetheless, because Amtrak has partnerships and contractual relationships with hundreds of motor coach companies throughout the country that provide connecting Thruway bus service for Amtrak passengers to communities we do not directly serve and substitute service during Amtrak disruptions, we share the concern about the impact of COVID-19 on the motor coach industry.

Of Amtrak's \$4.857 billion FY 2021 funding request, \$2.040 billion is simply our base annual funding request—effectively a continuation of pre-pandemic funding levels. We are requesting an additional \$2.817 billion for Amtrak and its state partners in response to unprecedented effects of the ongoing pandemic, which has caused a massive and sustained reduction in ticket revenue that will likely continue for many months. (Included in this amount is the \$546 million that would be required if Congress determines that Amtrak should not furlough any employees and should continue to operate pre-COVID-19 service frequency on all long distance routes.) Without this additional funding, Amtrak will need to defer numerous capital projects and procurements critical to our future; we are advised by our state partners that many of them may be forced to cancel corridor train service, which could prove very difficult to restore; and perhaps 2,400 corresponding additional jobs (linked to the aforementioned capital projects and state supported service) could be at risk.

Question 5. Finally, you offered to meet with me and my office to go through these issues in further depth.

Can you please have your staff arrange such a briefing with my Legislative Director?

ANSWER. We are always available to meet with you and your staff; our Government Affairs team will work to schedule a meeting.

QUESTIONS FROM HON. GARRET GRAVES TO WILLIAM FLYNN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Question 1. Amtrak often treats the long distance routes like they are isolated, land-based cruise ship routes. But thousands of riders make connections between long-distance trains and other service, including state-supported routes, commuter lines, Northeast Corridor services, Amtrak's connecting bus services and a host of other transportation options.

On the Gulf Coast, our New Orleans to Mobile route will connect with three of Amtrak's long-distance services in New Orleans, and this connectivity played a significant role in applications for CRISI and REG grants from the FRA. In awarding grants to the project, the FRA recognized that the ability to connect with multiple long-distance services at New Orleans made the project more viable.

Amtrak's decision to cut back nearly all long-distance services jeopardizes the viability of services like those which are being actively rebuilt in the Gulf States. Decreases in long-distance routes will threaten the future of the Mobile-New Orleans route and future phases of the project, leaving local stakeholders feeling like there isn't a future for passenger rail in our region.

How can Amtrak better coordinate with the FRA to ensure that federal dollars toward infrastructure improvement projects with non-Amtrak passenger rail components are not wasted?

ANSWER. Amtrak already works in close coordination with FRA to ensure that federal funding for rail infrastructure investments—both for existing or planned Amtrak services such as restoration of New Orleans-Mobile service, and for projects that have non-Amtrak components but will benefit Amtrak—is spent on projects that will make the best use of federal dollars. As a member of the Gulf Coast Working Group chaired by FRA, Amtrak has worked with FRA, the Southern Rail Commission (SRC) and other stakeholders for nearly five years to identify the optimal

infrastructure investments to facilitate restoration and reliable operation of Amtrak service between New Orleans and Mobile. We have also worked with SRC and other Gulf Coast stakeholders on successful applications to FRA for federal funding, for which Amtrak has agreed to contribute funding to the required non-federal match. In addition to working with FRA on projects that directly benefit Amtrak services, we regularly advise FRA of applications for federal rail funding grants by states, commuter and freight railroads that we support because we believe they would provide an indirect benefit to passenger rail.

We are very cognizant of the importance of facilitating connectivity between planned state supported routes like New Orleans-Mobile and our long distance network. The many benefits that will be realized from the investments that the federal government, and Amtrak, states and local governments, have made or committed to make to restore New Orleans-Mobile service will not in any way be affected by the temporary reductions in service frequency Amtrak is making on two of the three long distance routes with which that service will connect in New Orleans. As I stated in my testimony, Amtrak plans to restore daily service on all the routes on which service frequency is being reduced due to dramatic reductions in passenger demand attributable to COVID-19 once ridership demand returns. We hope that progress in addressing COVID-19, and resulting increases in ridership, will result in restoration service by June of 2021, in accord with the criteria for service restoration I described in my testimony.

The reality is that the delay in reintroducing New Orleans-Mobile service, and the greatest threat to the service going forward, has not been due to Amtrak, but rather action or lack thereof by the service's host railroads. In early 2016, Amtrak operated a very well received demonstration train along the proposed route. The enthusiasm of the crowds of people across the region who turned out to show support for the service reflected Amtrak's own enthusiasm for the new service and was representative of our commitment to the endeavor. However, the return of service to the Gulf Coast has been delayed by a lack of cooperation from the freight host railroads. CSX initially demanded \$2 billion in capital investment to restore service consisting of just two daily Amtrak trains. In contrast, the Congressionally directed Gulf Coast Working Group concluded in a report issued July 2017 that \$117.67 million in capital investment would be needed.²³ We are currently progressing another study with the host railroads and continue to advocate for a fair and expeditious process to return Amtrak service to the Gulf Coast region.

Question 2. Last week, Long-Distance trains provided 30 percent all bookings, and 55 percent of all revenue to Amtrak. More revenue than State-Supported and Northeast Corridor services combined. In addition, Long-Distance services have gained riders and revenue every month since April.

How can Amtrak justify the decision to cut a service that is outperforming its other service sectors and has shown consistent improvement?

ANSWER. Roughly seven months since the onset of the COVID-19 pandemic, ridership and revenues on long distance routes (other than the *Auto Train*) are still two-thirds below FY 2019 levels and showing no indications of significant improvement as we enter the fall/winter period when monthly long distance ridership normally decreases by up to 40%. As a result, every long distance train we operate is incurring large, increasing and unsustainable cash losses, while carrying few passengers.

While reductions in long distance ridership and revenues since the onset of COVID-19 have not been as large as the reductions on our state supported and Northeast Corridor services, a major reason for this is that we have continued to operate pre-COVID service frequency on most long distance routes while significantly reducing, and in some cases suspending, service frequency on virtually all other routes.

Question 3. As the Rail Passenger Association pointed out in their testimony, losses to local economies from Long-Distance service cuts at over \$2.3 billion nationally, including \$179 million on the trains serving Louisiana alone. Today, do you understand the economic impact of focusing service cuts on less urban parts of the country?

ANSWER. During the first six months of the COVID-19 pandemic, virtually all the service reductions Amtrak made were on Northeast Corridor and state supported routes that predominantly serve more urbanized regions. While service frequency on both the Northeast Corridor and our state supported route network was reduced by over 50%, and some state supported routes were suspended entirely at the request

²³ https://railroads.dot.gov/sites/fra.dot.gov/files/fra_net/17156/2017-07-17_Gulf%20Coast%20Working%20Group%20Report%20to%20Congress%20%28Main%20Section%29-%20Final.pdf

of state partners, the only reduction in long distance service frequency was the consolidation of our two daily New York-Miami trains into a daily service in early July.

While we have endeavored to maintain service frequency on long distance routes, we must operate within our financial means and use our taxpayer-provided resources as efficiently as possible. As of this writing, we have not received any additional funding for Fiscal Year 2021 to make up for the massive decreases in revenues we are experiencing as a result of the COVID-19 pandemic. If Congress provides sufficient additional funding, it would be possible to avoid or reverse long distance service reductions.

Amtrak understands that long distance trains deliver significant economic benefits to the communities and states that they serve. However, most of the economic benefits attributable to Amtrak's services, such as the passengers' expenditures on hotels, restaurant meals and entertainment and recreation at the destinations to which they travel, are driven by the number of passengers traveling. When ridership declines by two-thirds, as is the case on our long distance routes, there is a proportionate decrease in these expenditures, even if passengers engage in normal activities at their destination.

APPENDIX A

AS REFERENCED IN QUESTION A.2

Pure Running Time and Total Scheduled Time by Train

All times provided in *hours:minutes:seconds* format. Days of operation reflect pre-pandemic operations.

Acela

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
2100	M-F	Washington Union Station ..	New York	225.10	02:52:00	02:28:36
2103	M-F	New York	Washington Union Station ..	222.10	02:55:00	02:28:54
2104	M-F	Washington Union Station ..	New York	225.10	02:49:00	02:28:36
2107	M-F	New York	Washington Union Station ..	222.10	02:53:00	02:27:36
2109	M-F	New York	Washington Union Station ..	225.10	02:53:00	02:25:36
2110	M-F	Washington Union Station ..	New York	225.10	02:50:00	02:28:36
2117	M-F	New York	Washington Union Station ..	225.10	02:52:00	02:24:12
2119	M-F	New York	Washington Union Station ..	225.10	02:55:00	02:26:00
2121	M-F	New York	Washington Union Station ..	225.10	02:51:00	02:26:00
2122	M-F	Washington Union Station ..	New York	225.10	02:50:00	02:28:30
2124	M-F	Washington Union Station ..	New York	225.10	02:49:00	02:28:30
2126	M-F	Washington Union Station ..	New York	225.10	02:52:00	02:30:12
2128	M-F	Washington Union Station ..	New York	225.10	02:50:00	02:28:30
2150	M-F	Washington Union Station ..	Boston—South Sta.	457.56	06:41:00	05:32:42
2151	M-F	Boston—South Sta.	Washington Union Station ..	456.56	06:46:00	05:40:42
2153	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:49:00	05:35:48
2154	M-F	Washington Union Station ..	Boston—South Sta.	457.56	06:45:00	05:34:48
2155	M-F	Boston—South Sta.	Washington Union Station ..	456.46	06:40:00	05:34:12
2155	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:40:00	05:34:36
2158	M-F	Washington Union Station ..	Boston—South Sta.	457.56	06:56:00	05:34:42
2159	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:46:00	05:35:48
2160	M-F	Washington Union Station ..	Boston—South Sta.	457.36	06:56:00	05:37:48
2163	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:51:00	05:35:48
2164	M-F	Washington Union Station ..	Boston—South Sta.	457.06	06:46:00	05:37:18
2165	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:48:00	05:35:48
2166	M-F	Washington Union Station ..	Boston—South Sta.	456.96	06:40:00	05:36:36
2167	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:51:00	05:35:48
2167	Thu	Boston—South Sta.	New York	231.66	03:45:00	03:09:48
2168	M-F	Washington Union Station ..	Boston—South Sta.	457.36	06:50:00	05:37:42
2168	M-F	New York	Boston—South Sta.	232.26	03:49:00	03:09:12
2170	M-F	Washington Union Station ..	Boston—South Sta.	457.36	06:45:00	05:39:06
2171	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:46:00	05:35:48
2172	M-F	Washington Union Station ..	Boston—South Sta.	457.36	06:48:00	05:39:54
2173	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:53:00	05:35:12
2173	M-F	Boston—South Sta.	New York	231.66	03:45:00	03:09:48
2175	M-F	Boston—South Sta.	Washington Union Station ..	456.76	06:39:00	05:34:24
2190	M-F	New York	Boston—South Sta.	232.46	03:48:00	03:07:42
2203	Sat	New York	Washington Union Station ..	225.10	02:58:00	02:27:30
2205	Sun	New York	Washington Union Station ..	225.10	02:59:00	02:26:54
2208	Sat	Washington Union Station ..	New York	225.10	02:51:00	02:30:36
2213	Sun	New York	Washington Union Station ..	225.10	02:59:00	02:27:30
2215	Sun	New York	Washington Union Station ..	225.10	02:54:00	02:27:30
2218	Sat	Washington Union Station ..	New York	225.10	03:00:00	02:30:36
2222	Sun	Washington Union Station ..	New York	225.10	02:55:00	02:30:36
2224	Sun	Washington Union Station ..	New York	225.10	02:55:00	02:30:36
2228	Sun	Washington Union Station ..	New York	225.10	02:55:00	02:30:36
2248	Sat	Washington Union Station ..	Boston—South Sta.	457.56	07:07:00	05:37:24
2249	Sat	Boston—South Sta.	Washington Union Station ..	456.76	06:58:00	05:37:18
2250	Sun	Washington Union Station ..	Boston—South Sta.	457.56	07:03:00	05:38:00
2251	Sat	Boston—South Sta.	Washington Union Station ..	456.76	06:53:00	05:37:18
2252	SaSu	Washington Union Station ..	Boston—South Sta.	457.36	07:17:00	05:39:48
2253	SaSu	Boston—South Sta.	Washington Union Station ..	456.56	06:54:00	05:40:18
2254	SaSu	Washington Union Station ..	Boston—South Sta.	457.36	06:53:00	05:39:48
2255	Sun	Boston—South Sta.	Washington Union Station ..	456.76	06:59:00	05:37:18

Acela—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
2256	Sun	Washington Union Station ..	Boston—South Sta.	457.36	06:55:00	05:39:48
2257	Sun	Boston—South Sta.	Washington Union Station ..	456.76	06:59:00	05:37:18
2258	Sun	Washington Union Station ..	Boston—South Sta.	457.36	06:51:00	05:39:48
2259	Sun	Boston—South Sta.	Washington Union Station ..	456.76	06:54:00	05:37:18
2260	Sun	Washington Union Station ..	Boston—South Sta.	457.36	06:51:00	05:39:48
2261	Sun	Boston—South Sta.	Washington Union Station ..	456.76	06:54:00	05:37:18
2275	Sun	Boston—South Sta.	Washington Union Station ..	456.76	06:50:00	05:36:06
2290	Sat	New York	Boston—South Sta.	232.46	03:48:00	03:06:12

Adirondack

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
68	Daily	Montreal, QC	New York	368.20	10:30:00	07:58:54
69	Daily	New York	Montreal, QC	368.81	10:55:00	07:50:00

Auto Train

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
52	Daily	Sanford, FL	Lorton, Va.	877.00	16:59:00	14:58:00
53	Daily	Lorton, Va.	Sanford, FL	877.00	16:58:00	14:47:00

Blue Water

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
364	Daily	Chicago, IL	Port Huron, MI	318.50	06:31:00	05:21:00
365	Daily	Port Huron, MI	Chicago, IL	317.70	06:25:00	05:11:00

California Zephyr

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
5	Daily	Chicago, IL	Emeryville, CA	2525.62	52:10:00	43:40:00
6	Daily	Emeryville, CA	Chicago, IL	2520.32	51:40:00	43:34:00

Capitol Corridor

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
520	M-F	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:58:00	01:38:00
521	M-F	Sacramento, CA	San Jose, CA	135.00	03:03:00	02:38:00
522	M-F	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:58:00	01:38:00
523	M-F	Sacramento, CA	San Jose, CA	135.00	03:03:00	02:38:00
524	M-F	San Jose, CA	Sacramento, CA	135.00	03:04:00	02:34:00
525	M-F	Sacramento, CA	San Jose, CA	135.00	03:03:00	02:38:00
527	M-F	Sacramento, CA	San Jose, CA	135.00	03:06:00	02:38:00
528	M-F	San Jose, CA	Sacramento, CA	135.00	03:09:00	02:34:00
529	M-F	Auburn, CA	Oakland, CA (Jack London Square).	126.10	02:59:00	02:34:00
530	M-F	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:58:00	01:38:00
531	M-F	Sacramento, CA	Oakland Coliseum, CA	94.60	02:03:00	01:47:00
532	M-F	San Jose, CA	Sacramento, CA	135.00	03:04:00	02:34:00
534	M-F	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:58:00	01:38:00
535	M-F	Sacramento, CA	Oakland Coliseum, CA	94.60	02:03:00	01:47:00
536	M-F	Oakland, CA (Jack London Square).	Auburn, CA	126.10	02:57:00	02:26:00
537	M-F	Sacramento, CA	San Jose, CA	135.00	03:03:00	02:38:00
538	M-F	San Jose, CA	Sacramento, CA	135.00	03:09:00	02:34:00
540	M-F	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:58:00	01:38:00
541	M-F	Sacramento, CA	San Jose, CA	134.90	03:04:00	02:38:00
542	M-F	San Jose, CA	Sacramento, CA	135.00	03:04:00	02:34:00
543	M-F	Sacramento, CA	Oakland, CA (Jack London Square).	89.60	01:46:00	01:39:00
544	M-F	San Jose, CA	Sacramento, CA	135.00	02:59:00	02:34:00
545	M-F	Sacramento, CA	Oakland, CA (Jack London Square).	89.50	01:57:00	01:39:00
546	M-F	San Jose, CA	Sacramento, CA	135.00	03:04:00	02:34:00
547	M-F	Sacramento, CA	San Jose, CA	135.00	03:13:00	02:38:00
548	M-F	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	02:06:00	01:38:00
549	M-F	Sacramento, CA	Oakland, CA (Jack London Square).	89.60	01:56:00	01:39:00
550	M-F	Oakland, CA (Jack London Square).	Sacramento, CA	89.50	01:59:00	01:38:00
551	M-F	Sacramento, CA	Oakland, CA (Jack London Square).	89.50	01:57:00	01:39:00
553	M-F	Sacramento, CA	Oakland, CA (Jack London Square).	89.50	01:57:00	01:39:00
720	SaSu	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:56:00	01:38:00
723	SaSu	Sacramento, CA	San Jose, CA	135.00	03:02:00	02:38:00
724	SaSu	San Jose, CA	Sacramento, CA	135.00	03:04:00	02:34:00
727	SaSu	Sacramento, CA	San Jose, CA	135.00	03:03:00	02:38:00
728	SaSu	San Jose, CA	Sacramento, CA	135.00	03:04:00	02:34:00
729	SaSu	Auburn, CA	San Jose, CA	171.50	04:05:00	03:33:00
732	SaSu	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	02:03:00	01:38:00
733	SaSu	Sacramento, CA	Oakland, CA (Jack London Square).	89.60	01:56:00	01:39:00
734	SaSu	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:56:00	01:38:00
736	SaSu	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:56:00	01:38:00
737	SaSu	Sacramento, CA	San Jose, CA	135.00	03:03:00	02:38:00
738	SaSu	San Jose, CA	Sacramento, CA	135.00	03:04:00	02:34:00
741	SaSu	Sacramento, CA	San Jose, CA	135.00	03:03:00	02:38:00

Capitol Corridor—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
742	SaSu	San Jose, CA	Auburn, CA	171.60	04:01:00	03:22:00
743	SaSu	Sacramento, CA	San Jose, CA	135.00	03:08:00	02:38:00
744	SaSu	San Jose, CA	Sacramento, CA	135.00	03:03:00	02:34:00
745	SaSu	Sacramento, CA	Oakland, CA (Jack London Square).	89.60	01:56:00	01:39:00
746	SaSu	Oakland, CA (Jack London Square).	Sacramento, CA	89.60	01:56:00	01:38:00
747	SaSu	Sacramento, CA	Oakland, CA (Jack London Square).	89.60	01:46:00	01:39:00
748	SaSu	San Jose, CA	Sacramento, CA	135.00	03:03:00	02:34:00
749	SaSu	Sacramento, CA	Oakland, CA (Jack London Square).	89.60	01:56:00	01:39:00
751	SaSu	Sacramento, CA	Oakland, CA (Jack London Square).	89.60	01:56:00	01:39:00

Capitol Limited

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
29	Daily	Washington Union Station ..	Chicago, IL	813.50	17:40:00	14:41:00
30	Daily	Chicago, IL	Washington Union Station ..	814.30	17:25:00	14:31:00

Cardinal

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
50	TuThSa	Chicago, IL	New York	1152.70	23:59:00	22:40:18
51	WeFrSu	New York	Chicago, IL	1152.70	24:00:00	22:37:00

Carolinian

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
79	M-F	New York	Charlotte, NC	718.10	13:30:00	10:25:24
79	SaSu	New York	Charlotte, NC	718.10	13:38:00	10:25:24
80	MoTuWeSa	Charlotte, NC	New York	717.70	13:50:00	10:28:12
80	ThFrSu	Charlotte, NC	New York	717.70	13:50:00	10:28:12

Cascades

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
500	M-F	Eugene-Springfield, OR	Seattle, WA	307.80	06:20:00	05:17:00
501	Daily	Seattle, WA	Portland, OR	186.40	03:30:00	03:00:00
502	SaSu	Portland, OR	Seattle, WA	186.40	03:30:00	03:06:00
504	M-F	Portland, OR	Seattle, WA	186.40	03:30:00	03:06:00

Cascades—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
505	Daily	Seattle, WA	Eugene-Springfield, OR	307.80	06:20:00	05:11:00
506	SaSu	Eugene-Springfield, OR	Seattle, WA	307.80	06:30:00	05:17:00
507	Daily	Seattle, WA	Portland, OR	186.40	03:30:00	03:00:00
508	Daily	Eugene-Springfield, OR	Seattle, WA	307.80	06:20:00	05:17:00
511	M-F	Portland, OR	Eugene-Springfield, OR	121.40	02:35:00	02:11:00
513	SaSu	Portland, OR	Eugene-Springfield, OR	121.40	02:35:00	02:11:00
516	Daily	Seattle, WA	Vancouver, BC	156.00	04:00:00	03:29:00
517	Daily	Vancouver, BC	Portland, OR	342.40	08:10:00	06:43:00
518	Daily	Portland, OR	Vancouver, BC	342.40	08:00:00	06:35:00
519	Daily	Vancouver, BC	Seattle, WA	156.00	04:10:00	03:43:00

City of New Orleans

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
58	Daily	New Orleans, LA	Chicago, IL	936.05	19:30:00	15:50:00
59	Daily	Chicago, IL	New Orleans, LA	936.05	19:27:00	15:40:00

Coast Starlight

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
11	Daily	Seattle, WA	Los Angeles, CA	1379.40	35:15:00	27:22:00
14	Daily	Los Angeles, CA	Seattle, WA	1379.40	33:46:00	27:18:00

Crescent

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
19	Daily	New York	New Orleans, LA	1393.40	26:14:00	24:45:30
20	Daily	New Orleans, LA	New York	1393.30	26:46:00	24:43:18

Downeaster

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
680	M-F	Brunswick, ME	Boston (North Station)	145.06	03:20:00	03:03:30
681	M-F	Boston (North Station)	Brunswick, ME	143.56	03:20:00	03:00:00
682	M-F	Brunswick, ME	Boston (North Station)	145.06	03:20:00	03:03:30
683	M-F	Boston (North Station)	Brunswick, ME	143.56	03:20:00	03:00:00
684	M-F	Brunswick, ME	Boston (North Station)	145.06	03:20:00	03:04:30
685	M-F	Boston (North Station)	Brunswick, ME	143.56	03:15:00	03:00:00
686	M-F	Brunswick, ME	Boston (North Station)	145.06	03:20:00	03:03:30
687	M-F	Boston (North Station)	Brunswick, ME	143.56	03:25:00	03:02:00
688	M-F	Brunswick, ME	Boston (North Station)	145.06	03:20:00	03:03:30
689	M-F	Boston (North Station)	Brunswick, ME	143.56	03:10:00	03:00:00

Downeaster—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
690	SaSu	Brunswick, ME	Boston (North Station)	145.06	03:15:00	03:03:30
691	SaSu	Boston (North Station)	Brunswick, ME	143.56	03:20:00	03:00:00
692	SaSu	Brunswick, ME	Boston (North Station)	144.16	03:20:00	03:05:00
693	SaSu	Boston (North Station)	Brunswick, ME	143.56	03:20:00	03:00:00
694	SaSu	Brunswick, ME	Boston (North Station)	145.06	03:20:00	03:03:30
695	SaSu	Boston (North Station)	Brunswick, ME	143.56	03:20:00	03:00:00
696	SaSu	Brunswick, ME	Boston (North Station)	145.06	03:20:00	03:03:30
697	SaSu	Boston (North Station)	Brunswick, ME	143.56	03:20:00	03:01:00
698	SaSu	Brunswick, ME	Boston (North Station)	144.16	03:20:00	03:05:00
699	SaSu	Boston (North Station)	Brunswick, ME	143.56	03:10:00	03:00:00

Empire Builder

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
27	Daily	Spokane, WA	Portland, OR	345.90	07:35:00	06:30:00
28	Daily	Portland, OR	Spokane, WA	345.90	07:28:00	06:39:00
7	Daily	Chicago, IL	Seattle, WA	2135.01	46:10:00	38:00:00
8	Daily	Seattle, WA	Chicago, IL	2135.21	45:15:00	37:50:00

Empire Service

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
230	M-F	Albany/Rensselaer, NY	New York	130.70	02:20:00	02:10:00
232	M-F	Albany/Rensselaer, NY	New York	131.20	02:23:00	02:11:00
233	Daily	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:11:00
234	M-F	Albany/Rensselaer, NY	New York	131.20	02:25:00	02:11:00
235	M-F	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:11:00
236	M-F	Albany/Rensselaer, NY	New York	131.20	02:25:00	02:16:00
237	M-F	New York	Albany/Rensselaer, NY	130.80	02:24:00	02:09:00
238	Daily	Albany/Rensselaer, NY	New York	131.20	02:35:00	02:16:00
239	M-F	New York	Albany/Rensselaer, NY	130.80	02:40:00	02:10:00
241	Daily	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:11:00
242	M-F	Albany/Rensselaer, NY	New York	131.20	02:33:00	02:16:00
243	M-F	New York	Albany/Rensselaer, NY	134.10	03:47:00	02:22:30
244	Daily	Albany/Rensselaer, NY	New York	131.20	02:35:00	02:12:00
245	M-F	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:10:00
250	Fri-Sun	Albany/Rensselaer, NY	New York	131.00	02:30:00	02:15:00
252	FrSa	Albany/Rensselaer, NY	New York	131.00	02:30:00	02:15:00
253	Fri-Sun	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:10:00
254	Sun	Albany/Rensselaer, NY	New York	131.00	02:35:00	02:11:00
255	Fri	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:10:00
256	Sun	Albany/Rensselaer, NY	New York	131.00	02:35:00	02:15:00
259	Fri-Sun	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:10:00
260	Fri-Sun	Albany/Rensselaer, NY	New York	131.00	02:30:00	02:15:00
261	Fri-Sun	New York	Albany/Rensselaer, NY	130.80	02:29:00	02:09:00
280	Daily	Albany/Rensselaer, NY	New York	131.20	02:40:00	02:12:00
281	Daily	New York	Niagara Falls, NY	448.50	08:50:00	07:18:00
283	Daily	New York	Niagara Falls, NY	448.50	08:50:00	07:18:00
284	Daily	Niagara Falls, NY	New York	446.90	08:58:00	07:22:00
288	Sun	Niagara Falls, NY	New York	446.90	08:46:00	07:18:00
290	M-F	Rutland, Vt.	New York	233.27	05:30:00	04:28:54
291	Daily	New York	Rutland, Vt.	232.88	05:31:00	04:29:00

Empire Service—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
292	FrSa	Rutland, Vt.	New York	233.07	05:30:00	04:27:54

Heartland Flyer

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
821	Daily	Oklahoma City, OK	Fort Worth, TX	205.10	04:02:00	03:28:00
822	Daily	Fort Worth, TX	Oklahoma City, OK	205.10	04:02:00	03:28:00

Hiawatha

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
329	M-F	Chicago, IL	Milwaukee, WI	85.50	01:29:00	01:19:00
330	Mo-Sa	Milwaukee, WI	Chicago, IL	85.50	01:42:00	01:24:00
331	Daily	Chicago, IL	Milwaukee, WI	85.50	01:29:00	01:19:00
332	Daily	Milwaukee, WI	Chicago, IL	85.50	01:29:00	01:18:00
333	Daily	Chicago, IL	Milwaukee, WI	85.50	01:29:00	01:19:00
334	Daily	Milwaukee, WI	Chicago, IL	85.50	01:29:00	01:18:00
335	Daily	Chicago, IL	Milwaukee, WI	85.50	01:29:00	01:19:00
336	Daily	Milwaukee, WI	Chicago, IL	85.50	01:29:00	01:18:00
337	Daily	Chicago, IL	Milwaukee, WI	85.50	01:29:00	01:19:00
338	Daily	Milwaukee, WI	Chicago, IL	85.50	01:29:00	01:18:00
339	Daily	Chicago, IL	Milwaukee, WI	85.50	01:37:00	01:22:00
340	Daily	Milwaukee, WI	Chicago, IL	85.50	01:29:00	01:18:00
341	Daily	Chicago, IL	Milwaukee, WI	85.50	01:29:00	01:19:00
342	Daily	Milwaukee, WI	Chicago, IL	85.50	01:29:00	01:18:00
343	Fri	Chicago, IL	Milwaukee, WI	85.50	01:29:00	01:19:00

Illini/Saluki

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
390	Daily	Carbondale, IL	Chicago, IL	313.75	05:30:00	04:42:00
391	Daily	Chicago, IL	Carbondale, IL	313.75	05:30:00	04:38:00
392	Daily	Carbondale, IL	Chicago, IL	313.75	05:30:00	04:42:00
393	Daily	Chicago, IL	Carbondale, IL	313.75	05:30:00	04:38:00

Keystone

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
600	M-F	Harrisburg, PA	New York	193.05	03:31:00	02:38:42
601	M-F	Phila. 30th St.	Harrisburg, PA	104.25	01:50:00	01:32:00
605	M-F	Phila. 30th St.	Harrisburg, PA	104.25	01:55:00	01:32:00
607	M-F	Phila. 30th St.	Harrisburg, PA	104.25	01:45:00	01:25:48

Keystone—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
609	M-F	New York	Harrisburg, PA	194.85	03:45:00	02:41:48
610	Sat	Harrisburg, PA	Phila. 30th St.	102.45	01:45:00	01:31:24
611	Sat	Phila. 30th St.	Harrisburg, PA	104.25	01:50:00	01:32:00
612	Sun	Harrisburg, PA	Phila. 30th St.	102.45	01:50:00	01:31:24
615	Sun	Phila. 30th St.	Harrisburg, PA	104.25	01:47:00	01:30:48
618	Mo-Th	Harrisburg, PA	Phila. 30th St.	102.55	01:40:00	01:30:18
619	M-F	Phila. 30th St.	Harrisburg, PA	104.25	01:51:00	01:32:00
620	M-F	Harrisburg, PA	Phila. 30th St.	102.55	01:41:00	01:29:48
622	M-F	Harrisburg, PA	Phila. 30th St.	102.55	01:41:00	01:29:48
637	Sun	New York	Phila. 30th St.	90.60	01:21:00	01:08:00
639	M-F	New York	Phila. 30th St.	90.60	01:24:00	01:09:30
640	M-F	Harrisburg, PA	New York	193.05	03:30:00	02:43:36
641	M-F	New York	Harrisburg, PA	194.85	03:28:00	02:43:18
642	M-F	Harrisburg, PA	New York	193.05	03:31:00	02:37:42
643	M-F	New York	Harrisburg, PA	194.85	03:19:00	02:39:36
644	M-F	Harrisburg, PA	New York	193.05	03:10:00	02:33:06
645	M-F	New York	Harrisburg, PA	194.85	03:29:00	02:39:36
646	M-F	Harrisburg, PA	New York	193.05	03:16:00	02:38:42
647	M-F	New York	Harrisburg, PA	194.85	03:18:00	02:36:00
648	M-F	Harrisburg, PA	New York	193.05	03:10:00	02:33:06
649	M-F	New York	Harrisburg, PA	194.85	03:55:00	02:45:42
650	M-F	Harrisburg, PA	New York	193.05	03:21:00	02:36:54
651	M-F	New York	Harrisburg, PA	194.85	03:26:00	02:41:00
652	M-F	Harrisburg, PA	New York	193.05	03:49:00	02:48:54
653	M-F	New York	Harrisburg, PA	194.85	03:24:00	02:41:30
654	M-F	Harrisburg, PA	New York	193.05	03:42:00	02:39:12
655	M-F	New York	Harrisburg, PA	194.85	03:29:00	02:45:00
656	M-F	Harrisburg, PA	New York	193.05	03:28:00	02:39:42
658	Fri	Harrisburg, PA	New York	193.15	03:20:00	02:38:36
660	SaSu	Harrisburg, PA	New York	193.05	03:29:00	02:43:12
661	SaSu	New York	Harrisburg, PA	194.85	03:19:00	02:41:00
662	Sat	Harrisburg, PA	New York	193.05	03:29:00	02:39:42
663	SaSu	New York	Harrisburg, PA	194.85	03:35:00	02:43:00
664	SaSu	Harrisburg, PA	New York	193.05	03:19:00	02:37:42
665	SaSu	New York	Harrisburg, PA	194.85	03:29:00	02:40:48
666	SaSu	Harrisburg, PA	New York	193.05	03:37:00	02:39:42
667	SaSu	New York	Harrisburg, PA	194.85	03:31:00	02:41:00
669	SaSu	New York	Harrisburg, PA	194.85	03:27:00	02:40:48
670	SaSu	Harrisburg, PA	New York	193.05	03:27:00	02:39:42
671	SaSu	New York	Harrisburg, PA	194.85	03:36:00	02:41:00
672	SaSu	Harrisburg, PA	New York	193.05	03:29:00	02:39:42
674	Sun	Harrisburg, PA	New York	193.05	03:29:00	02:39:42

Lake Shore Limited

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
448	Daily	Chicago, IL	Boston—South Sta.	206.60	21:30:00	20:14:00
449	Daily	Boston—South Sta.	Albany/Rensselaer, NY	198.20	05:10:00	04:18:00
48	Daily	Chicago, IL	New York	983.00	19:57:00	15:20:30
49	Daily	New York	Chicago, IL	980.20	19:10:00	15:00:00

Lincoln Service

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
300	Daily	St. Louis, MO	Chicago, IL	281.30	05:25:00	04:47:00
301	Daily	Chicago, IL	St. Louis, MO	281.30	05:20:00	04:34:00
302	Daily	St. Louis, MO	Chicago, IL	281.30	05:40:00	04:47:00
303	Daily	Chicago, IL	St. Louis, MO	281.30	05:35:00	04:46:00
304	Daily	St. Louis, MO	Chicago, IL	281.30	05:40:00	04:47:00
305	Daily	Chicago, IL	St. Louis, MO	281.30	05:30:00	04:46:00
306	Daily	St. Louis, MO	Chicago, IL	281.30	05:40:00	04:47:00
307	Daily	Chicago, IL	St. Louis, MO	281.30	05:30:00	04:46:00

Maple Leaf

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
63	Daily	New York	Toronto, ON	530.50	12:25:00	09:15:00
64	Daily	Toronto, ON	New York	529.10	13:35:00	09:14:00

Missouri River Runner

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
311	Daily	St. Louis, MO	Kansas City, MO	279.10	05:40:00	05:00:00
313	Daily	St. Louis, MO	Kansas City, MO	279.10	05:40:00	05:00:00
314	Daily	Kansas City, MO	St. Louis, MO	279.10	05:40:00	04:59:00
316	Daily	Kansas City, MO	St. Louis, MO	279.10	05:40:00	04:59:00

Northeast Regional

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
111	M-F	New York	Washington Union Station ..	225.10	03:37:00	02:55:30
121	Sun	New York	Washington Union Station ..	225.10	03:24:00	02:45:30
122	Sun	Washington Union Station ..	New York	225.10	03:16:00	02:53:24
123	Sun	New York	Washington Union Station ..	225.10	03:30:00	02:49:30
124	SaSu	Washington Union Station ..	New York	225.10	03:29:00	02:53:12
125	M-F	New York	Newport News	413.30	08:44:00	06:08:30
126	Sun	Washington Union Station ..	New York	225.10	03:20:00	02:50:42
127	WeThFr	New York	Washington Union Station ..	225.10	03:24:00	02:40:36
129	M-F	New York	Washington Union Station ..	225.10	03:26:00	02:48:36
130	M-F	Washington Union Station ..	New York	225.10	03:30:00	02:53:12
131	Sat	New York	Washington Union Station ..	225.10	03:36:00	02:51:00
132	Sun	Washington Union Station ..	Boston—South Sta.	457.36	08:42:00	06:31:48
133	Fri	New York	Washington Union Station ..	225.10	03:21:00	02:41:06
134	ThFr:	Washington Union Station ..	New York	225.10	03:23:00	02:47:24
135	SaSu	Boston—South Sta.	Washington Union Station ..	456.76	07:57:00	06:18:24
136	Fri	Washington Union Station ..	Springfield MA	365.96	07:08:00	05:31:12
137	M-F	Boston—South Sta.	Washington Union Station ..	456.76	08:12:00	06:15:24
138	M-F	Washington Union Station ..	New York	225.10	03:31:00	02:58:42
139	Sun	Boston—South Sta.	Washington Union Station ..	456.76	07:50:00	06:15:36
140	SaSu	Washington Union Station ..	Springfield MA	365.96	07:29:00	05:27:42
141	M-F	Springfield MA	Washington Union Station ..	365.86	07:13:00	05:26:00

Northeast Regional—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
141	M-F	Springfield MA	Washington Union Station ..	365.86	07:23:00	05:26:00
141	M-F	Springfield MA	Washington Union Station ..	365.86	07:18:00	05:26:00
143	Sun	Springfield MA	Washington Union Station ..	365.86	07:21:00	05:29:00
145	Sun	New York	Roanoke, VA	452.40	08:52:00	07:14:30
146	Sat	Washington Union Station ..	Springfield MA	365.96	06:57:00	05:26:42
147	Sat	Springfield MA	Roanoke, VA	593.16	12:58:00	09:57:30
148	M-F	Washington Union Station ..	Springfield MA	365.16	07:25:00	05:31:12
149	Sun	Boston—South Sta.	Washington Union Station ..	456.76	08:27:00	06:17:36
150	SaSu	Washington Union Station ..	Boston—South Sta.	457.56	08:00:00	06:19:18
150	Sat	New York	Boston—South Sta.	232.46	04:14:00	03:29:36
151	MoTu	New York	Washington Union Station ..	225.10	03:26:00	02:46:30
152	SaSu	Washington Union Station ..	New York	225.10	03:37:00	02:52:12
153	SaSu	New York	Washington Union Station ..	225.10	03:27:00	02:48:30
154	Sun	Washington Union Station ..	New York	225.10	03:26:00	02:53:12
155	SaSu	New York	Washington Union Station ..	225.10	03:29:00	02:46:30
156	SaSu	Roanoke, VA	New York	452.40	09:06:00	07:27:12
157	Sun	Springfield MA	Norfolk, VA	586.63	12:38:00	09:10:00
158	Sun	Washington Union Station ..	New York	225.10	03:35:00	02:58:12
159	Sat	New York	Washington Union Station ..	225.10	03:31:00	02:48:30
160	Sun	New York	Boston—South Sta.	232.46	04:17:00	03:26:12
160	SaSu	Washington Union Station ..	Boston—South Sta.	457.56	07:53:00	06:17:30
161	SaSu	Boston—South Sta.	Washington Union Station ..	456.76	07:53:00	06:17:54
162	Sun	Washington Union Station ..	Boston—South Sta.	457.56	08:02:00	06:22:00
163	Sat	Boston—South Sta.	Washington Union Station ..	456.76	07:58:00	06:17:36
164	SaSu	Washington Union Station ..	Boston—South Sta.	457.36	08:07:00	06:32:18
164	SaSu	Richmond, VA	Boston—South Sta.	566.96	10:47:00	08:21:18
165	Sun	Boston—South Sta.	Washington Union Station ..	456.76	08:23:00	06:18:06
166	Sun	Washington Union Station ..	Boston—South Sta.	457.36	07:52:00	06:22:00
167	Sat	Boston—South Sta.	Washington Union Station ..	456.76	08:12:00	06:16:36
168	Sat	Washington Union Station ..	Boston—South Sta.	457.36	08:01:00	06:23:48
169	Sun	Boston—South Sta.	Washington Union Station ..	456.76	07:52:00	06:14:00
170	M-F	Washington Union Station ..	Boston—South Sta.	457.56	07:54:00	06:16:06
171	M-F	Boston—South Sta.	Roanoke, VA	684.16	13:40:00	10:55:24
172	M-F	Washington Union Station ..	Boston—South Sta.	457.36	08:03:00	06:27:24
172	M-F	Washington Union Station ..	Boston—South Sta.	457.36	07:53:00	06:20:24
173	M-F	Boston—South Sta.	Washington Union Station ..	456.76	07:55:00	06:15:30
174	M-F	Newport News	Boston—South Sta.	645.86	13:10:00	09:43:24
175	M-F	Boston—South Sta.	Washington Union Station ..	456.76	07:56:00	06:14:36
176	M-F	Roanoke, VA	Boston—South Sta.	684.76	13:52:00	10:59:24
177	M-F	Boston—South Sta.	Washington Union Station ..	456.76	08:06:00	06:24:00
178	M-F	Washington Union Station ..	Boston—South Sta.	457.36	08:18:00	06:23:48
179	M-F	Boston—South Sta.	New York	231.66	04:09:00	03:26:54
180	M-F	Washington Union Station ..	New York	225.10	03:14:00	02:49:24
181	SuTuWeFr	New York	Washington Union Station ..	225.10	03:27:00	02:49:30
182	M-F	Washington Union Station ..	New York	225.10	03:20:00	02:50:42
183	M-F	New York	Washington Union Station ..	225.10	03:24:00	02:43:00
184	M-F	Washington Union Station ..	New York	225.10	03:25:00	02:52:12
185	M-F	New York	Washington Union Station ..	225.10	03:22:00	02:45:30
186	M-F	Washington Union Station ..	New York	225.10	03:27:00	02:52:42
187	M-F	New York	Washington Union Station ..	225.10	03:21:00	02:43:00
189	[Sun	New York	Washington Union Station ..	225.10	03:29:00	02:47:30
190	M-F	Washington Union Station ..	Boston—South Sta.	457.56	07:54:00	06:16:24
190	M-F	New York	Boston—South Sta.	232.46	04:13:00	03:26:12
192	Sat	Washington Union Station ..	New York	225.10	03:25:00	02:53:12
193	M-F	New York	Washington Union Station ..	225.10	03:17:00	02:45:12
194	Sat	Newport News	Boston—South Sta.	645.76	12:48:00	09:40:24
195	SaSu	Boston—South Sta.	Washington Union Station ..	456.56	07:52:00	06:15:42
195	SaSu	Boston—South Sta.	Richmond, VA	566.16	10:29:00	08:08:42
196	Mo-Th	Washington Union Station ..	New York	225.10	03:25:00	02:54:42
198	WeFr	Washington Union Station ..	New York	225.10	03:26:00	02:50:42
82	Sat	Richmond, VA	Boston—South Sta.	566.96	10:51:00	08:15:54
82	Sat	Washington Union Station ..	New York	225.10	03:26:00	02:53:42

Northeast Regional—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
84	M-F	Norfolk, VA	New York	445.77	08:18:00	06:38:42
84	M-F	Norfolk, VA	New York	445.77	08:15:00	06:35:12
85	M-F	New York	Richmond, VA	334.70	06:10:00	04:37:06
86	M-F	Richmond, VA	Boston—South Sta.	567.06	10:38:00	08:14:24
86	Wed	Washington Union Station	Boston—South Sta.	457.36	07:58:00	06:17:24
87	SaSu	New York	Norfolk, VA	445.77	08:31:00	06:37:00
88	SaSu	Norfolk, VA	Boston—South Sta.	678.03	13:25:00	10:05:54
93	Mo-Th	Boston—South Sta.	Norfolk, VA	677.63	13:01:00	09:59:30
93	[Fri	Boston—South Sta.	Washington Union Station	456.76	07:48:00	06:15:30
94	M-F	Norfolk, VA	Boston—South Sta.	678.03	13:10:00	10:03:06
95	M-F	Boston—South Sta.	Norfolk, VA	677.23	12:54:00	10:01:00
96	Sun	Newport News	Boston—South Sta.	645.76	13:37:00	09:40:24
99	SaSu	Boston—South Sta.	Newport News	644.56	12:26:00	09:44:06

Pacific Surfliner

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
1564	SaSu	Los Angeles, CA	San Diego, CA	128.60	02:56:00	02:20:00
1584	SaSu	Los Angeles, CA	San Diego, CA	128.40	02:59:00	02:20:00
1767	SaSu	San Diego, CA	Goleta, CA	241.30	06:25:00	04:36:00
564	M-F	Los Angeles, CA	San Diego, CA	128.60	02:59:00	02:20:00
579	Daily	San Diego, CA	Los Angeles, CA	128.60	03:01:00	02:22:00
580	Daily	Los Angeles, CA	San Diego, CA	128.60	02:52:00	02:20:00
584	M-F	Los Angeles, CA	San Diego, CA	128.40	02:54:00	02:20:00
593	Daily	San Diego, CA	Los Angeles, CA	128.60	02:59:00	02:22:00
763	Daily	San Diego, CA	Goleta, CA	241.30	06:01:00	04:36:00
767	M-F	San Diego, CA	Goleta, CA	241.30	06:11:00	04:36:00
768	Daily	Goleta, CA	San Diego, CA	241.30	06:15:00	04:42:00
774	Daily	Los Angeles, CA	San Diego, CA	128.60	02:55:00	02:20:00
777	Daily	San Diego, CA	Goleta, CA	241.30	05:51:00	04:36:00
785	Daily	San Diego, CA	Los Angeles, CA	128.60	02:59:00	02:24:00
796	Daily	Goleta, CA	San Diego, CA	241.30	06:27:00	04:35:00

Pennsylvanian

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
42	Daily	Pittsburgh, PA	New York	430.65	09:20:00	07:23:54
43	Daily	New York	Pittsburgh, PA	432.35	09:08:00	07:17:18

Palmetto/Silver Service

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
89	MoThSa	New York	Savannah, GA	835.50	15:01:00	12:01:54
90	WeFrSu	Savannah, GA	New York	836.80	15:36:00	12:14:36
91	Fri-Sun	New York	Miami, FL	1521.50	30:55:00	25:08:30
92	ThFrSa	Miami, FL	New York	1520.00	31:00:00	25:02:48
97	Mo-Th	New York	Miami, FL	1391.20	27:21:00	21:36:42

Palmetto/Silver Service—Continued

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
98	SuMoTuWe	Miami, FL	New York	1391.20	26:50:00	21:26:30

Pere Marquette

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
370	Daily	Chicago, IL	Grand Rapids, MI	176.83	04:04:00	03:45:00
371	Daily	Grand Rapids, MI	Chicago, IL	176.03	04:08:00	03:45:00

Piedmont

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
73	Daily	Raleigh, NC	Charlotte, NC	183.10	03:10:00	02:48:00
74	Daily	Charlotte, NC	Raleigh, NC	182.70	03:11:00	02:49:00
75	Daily	Raleigh, NC	Charlotte, NC	183.10	03:10:00	02:48:00
76	Daily	Charlotte, NC	Raleigh, NC	182.70	03:11:00	02:49:00
77	Daily	Raleigh, NC	Charlotte, NC	183.10	03:10:00	02:48:00
78	Daily	Charlotte, NC	Raleigh, NC	182.70	03:11:00	02:49:00

San Joaquin

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
701	Daily	Bakersfield, CA	Sacramento, CA	280.60	05:37:00	04:26:00
702	Daily	Sacramento, CA	Bakersfield, CA	280.60	05:31:00	04:25:00
703	Daily	Bakersfield, CA	Sacramento, CA	280.60	05:23:00	04:26:00
704	Daily	Sacramento, CA	Bakersfield, CA	280.60	05:31:00	04:25:00
710	Daily	Oakland, CA (Jack London Square).	Bakersfield, CA	313.50	06:21:00	05:00:00
711	Daily	Bakersfield, CA	Oakland, CA (Jack London Square).	313.50	06:15:00	05:01:00
712	Daily	Oakland, CA (Jack London Square).	Bakersfield, CA	313.40	06:21:00	05:00:00
713	Daily	Bakersfield, CA	Oakland, CA (Jack London Square).	313.50	06:15:00	05:01:00
714	Daily	Oakland, CA (Jack London Square).	Bakersfield, CA	313.40	06:21:00	05:00:00
715	Daily	Bakersfield, CA	Oakland, CA (Jack London Square).	313.50	06:15:00	05:01:00
716	Daily	Oakland, CA (Jack London Square).	Bakersfield, CA	313.50	06:21:00	05:00:00
717	Daily	Bakersfield, CA	Oakland, CA (Jack London Square).	313.50	06:18:00	05:01:00
718	Daily	Oakland, CA (Jack London Square).	Bakersfield, CA	313.50	06:21:00	05:00:00
719	Daily	Bakersfield, CA	Oakland, CA (Jack London Square).	313.50	06:17:00	05:01:00

Southwest Chief

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
3	Daily	Chicago, IL	Los Angeles, CA	2321.50	43:10:00	36:32:00
4	Daily	Los Angeles, CA	Chicago, IL	2321.50	42:50:00	36:34:00

Springfield Shuttles

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
400	SaSu	Springfield MA	Greenfield	38.31	01:08:00	00:59:00
409	Sun	Springfield MA	New Haven CT	65.30	01:22:00	01:14:36
417	M-F	Springfield MA	New Haven CT	65.30	01:23:00	01:14:36
450	Sat	New Haven CT	Springfield MA	65.10	01:23:00	01:16:06
460	Sun	New Haven CT	Springfield MA	65.10	01:23:00	01:16:06
461	SaSu	Greenfield	New Haven CT	103.61	02:41:00	02:06:36
463	Sat	Springfield MA	New Haven CT	65.30	01:22:00	01:14:36
464	SaSu	New Haven CT	Springfield MA	65.10	01:24:00	01:16:06
465	Sun	Springfield MA	New Haven CT	65.30	01:23:00	01:14:36
467	Sat	Springfield MA	New Haven CT	65.30	01:22:00	01:14:36
470	M-F	New Haven CT	Springfield MA	65.10	01:23:00	01:16:06
471	M-F	Greenfield	New Haven CT	103.61	02:43:00	02:06:36
473	M-F	Springfield MA	New Haven CT	65.30	01:23:00	01:14:36
474	M-F	New Haven CT	Springfield MA	65.10	01:25:00	01:16:06
475	M-F	Springfield MA	New Haven CT	65.30	01:23:00	01:14:36
476	M-F	New Haven CT	Springfield MA	65.10	01:23:00	01:16:06
478	M-F	New Haven CT	Greenfield	103.41	02:43:00	02:14:36
488	SaSu	New Haven CT	Greenfield	103.41	02:53:00	02:15:06
494	M-F	New Haven CT	Greenfield	103.41	02:48:00	02:14:36
495	M-F	Greenfield	New Haven CT	103.61	02:42:00	02:06:36
499	SaSu	Greenfield	Springfield MA	38.31	01:08:00	00:52:00

Sunset Limited

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
1	SuTuFr	New Orleans, LA	Los Angeles, CA	2004.40	46:35:00	34:59:00
2	WeFrSu	Los Angeles, CA	New Orleans, LA	2004.40	45:40:00	34:59:00

Texas Eagle

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
21	Daily	Chicago, IL	San Antonio, TX	1307.30	32:10:00	24:22:00
22	Daily	San Antonio, TX	Chicago, IL	1307.10	30:52:00	24:30:00

Vermont

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
54	SaSu	Washington Union Station ..	St. Albans, VT	621.87	13:20:00	10:07:48
55	M-F	St. Albans, VT	Washington Union Station ..	621.57	12:47:00	10:01:48
56	M-F	Washington Union Station ..	St. Albans, VT	621.07	12:40:00	10:00:18
57	SaSu	St. Albans, VT	Washington Union Station ..	621.57	13:13:00	10:08:06

Wolverine

Train #	Days of Operation	Origin	Destination	Total Miles	Total Time (hh:mm:ss)	Pure Running Time (hh:mm:ss)
350	Daily	Chicago, IL	Pontiac, MI	310.30	06:19:00	05:11:00
351	Daily	Pontiac, MI	Chicago, IL	312.10	05:42:00	04:58:00
352	Daily	Chicago, IL	Pontiac, MI	312.90	06:14:00	05:07:00
353	Daily	Pontiac, MI	Chicago, IL	312.10	06:05:00	05:03:00
354	Daily	Chicago, IL	Pontiac, MI	312.90	06:05:00	05:07:00
355	Daily	Pontiac, MI	Chicago, IL	312.10	06:05:00	05:05:00

APPENDIX B

AS REFERENCED IN QUESTION G.4

<i>RouteName Summary</i>		No Service	1RT H2	1RT FY
<i>Route</i>		FY21 Revised Forecast	FY21 Revised Forecast	FY21 Revised Forecast
REVENUES				
Ticket Revenue	\$ -	\$ 1,239,403	\$ 1,607,014	
Food & Beverage	\$ -	\$ 62,919	\$ 81,581	
Other Revenue	\$ -	\$ 24,985	\$ 32,395	
Total Passenger & Other Revenue		\$ 1,327,307	\$ 1,720,991	
EXPENSES				
<u>Third Party Costs</u>				
Host Railroad Maintenance of Way and Performance				
Incentives	\$ 145,145	\$ 353,609	\$ 604,770	
Synthetic Host Railroad Charge	\$ -	\$ -	\$ -	
Fuel and Power	\$ -	\$ 152,794.52	\$ 261,321.47	
Subtotal: Third Party Costs	\$ 145,145	\$ 506,403	\$ 866,092	
<u>Route Costs</u>				
Train & Engine Crew Labor	\$ 163,184	\$ 1,117,323	\$ 1,611,447	
Car & Locomotive Maintenance	\$ 491,123	\$ 790,362	\$ 940,713	
Turnaround	\$ -	\$ 519,662	\$ 888,768	
Onboard Passenger Technology	\$ 30,517	\$ 30,517	\$ 30,517	
OBS - Crew	\$ 13,923	\$ 168,597	\$ 274,978	
Commissary Provisions	\$ -	\$ 37,061	\$ 63,385	
<u>Route Advertising</u>				
Reservations & Call Centers	\$ 19,070	\$ 58,090	\$ 67,102	
Stations - Route	\$ -	\$ -	\$ -	
Stations - Shared	\$ 97,497	\$ 204,620	\$ 204,620	
Station Technology	\$ 1,577	\$ 1,577	\$ 1,577	
Commissions	\$ -	\$ 27,057	\$ 33,305	
Customer Concession	\$ -	\$ 69	\$ 85	
<u>Connecting Motor Coach</u>				
Regional/Local Police	\$ 12,759	\$ 12,759	\$ 12,759	
Block & Tower Operations	\$ -	\$ -	\$ -	
Terminal Yard Operations	\$ 640	\$ 4,382	\$ 6,320	
Terminal MoW	\$ -	\$ 25,286	\$ 43,247	
Insurance	\$ 367,971	\$ 367,971	\$ 367,971	
Subtotal: Route Costs	\$ 1,198,261	\$ 3,365,335	\$ 4,546,795	
<u>Additives</u>				
Marketing	0	28,506	36,961	
T&E	49,608	339,666	489,880	
MoE	24,226	246,148	386,921	
MoE TSSSA	54,434	54,434	54,434	
OBS	1,392	20,566	33,836	
Police	0	26,425	32,290	
SSS	38,943	109,373	147,771	
Subtotal: Additives	\$ 168,604	\$ 825,120	\$ 1,182,093	
Total Expenses	\$ 1,512,010	\$ 4,696,858	\$ 6,594,980	
Estimated Operating Payment	\$1,512,010	\$3,369,551	\$4,873,989	
State Corridor passenger miles	-	5,285,076	6,458,000	
Route		RouteName		
Incremental Costs over FY19				
Wabtec	11,227			
Cummins	102,667			
TSSSA (6 months)	401,728			
Costs replaced by TSSSA (6 months)	(50,820)			
Total Charge Increment	464,802			
Buyback	145,356			

Route Name: No Service											
Route	PT19 Acct	PT201 Revenue	Adjustment	Total PT201 Revenue	Total PT201 Revenue	PT19 Change	18 Reduction of Service Cost	% Reduction of Service Cost	Primary Allocation	\$ Allocated	% Total Cost
REVENUE	3,381,154	3,478,200		3,478,200	3,478,200	4.5%					
1. Other Revenue	3,381,154	3,478,200		3,478,200	3,478,200	4.5%					
2. Other Revenue	0	0		0	0	0%					
3. Other Revenue	0	0		0	0	0%					
Total Passenger & Other Revenue	\$3,381,154	\$3,478,200		\$3,478,200	\$3,478,200	4.5%					
EXPENSES											
1. Fuel	\$570,659	604,770		604,770	604,770	6.1%					
2. Insurance	203,683	203,683		203,683	203,683	2.7%					
3. Maintenance	\$819,141	\$846,092		\$846,092	\$846,092	3.3%					
4. Repairs	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
5. Other	664,465	478,467		478,467	478,467	-7.1%					
6. Other	847,487	847,487		847,487	847,487	0%					
7. Other	283,844	278,453		278,453	278,453	-1.9%					
8. Other	664,465	664,465		664,465	664,465	0%					
9. Other	134,460	137,451		137,451	137,451	2.3%					
10. Other	232,441	233,695		233,695	233,695	0.5%					
11. Other	711,151	711,151		711,151	711,151	0%					
12. Other	12,307	12,307		12,307	12,307	0%					
13. Other	41,027	41,027		41,027	41,027	0%					
14. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
15. Other	819,141	846,092		846,092	846,092	3.3%					
16. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
17. Other	283,844	278,453		278,453	278,453	-1.9%					
18. Other	664,465	664,465		664,465	664,465	0%					
19. Other	134,460	137,451		137,451	137,451	2.3%					
20. Other	232,441	233,695		233,695	233,695	0.5%					
21. Other	711,151	711,151		711,151	711,151	0%					
22. Other	12,307	12,307		12,307	12,307	0%					
23. Other	41,027	41,027		41,027	41,027	0%					
24. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
25. Other	819,141	846,092		846,092	846,092	3.3%					
26. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
27. Other	283,844	278,453		278,453	278,453	-1.9%					
28. Other	664,465	664,465		664,465	664,465	0%					
29. Other	134,460	137,451		137,451	137,451	2.3%					
30. Other	232,441	233,695		233,695	233,695	0.5%					
31. Other	711,151	711,151		711,151	711,151	0%					
32. Other	12,307	12,307		12,307	12,307	0%					
33. Other	41,027	41,027		41,027	41,027	0%					
34. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
35. Other	819,141	846,092		846,092	846,092	3.3%					
36. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
37. Other	283,844	278,453		278,453	278,453	-1.9%					
38. Other	664,465	664,465		664,465	664,465	0%					
39. Other	134,460	137,451		137,451	137,451	2.3%					
40. Other	232,441	233,695		233,695	233,695	0.5%					
41. Other	711,151	711,151		711,151	711,151	0%					
42. Other	12,307	12,307		12,307	12,307	0%					
43. Other	41,027	41,027		41,027	41,027	0%					
44. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
45. Other	819,141	846,092		846,092	846,092	3.3%					
46. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
47. Other	283,844	278,453		278,453	278,453	-1.9%					
48. Other	664,465	664,465		664,465	664,465	0%					
49. Other	134,460	137,451		137,451	137,451	2.3%					
50. Other	232,441	233,695		233,695	233,695	0.5%					
51. Other	711,151	711,151		711,151	711,151	0%					
52. Other	12,307	12,307		12,307	12,307	0%					
53. Other	41,027	41,027		41,027	41,027	0%					
54. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
55. Other	819,141	846,092		846,092	846,092	3.3%					
56. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
57. Other	283,844	278,453		278,453	278,453	-1.9%					
58. Other	664,465	664,465		664,465	664,465	0%					
59. Other	134,460	137,451		137,451	137,451	2.3%					
60. Other	232,441	233,695		233,695	233,695	0.5%					
61. Other	711,151	711,151		711,151	711,151	0%					
62. Other	12,307	12,307		12,307	12,307	0%					
63. Other	41,027	41,027		41,027	41,027	0%					
64. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
65. Other	819,141	846,092		846,092	846,092	3.3%					
66. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
67. Other	283,844	278,453		278,453	278,453	-1.9%					
68. Other	664,465	664,465		664,465	664,465	0%					
69. Other	134,460	137,451		137,451	137,451	2.3%					
70. Other	232,441	233,695		233,695	233,695	0.5%					
71. Other	711,151	711,151		711,151	711,151	0%					
72. Other	12,307	12,307		12,307	12,307	0%					
73. Other	41,027	41,027		41,027	41,027	0%					
74. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
75. Other	819,141	846,092		846,092	846,092	3.3%					
76. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
77. Other	283,844	278,453		278,453	278,453	-1.9%					
78. Other	664,465	664,465		664,465	664,465	0%					
79. Other	134,460	137,451		137,451	137,451	2.3%					
80. Other	232,441	233,695		233,695	233,695	0.5%					
81. Other	711,151	711,151		711,151	711,151	0%					
82. Other	12,307	12,307		12,307	12,307	0%					
83. Other	41,027	41,027		41,027	41,027	0%					
84. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
85. Other	819,141	846,092		846,092	846,092	3.3%					
86. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
87. Other	283,844	278,453		278,453	278,453	-1.9%					
88. Other	664,465	664,465		664,465	664,465	0%					
89. Other	134,460	137,451		137,451	137,451	2.3%					
90. Other	232,441	233,695		233,695	233,695	0.5%					
91. Other	711,151	711,151		711,151	711,151	0%					
92. Other	12,307	12,307		12,307	12,307	0%					
93. Other	41,027	41,027		41,027	41,027	0%					
94. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
95. Other	819,141	846,092		846,092	846,092	3.3%					
96. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
97. Other	283,844	278,453		278,453	278,453	-1.9%					
98. Other	664,465	664,465		664,465	664,465	0%					
99. Other	134,460	137,451		137,451	137,451	2.3%					
100. Other	232,441	233,695		233,695	233,695	0.5%					
Total Expenses	\$2,389,505	\$2,448,370		\$2,448,370	\$2,448,370	2.5%					
Estimated Operating Payment											
State Order Payment for miles											
Route	Revenue	Cost	Profit	Loss	Profit	Loss					
1. Other Revenue	3,381,154	3,478,200		3,478,200	3,478,200	4.5%					
2. Other Revenue	0	0		0	0	0%					
3. Other Revenue	0	0		0	0	0%					
Total Passenger & Other Revenue	\$3,381,154	\$3,478,200		\$3,478,200	\$3,478,200	4.5%					
EXPENSES											
1. Fuel	\$570,659	604,770		604,770	604,770	6.1%					
2. Insurance	203,683	203,683		203,683	203,683	2.7%					
3. Maintenance	\$819,141	\$846,092		\$846,092	\$846,092	3.3%					
4. Repairs	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
5. Other	664,465	478,467		478,467	478,467	-7.1%					
6. Other	847,487	847,487		847,487	847,487	0%					
7. Other	283,844	278,453		278,453	278,453	-1.9%					
8. Other	664,465	664,465		664,465	664,465	0%					
9. Other	134,460	137,451		137,451	137,451	2.3%					
10. Other	232,441	233,695		233,695	233,695	0.5%					
11. Other	711,151	711,151		711,151	711,151	0%					
12. Other	12,307	12,307		12,307	12,307	0%					
13. Other	41,027	41,027		41,027	41,027	0%					
14. Other	1,601,609	1,631,665		1,631,665	1,631,665	1.9%					
15. Other	819,141	846,092		846,092	846,092	3.3%			</		

[illegible]

QUESTION FROM HON. PETER A. DEFazio TO ARTHUR MARATEA, NATIONAL
PRESIDENT, TRANSPORTATION COMMUNICATIONS UNION

Question 1. Your testimony included an analysis that examined the financial result of Amtrak furloughing 3,190 employees for one year. However, Amtrak President Bill Flynn testified to the fact that Amtrak would instead be furloughing 2,000 employees. In light of this new information, please submit an amended version of your “Amtrak savings and costs associated with furloughing employees” spreadsheet that reflects the financial result of the updated employee furlough number.

ANSWER. Thank you for your question regarding our analysis of the total cost of furloughs to Amtrak and taxpayers. Per your request, we have updated our analysis to calculate based on Amtrak’s September 2nd, 2020 announcement that it intends to furlough at least 2,000 employees on October 1st, 2020. Please see the updated savings and costs spreadsheet attached.

NOTE: The following is in response to Chairman Peter DeFazio’s Question for the Record (QFR) for the September 9th, 2020 hearing “Amtrak’s Response to COVID-19”, before the House Railroads Subcommittee. This updated cost/savings analysis recalculates based on Amtrak’s proposed furlough of 2,000 employees on Oct. 1st, 2020.

Amtrak saving & costs associated w/furloughing 2,000 employees

Amtrak’s Proposed Savings (via FY21 Supplemental) Assumed base figures	
FY19 total employees (per Amtrak FY19 year-end corporate profile):	18,600
FY21 total expected employees (FY19 minus proposed workforce reductions)	16,600
Proposed employee furloughs (Amtrak announced 2000 furloughs on 9/2/2020)	2,000
Average Amtrak salary:	\$87,847
Amtrak’s proposed total salary cost savings:	\$175,694,000
TCU’s calculated costs associated w/furloughing 2,000 employees	
Lost H&W Contributions	\$5,472,000
RUI—Regular	\$41,600,000
RUI—Expansion (+\$600)	\$46,800,000
Est. increased RUIA Experience Rate taxes on Amtrak	\$28,785,906
VSIP costs	\$7,360,000
Estimated increased Healthcare costs (from increased utilization)	\$4,800,000
Est. cost to retrain employees (based on rehiring same number of “proposed furloughs”):	\$19,366,400
Total Amtrak/taxpayer costs for furloughing:	\$154,184,306
ACTUAL net savings from furloughing 2,000 employees:	\$21,509,694
Lost Health & Welfare (H&W) Contributions	
Proposed employee furloughs	2,000
Monthly employee HC contribution:	\$228
Monthly total employee HC contribution:	\$456,000
Annual total employee HC contributions	\$5,472,000
Railroad Unemployment Insurance (RUI) Costs—Regular	
Proposed employee furloughs	2,000
Weekly RUI (per employee):	\$400
Weekly RUI Costs (total):	\$800,000
Total RUI expansion costs (52 weeks available):	\$41,600,000

Amtrak saving & costs associated w/furloughing 2,000 employees—Continued

Railroad Unemployment Insurance (RUI)—Expansion	
Proposed employee furloughs	2,000
Weekly RUI expansion (per employee):	\$600
Weekly RUI Costs (total):	\$1,200,000
Total RUI expansion costs (39 weeks available):	\$46,800,000
RUI Employer Tax Increases **	
Amtrak compensation base subject to RUI Experience Rate taxes (only applies to first ~\$20k in comp. per employee):	\$298,000,000
Est. 2022 RUI Experience Rate	3.28%
Est. 2022 RUI Experience Rate annual cost:	\$9,774,400
Est. 2023 RUI Experience Rate	3.25%
Est. 2023 RUI Experience Rate annual cost:	\$9,685,000
Est. 2024 RUI Experience Rate	1.74%
Est. 2024 RUI Experience Rate annual cost:	\$5,185,200
Est. 2025 RUI Experience Rate	1.12%
Est. 2025 RUI Experience Rate annual cost:	\$3,337,600
Est. 2026 RUI Experience Rate	0.27%
Est. 2026 RUI Experience Rate annual cost:	\$803,706
Est. Experience Rate total cost as a direct result of furloughs:	\$28,785,906
Voluntary Separation Incentive Program (VSIP)	
226 management x \$20k buyout	\$4,520,000
284 agreement x \$10k buyout	\$2,840,000
Total VSIP cost:	\$7,360,000
Increased Healthcare Costs (not including vision/dental)	
Furloughed Employees	2,000
Amtrak healthcare costs, per employee, per month (avg)	\$2,500
Amtrak's monthly healthcare costs for furloughed employees	\$5,000,000
Amtrak's annual healthcare costs for furloughed employees	\$60,000,000
Est. percentage increase in healthcare costs due to increased utilization: ***	8%
2021 premium increase in usage est.	\$4,800,000
Amtrak's cost to train new hires (post-pandemic)	
Report: "Amtrak spends between \$40–45 million on training each year":	\$42,500,000
Report: "More than half spent on new employees" (Extrapolation: multiply by ~52%)	\$22,100,000
Report: "Amtrak hired 1097 new employees over first 6 months of 2009"	1,097
Extrapolate annual new hires by multiplying x2)	2194
2009 training costs per new hire (divide new hire training costs / Est. 2009 total new hires) =	\$10,073
Adj. for inflation, expressed in 2020 \$\$	\$12,104
New hires to retrain after pandemic: ~80% of those furloughed don't return	1,600
Cost to train new hires after pandemic:	\$19,366,400
Source: Amtrak OIG report on Training and Employee Development (2009) https://amtrak.oig/sites/default/files/reports/Training%20Eval%20Report%20Final.pdf	

** NOTE: RUIA taxes on employers expand and contract based on utilization of the RUI system. Part of the tax calculation is based on a railroad employers individual "experience rating"—a calculation of how much they utilize RUI. This rate varies from the minimum of 0.65% to a maximum 12% based on the employer's experience rating. The tax is also based on a 5 year average of the company's utilization of RUI, and is a measure of their usage versus their remaining compensation base. Furthermore, the application of the tax is capped at ~\$20k per employee, lowering the taxable base. Our calculations are based on a 5-year impact to Amtrak's experience rate tax, derived from acquired knowledge of another large railroad that recently experienced similar furlough trends.

*** NOTE: Rail labor estimates that, on average, employees that retain their health insurance after being furloughed increase their utilization by 8% during their remaining covered period. This is based on previous experiences with groups of furloughed members. This is also backed up by a National Institute of Health (NIH) study that looked at the healthcare utilization of workers at plants where furloughs had been announced during the Great Recession (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4874827/>): "In particular, it suggests an increase in overall utilization concerning for "hoarding" of health care or worsening health, but a relative decrease in outpatient care and increase in emergency care among those at high-layoff plants. The latter results confirm findings from the previous literature that suggest foregone preventive care among employed individuals during economic downturns with potentially negative long-term health consequences. This study suggests that the health and social impacts of increased job insecurity experienced by workers during the recent recession may still emerge even as the economy improves."

QUESTION FROM HON. PETER A. DEFazio TO JIM MATHEWS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, RAIL PASSENGERS ASSOCIATION

Question 1. Your testimony included an analysis that examined the financial result of Amtrak reducing service on its long-distance routes to three times per week. Please submit any economic impact analyses that you have for individual states.

ANSWER. As you know, the analysis we prepared for our September 9th testimony focused on six of Amtrak's existing 12 daily long-distance National Network routes. In response to your question, we performed additional analysis on the effects of three-times weekly service on 30 served states. Please note, our state-level analyses on these issues address only the long-distance routes through a given state. We did not calculate the inevitable effects from cutbacks on state-supported business lines in those same states, nor did we account for connections between state-supported services and long-distance routes. As a result, we believe these numbers are more than conservative.

Overall, *Rail Passengers'* analysis found that we can expect the long-distance service cuts to eliminate about 4.7 million annual riders, and that would drive a total annualized loss of at least \$2.3 billion to the economies of those states—a figure that is well beyond either any savings Amtrak might be able to claim from the service reductions, or the typical annual appropriation used to support the operation of these routes.

This figure encompasses *Direct* effects, which includes factors such as visitor spending, avoided travel costs versus other modes, effects from reduced pollution and the effects of reduced vehicle-miles traveled per passenger on road maintenance and road fatalities and incidents.

Our model also includes *Indirect* factors, such as the effects on sales tax collections, real-estate, and additional local employment.

Our model is based on passenger-rail's quantifiable, observable role as an economic engine in the communities it serves. Most benefit-cost models look only at factors such as number of riders, fares collected, direct operating expense and related areas. But the existence of Amtrak buoys the economies of hundreds of towns and cities all across America—in fact, *we estimate that the long-distance National Network alone produces nearly \$5 billion each year in economic benefits, plus another \$2 billion in Amtrak spending nationwide.* Degrading that service means withdrawing those benefits from millions of Americans, even those who don't necessarily ride the trains themselves, because in many cases lives and livelihoods depend on the routes' operation.

Whether traveling for vacation, personal reasons or business, visitors spend money at their destinations, paying for hotels or other lodging, patronizing restaurants, shopping or buying local items. By doing this they support the hotel workers, the restaurant waiters and cooks, retail and entertainment outlets, and they generate sales tax revenues for the communities they visit.

Those local workers in turn also contribute to the local tax base, further spreading the economic benefit. Meanwhile, because those visitors have left their cars behind, they're not imposing wear and tear on highways and roads, and they're avoiding the risk and cost of injuries or even death from car crashes.

Cutting service drives down ridership and by doing so reduces these benefits.

We have produced three tables which detail the results of this analysis for each of the 30 states considered. The first table is a summary ranking the economic losses by state. The second table ranks the states by ridership losses. The third table supplies the state-by-state detail.

Table 1—States Ranked By Economic Losses

1	California	\$519,800,803
2	Illinois	\$403,676,817
3	Florida	\$278,443,713
4	Texas	\$256,434,548
5	Virginia	\$142,177,506
6	Washington	\$106,826,168
7	North Carolina ..	\$77,992,755
8	Colorado	\$72,644,114
9	South Carolina ..	\$55,059,008
10	Pennsylvania	\$48,914,041
11	Oregon	\$43,431,309
12	Montana	\$38,158,312
13	Georgia	\$34,306,923
14	Missouri	\$31,029,227
15	Wisconsin	\$28,510,460
16	Louisiana	\$27,768,541
17	Mississippi	\$24,193,548
18	Minnesota	\$22,801,058
19	New Mexico	\$22,682,457
20	North Dakota	\$18,774,381
21	Indiana	\$17,674,277
22	Arizona	\$16,450,744
23	Maryland	\$15,557,269
24	Nebraska	\$8,817,043
25	Kansas	\$8,158,626
26	Iowa	\$7,115,380
27	Alabama	\$5,974,693
28	Tennessee	\$3,845,363
29	Delaware	\$1,661,800
30	Idaho	\$383,258
		\$2,339,264,141

Table 2—States Ranked By Ridership Losses

1	Illinois	849,266
2	Florida	594,948
3	California	541,797
4	Virginia	326,367
5	Washington	237,719
6	Texas	196,283
7	Oregon	181,963
8	Colorado	177,588
9	Pennsylvania	172,244
10	North Carolina ..	160,275
11	Missouri	120,454
12	South Carolina ..	117,683
13	Louisiana	115,995
14	Georgia	93,132
15	Minnesota	86,725
16	Mississippi	80,859
17	Montana	79,746
18	Maryland	78,775
19	New Mexico	76,746
20	North Dakota	66,437
21	Arizona	65,451
22	Wisconsin	62,698
23	Indiana	58,030
24	Tennessee	42,616
25	Iowa	33,842
26	Alabama	33,642
27	Nebraska	32,646
28	Kansas	30,546
29	Delaware	27,818
30	Idaho	4,420
		4,746,712

Table 3—Detailed Analysis Results By State

	Estimated Economic Losses By State			Estimated Ridership Declines (annualized)		
	Direct Losses	Indirect Effects [†]	Total State Impact	FY2019 Ridership	RPA-Modeled 3x Ridership	Annualized Ridership Loss
Alabama	\$2,418,904	\$3,555,789	\$5,974,693	51,195	17,553	33,642
Arizona	\$6,660,220	\$9,790,524	\$9,790,524	99,600	34,149	65,451
California	\$210,445,669	\$309,355,134	\$519,800,803	824,473	282,676	541,797
Colorado	\$29,410,573	\$43,233,542	\$72,644,114	270,242	92,654	177,588
Delaware	\$672,794	\$989,007	\$1,661,800	42,332	14,514	27,818
Florida	\$112,730,248	\$165,713,465	\$278,443,713	905,356	310,408	594,948
Georgia	\$13,889,443	\$20,417,481	\$34,306,923	141,722	48,590	93,132
Idaho	\$155,165	\$228,093	\$383,258	6,726	2,306	4,420
Illinois	\$163,431,910	\$240,244,907	\$403,676,817	1,292,361	443,095	849,266
Iowa	\$2,880,721	\$4,234,659	\$7,115,380	51,499	17,657	33,842
Indiana	\$7,155,578	\$10,518,699	\$17,674,277	88,307	30,277	58,030
Kansas	\$3,303,087	\$4,855,539	\$8,158,626	46,483	15,937	30,546
Louisiana	\$11,242,324	\$16,526,217	\$27,768,541	176,514	60,519	115,995
Maryland	\$6,298,489	\$9,258,779	\$15,557,269	119,875	41,100	78,775
Minnesota	\$9,231,198	\$13,569,861	\$22,801,058	131,973	45,248	86,725
Mississippi	\$9,794,959	\$14,398,590	\$24,193,548	123,046	42,187	80,859
Missouri	\$12,562,440	\$18,466,787	\$31,029,227	183,300	62,846	120,454
Montana	\$15,448,709	\$22,709,603	\$38,158,312	121,352	41,606	79,746
Nebraska	\$3,569,653	\$5,247,390	\$8,817,043	49,679	17,033	32,646
New Mexico	\$9,183,181	\$13,499,276	\$22,682,457	116,788	40,042	76,746
North Carolina	\$31,576,014	\$46,416,741	\$77,992,755	243,896	83,621	160,275
North Dakota	\$70,600,964	\$11,173,417	\$18,774,381	101,100	34,663	66,437
Oregon	\$17,583,526	\$25,847,783	\$43,431,309	276,900	94,937	181,963
Pennsylvania	\$19,803,256	\$29,110,786	\$48,914,041	262,110	89,866	172,244
South Carolina	\$22,291,096	\$32,767,911	\$55,059,008	179,083	61,400	117,683
Tennessee	\$1,556,827	\$2,288,536	\$3,845,363	64,851	22,235	42,616
Texas	\$103,819,655	\$152,614,893	\$256,434,548	298,692	102,409	196,283
Washington	\$43,249,461	\$63,576,708	\$106,826,168	361,747	124,028	237,719
Wisconsin	\$11,542,696	\$16,967,763	\$28,510,460	95,410	32,712	62,698
Virginia	\$57,561,743	\$84,615,762	\$142,177,506	496,646	170,279	326,367

Source: Rail Passengers Association modeling estimate

[†] Indirect effects include community-level effects such as sales taxes, real-estate, local employment and other similar factors