S. HRG. 116–599

AMTRAK: NEXT STEPS FOR PASSENGER RAIL

HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

JUNE 26, 2019

Printed for the use of the Committee on Commerce, Science, and Transportation

Available online: http://www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
52–727 PDF WASHINGTON : 2023

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

ROGER WICKER, Mississippi, *Chairman*

JOHN THUNE, South Dakota
ROY BLUNT, Missouri
TED CRUZ, Texas
DEB FISCHER, Nebraska
JERRY MORAN, Kansas
DAN SULLIVAN, Alaska
CORY GARDNER, Colorado
MARSHA BLACKBURN, Tennessee
SHELLEY MOORE CAPITO, West Virginia
MIKE LEE, Utah
RON JOHNSON, Wisconsin
TODD YOUNG, Indiana
RICK SCOTT, Florida

MARIA CANTWELL, Washington, *Ranking*
AMY KLOBUCHAR, Minnesota
RICHARD BLUMENTHAL, Connecticut
BRIAN SCHATZ, Hawaii
EDWARD MARKEY, Massachusetts
TOM UDALL, New Mexico
GARY PETERS, Michigan
TAMMY BALDWIN, Wisconsin
TAMMY DUCKWORTH, Illinois
JON TESTER, Montana
KYRSTEN SINEMA, Arizona
JACKY ROSEN, Nevada

JOHN KEAST, *Staff Director*
CRYSTAL TULLY, *Deputy Staff Director*
STEVEN WALL, *General Counsel*
KIM LIPSKY, *Democratic Staff Director*
CHRIS DAY, *Democratic Deputy Staff Director*
RENAE BLACK, *Senior Counsel*

CONTENTS

	Page
Hearing held on June 26, 2019	1
Statement of Senator Wicker	1
Statement of Senator Cantwell	2
Statement of Senator Gardner	4
Statement of Senator Blunt	50
Statement of Senator Udall	52
Statement of Senator Tester	56
Statement of Senator Moran	58
Statement of Senator Blumenthal	60
Statement of Senator Duckworth	62
Statement of Senator Markey	64

Witnesses

Richard Anderson, President and Chief Executive Officer, National Railroad Passenger Corporation	4
Prepared statement	6
Ian Jefferies, President and Chief Executive Officer, Association of American Railroads	12
Prepared statement	13
James M. Souby, Commissioner, Southwest Chief & Front Range Passenger Rail Commission (ColoRail)	17
Prepared statement	19
Hon. Jennifer Homendy, Member, National Transportation Safety Board	27
Prepared statement	28

Appendix

Response to written questions submitted to Richard Anderson by:	
Hon. Roger Wicker	71
Hon. Shelley Moore Capito	72
Hon. Maria Cantwell	72
Hon. Amy Klobuchar	74
Hon. Tom Udall	75
Hon. Tammy Baldwin	76
Response to written questions submitted to Ian Jefferies by:	
Hon. Maria Cantwell	77

AMTRAK: NEXT STEPS FOR PASSENGER RAIL

WEDNESDAY, JUNE 26, 2019

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m. in room SH–216, Hart Senate Office Building, Hon. Roger Wicker, Chairman of the Committee, presiding.

Present: Senators Wicker [presiding], Cantwell, Gardner, Blunt, Udall, Tester, Moran, Blumenthal, Duckworth, and Markey.

OPENING STATEMENT OF HON. ROGER WICKER, U.S. SENATOR FROM MISSISSIPPI

Senator WICKER. Good morning. Today, the Committee gathers for a hearing to examine Amtrak: Next Steps for Passenger Rail.

I'm glad to convene this hearing with my friend and colleague, Ranking Member Cantwell.

I welcome our panel of witnesses and thank them for appearing.

Today, we will hear from Richard Anderson, President and CEO of Amtrak; Ian Jefferies, President and CEO of the Association of American Railroads; Jim Souby, Commissioner of the Southwest Chief & Front Range Passenger Rail Commission; and Jennifer Homendy, Board Member, National Transportation Safety Board.

I continue to be a strong supporter of our rail industry, both freight and passenger. Rail service is safe and efficient and also reduces congestion on our highways and spurs economic growth.

In Mississippi, for example, we have 26 freight railroads, 2,400 miles of track, five of the seven Class 1s, two long-distance Amtrak routes, 10 stations, and more than 100,000 annual riders. Rail is vital to Mississippi.

I have been a tireless advocate for the restoration of the Gulf Coast passenger service, which was suspended in 2005 after Hurricane Katrina.

With funding support from DOT, Amtrak, and the states, I'm pleased to report that Mississippi, Louisiana, and Alabama are likely once again to have this Amtrak route and that will give Mississippi a third Amtrak route.

Restoration of this service would support growing population centers, connect tourist destinations, bring new jobs and improve the region's quality of life. This will make a positive difference for the communities and the people of the Mississippi Gulf Coast.

This hearing provides an opportunity to examine the state of passenger rail and consider how to support existing routes, like the Southwest Chief, and restore Gulf Coast service.

In 2015, I introduced, along with Senator Booker, the Railroad Reform Enhancement and Efficiency Act, which reauthorized Amtrak. When the bill's revisions were included in the Fixing America's Surface Transportation or FAST Act, it authorized funding levels for Amtrak, created new rail grant programs, made improvements to existing rail financing programs, and changed Amtrak oversight and planning activities.

The FAST Act and those rail provisions expire at the end of Fiscal Year 2020. It is important for us to examine what aspects of this important legislation and work and what should be improved.

This hearing is an opportunity for witnesses to discuss the impact of Amtrak reauthorization in the FAST Act and how Congress can support rail service in the next reauthorization bill.

The FAST Act also led to the creation of the Consolidated Rail Infrastructure and Safety Improvements Grant Program, known as CRISI. This program provides grants to improve the rail network. CRISI strengthens inner city passenger rail, supports capital projects, and boosts rail safety initiatives.

Among the most important safety initiatives for rail is the deployment of positive train control, PTC, which is designed to prevent tragic accidents, such as the Amtrak derailment in the state of Washington.

Timely implementation of PTC is also important and the Committee will be holding a Full Committee hearing on this in the near future.

In addition, earlier this week, the NTSB issued its report on that particular accident.

So I hope our witnesses will discuss ways to support further capacity, enhance safety, and other improvements for passenger and freight rail service in the next Amtrak reauthorization.

One area that still needs improvement is on-time performance of passenger rail. For Amtrak to be successful, its trains must be available to run on time. With only 42.8 percent of long-distance trains arriving at stations on schedule, Amtrak's on-time performance lags behind comparable transit networks.

I hope our witnesses will provide suggestions to improve Amtrak's on-time performance while maintaining the overall fluidity of our Nation's rail network.

I look forward to a robust discussion of passenger and freight rail service and again thank our witnesses for testifying this morning.

I now recognize my friend and Ranking Member, Senator Cantwell.

STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

Senator CANTWELL. Thank you, Mr. Chairman, and thank you for scheduling this important hearing on Amtrak and to the witnesses for being here today.

I certainly consider myself a big supporter of Amtrak funding and Amtrak's reauthorization and also consider myself a big supporter of the Chairman's initiative to make sure that that expansion for rework of Amtrak Sunset Limited service to the Gulf Coast is re-established.

I know how important having Amtrak services is to the state of Washington, and I hope that we can continue to make Amtrak a priority within this Committee.

I want to thank the witnesses for being here today and to talk about Amtrak services in an era when we see an increasing piece of global commerce, more trains than ever before, in my state.

Our trade economy relies on rail transportation to our ports, of which the Chairman is also a big supporter and I appreciate his many years of leadership on port infrastructure financing.

These issues are what plague us every day in the state of Washington. Communities in my state have Amtrak services and freight rail congestion, and at-grade crossings that make our challenges even more complex.

One example of this is Pine Roads in Spokane Valley. Fifty-six freight and two passenger trains pass through there, creating 3 hours of rail-related closures daily. That means that the challenge of moving people and moving freight in our region, a gateway to the Pacific, is becoming more and more challenging.

That's three hours every day when traffic is interrupted. Three hours every day when accidents between cars and trains are more likely. And three hours a day when emergency vehicles are blocked from getting where they need to go.

This is a problem that is only going to get more challenging as our trade economy continues to grow. In 2014, 121 million tons of freight were shipped by railroads in Washington. By 2035, that number is expected to double. So at intersections like Pine Roads, train traffic will increase. Right now, 56 trains pass through Pine Roads every day but by 2035, that is estimated to grow to 114.

So this issue of making sure that we have strong Federal support for Amtrak and also funding for freight rail infrastructure which is instrumental in making sure that passenger and freight run very safely and more efficiently and reliably is a big priority.

We need to build on the proven Federal rail initiatives, like CRISI, which just provided a grant to improve the Pine Street intersection, but we also need to make sure that in the next Surface Transportation Act, we consider other ways in which we can help communities with at-grade crossings.

Safety must remain a top priority. The need for safety was driven home by the 2017 Amtrak crash near DuPont in the state of Washington. I am concerned that we need to continue to make sure that we have situational awareness of the challenges that come with participating in a busy transportation corridor.

I know that everybody is trying to figure out how to get these people, products and services to places in a timely fashion, but we need to make safety a top priority.

Obviously positive train control, which we know is being implemented, is a key component of that. As we consider the number of freight trains coming through and their impacts on people's daily lives, we need to make sure that we've learned the lessons from the DuPont accident and everything that comes with it.

So I hope my colleagues will continue to push the implementation of positive train control throughout the United States. I know where we are in the state of Washington, which is getting that job done, but we need to make sure we're doing this on a national basis, as well.

So thank you, Mr. Chairman, for this important hearing.

Senator WICKER. Thank you, Senator Cantwell.

I will now recognize Senator Gardner, who would like to say a few special words about a constituent of his.

STATEMENT OF HON. CORY GARDNER, U.S. SENATOR FROM COLORADO

Senator GARDNER. Thank you, Mr. Chairman.

I'm proud to welcome this morning Jim Souby of Denver, Colorado, a native of Longmont, Colorado. Jim currently serves as the President of the Colorado Rail Passenger Association or COLORAIL. He is also a member of the Colorado Southwest Chief and the Front Range Rail Commission.

Previously, Jim served as President of the Park City Police Policy Center based in Utah before realizing there's better snow in Colorado as well as Executive Director of the Western Governors Association.

He has been a steadfast advocate of the Southwest Chief in Colorado and our Nation's passenger rail service.

Jim, thank you very, very much for being here. It's an honor to have Colorado's voice represented on the panel.

Thank you, Mr. Chairman, for allowing me the opportunity.

Senator WICKER. Thank you, Senator Gardner.

We'll begin our testimony this morning with five-minute statements by each of our witnesses. We'll begin down at this end of the table with Mr. Anderson. You are recognized.

STATEMENT OF RICHARD ANDERSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION

Mr. ANDERSON. Thank you, Mr. Chairman, and thank you, Ranking Member.

It's a privilege to be here today representing all the people at Amtrak and all of our customers.

We're probably in the best shape we've been in in our history. So if we look at where we are in safety, and I agree with Senator Cantwell, the most important thing is safety, we have implemented PTC on the Amtrak Railroad. We're at 99 percent. We have one mile left in Chicago. We complied with the statute. It's been remarkable in terms of what it's provided in terms of level of safety.

Second, we're the first railroad in America to implement an SMS Program, a Safety Management System Program. It's modeled after the aviation programs that I was responsible for implementing at Northwest and Delta Airlines when I was CEO and actually have the chief safety officer from both of those airlines is now the chief safety officer at Amtrak and so we're well down the road on those two points.

Number 2, on our customer surveys, our customer surveys on a scale of one to 10, we have high customer satisfaction at really record levels now. We've cleaned our trains. We're running our trains on time in the corridor. We put good technology in place. So our customer attributes are in the high 80s in terms of a top seven box in our customer surveys.

Financially, we are at zero net debt. So we have conserved our capital, paid down our debt, in order to position the railroad to be able to pay for the Acela and the new National Network locomotives and to replace our Amfleets.

We will reach break even on an operating basis in the next 12 months. Probably most people never thought that Amtrak could get to break even on an operating basis but on operating cash basis, we will get to break even, and our grant from you will really be used to invest in new cars and infrastructure and work on problems, like the Southwest Chief.

So all in all, we feel good about where we are and how the company is moving forward.

If we think about reauthorization, first principle is safety. We believe that we have to have PTC or PTC-equivalent on all of our trips and there are still 1,400 miles of mainline track exclusions and we need to close that gap and that's mostly in rural areas, but the first priority ought to be safety.

Second, we need to clarify what our role is in the national transportation system.

If you look out over the next 40 years, population in this country is going to grow by a hundred million. That hundred million is moving to dense corridors, Phoenix, Tucson, Houston, Austin, Dallas, the Mississippi Corridor from New Orleans to Mobile, Florida, the Upper Midwest, and that's where all the population is moving in this country, and the highway system is not going to be able to support short-haul transportation. You're not going to be able to add enough lanes and you're going to have more of what we have on the East Coast with I–95.

We think we can play a really important role in a very efficient way in providing an alternative to what we've done so far as a country because millennials don't want to own cars. They want to take ride-sharing. They want to live in inner city areas and they want to be able to use mass transit to get to their jobs. So we have some good ideas about what to do.

Third, we need to solve our Amtrak host railroad challenges that the Chairman mentioned in his remarks. We cannot sustain a long-distance system with 47 percent on-time, not in a system where the average speed is 45 miles an hour.

If you're going to run at 45 miles an hour and charge more than airlines charge, you've got to run on time. If you don't run on time, we're going to continue to see a degradation in ridership on long distance.

Four, we need to have access to Federal transportation programs and funding and should provide sufficient funding levels to address the underlying policy initiatives that you direct us over time to undertake as part of the national transportation policy.

And, last, we want to strengthen our state partnerships. That's really where Amtrak does the most good, the cascade, the state partnerships. We are now the way to get from San Diego to L.A. We are the way to get from Milwaukee to Chicago, and the Northeast Corridor carries 820,000 people a day to and from their jobs and their homes. So we are playing an increasingly important role and we want to have stronger and stronger partnerships with the states who we partner with to provide short-haul service.

Thank you for the opportunity to serve Amtrak and to serve the United States.

[The prepared statement of Mr. Anderson follows:]

PREPARED STATEMENT OF RICHARD ANDERSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL RAILROAD PASSENGER CORPORATION

Amtrak: Next Steps for Passenger Rail

Good morning Chairman Wicker, Ranking Member Cantwell, and all the members of this Committee. Thank you for holding this important hearing on the upcoming reauthorization of Amtrak and intercity passenger rail.

My name is Richard Anderson. I serve as the Chief Executive Officer of Amtrak, and I am proud to be here on behalf of Amtrak's nearly 20,000 hardworking employees. Today, I want to provide an update on where Amtrak finds itself at the moment, then discuss both the challenges and the benefits of passenger rail, and end with some thoughts about how Congress can help Amtrak modernize, evolve, and expand for the future.

Let me start by saying, the state of Amtrak is strong. From our safety record, to our financial health, to our customer service, Amtrak is operating a sound business that is delivering a strong product and service to many of your constituents. While there are challenges that we will soon discuss, I want to be clear that Amtrak is doing better today than we were even just a few years ago. I want to thank all of you for your support. We appreciate it and hope it continues. There should be a lot of optimism about the future of intercity passenger rail.

The safety of our operations is paramount. Amtrak's industry-leading commitment to positive train control (PTC) has ensured this vital technology is present on 899 of the 900 miles of track we own. The final mile will be done by November 2019. We operate over 20,000 miles of host railroad miles targeted for PTC installation, and of those miles 85 percent have been completed. Amtrak has continued to implement the Safety Management System throughout our operations in accordance with the System Safety Program Plan submitted to the Federal Railroad Administration in 2018. This plan includes numerous focus areas to enhance the safety of operations. Building on 'Just Culture' principles, Amtrak is engaging its workforce as we build robust, viable, and sustainable safety solutions across the network. We have matured our risk assessment practices to include regular assessments of operational safety during signal suspensions, both in territory without PTC and prior to the initiation of new service. These assessments identified several opportunities to reduce risk through technological enhancements and operational mitigations. Risk assessments are being expanded to include additional focus areas such as operations over grade crossings and reducing trespasser incidents.

In addition, Amtrak is delivering strong customer performance scores, including a systemwide score of 88.5 percent in April. We know how important on time performance (OTP) is to customer satisfaction. In May, 94 percent of our trains departed their initial terminal on time and 75 percent of our customers arrived at their destinations on time, up 2 percent from the prior year. The exceptions were mostly driven by the chronic freight delays we encounter, which is an existential problem for our national network and something I will discuss in greater detail later. On our *Acela* and *Downeaster* trains, 90 percent of our customers reached their destinations on time. In our top 100 stations, we have nearly completed our "Customer Now" program and customers are commenting on our improved appearance.

One result of Amtrak's strong operations and business discipline is our strongest financial position ever. We are executing against a plan that demonstrates how far Amtrak has come as an efficient, customer-oriented organization. Targeted promotions and careful yield management have enabled us to reach the end of April slightly ahead of an aggressive revenue plan. When combined with strict cost controls, we reached the end of April $52 million favorable to our operating earnings plan. When Amtrak manages its business this carefully, we can direct a greater proportion of the taxpayers' investments to our Core Capital spend, which is $734.3 million year to date through April (excluding Gateway and fleet acquisition) and almost 12 percent higher than last year. In an earlier era of Amtrak, the company labored under a significant debt load. Now, we have reached the point where we have sufficient cash and liquid investments available to repay all outstanding debt. At the end of FY 2018 Amtrak's cash and investments exceeded outstanding debt and this will be the case at the end of FY 2019 as well. As we face a daunting capital backlog, this cash is programmed to help advance many of the most critical capital programs.

A prime example of our capital spending can be found north of here, where Amtrak track crews are upgrading 31 miles of the Northeast Corridor (NEC) track between Washington, D.C. and Baltimore, Maryland. This work will enable trains to operate at higher speeds, and include track and curve realignment, track undercutting, and the installation of new rail. Across the NEC, our maintenance of way forces are executing an aggressive series of FY 2019 projects, budgeted at more than $300 million, which includes resurfacing 339 miles of track, undercutting 61 miles of track, installing more than 65 miles of continuously-welded rail, installing more than 158,000 wood and concrete ties, and renewing more than 55,000 miles of electric catenary.

Amtrak is also determined to modernize our fleet to ensure we can deliver to our customers the safety, comfort and convenience that will persuade them to travel with us again and again. These efforts include our ongoing procurement of 28 new American-built, high-speed trainsets which will begin revenue service in 2021. We have also signed a contract for 75 new American-made diesels designed to improve the reliability and efficiency of our state supported and long-distance trains. We are taking delivery of the final units in our order for 130 Viewliner cars, intended for our Eastern long-distance trains. We are also reviewing preliminary vendor responses to replace our Amfleet I equipment, and final vendor responses for this milestone order will be evaluated this summer. We have completed refresh programs on our Amfleet I and Acela fleets, and are working on similar programs on our Amfleet II and Horizon cars. All of these refresh programs are within budget, scope, and schedule.

As most of you are no doubt aware, Amtrak's past two reauthorizations, PRIIA and the FAST Act, helped to address financial concerns and strengthen partnerships. They have contributed to the healthy state of Amtrak today and I am proud to say that Amtrak is on track to break even, on a net operating basis, in FY2021. This is a landmark accomplishment, and one that I am sure many people never thought Amtrak would be able to reach.

As we look ahead to reauthorization next year and think about the future direction of Amtrak, it is quickly apparent that the need for intercity passenger rail service is greater than at any time in Amtrak's 48-year history. This creates an enormous opportunity for Amtrak—provided that the challenges to meeting the growing demand for our service can be overcome.

Changes in demographics, technology and customer preferences are transforming the American travel landscape. Our population is growing, from the current 327 million to a projected 438 million by 2050. Nearly all of that growth is occurring in urban areas, mostly within the eleven megaregions that tie together our largest cities in continuous urban corridors.

Fueling that population growth are the Millennials—the twenty-and thirty-somethings who now comprise our largest age cohort. Ninety percent of them live in urban areas according to the Pew Research Center. A Travelport survey found that they already travel more and spend more on travel than any other age cohort. Millennials care less about owning cars and do not particularly enjoy them: in a study by Arity, 16 percent of 22- to 37-year olds said they could live without access to a car and more than half said they would rather be doing something other than driving. Millennials are accustomed to arranging their travel with a smartphone app: 55 percent of urban 18- to 29-year olds have used an app-based ridesharing service according to the Pew Research Center. They expect good Wi-Fi: in a Forbes survey, 97 percent of Millennials said they had used social media while traveling. Eighty three percent of them prefer frequent trips of short duration over longer vacations according to Priceline.com. Millennials also care more about sustainability: in a OnePoll survey, 77 percent of 18- to 29-year olds said sustainability influences their travel decisions.

Rapid population growth and increased travel by our country's largest and youngest age cohort will place unprecedented demands on the two primary intercity travel modes: automobiles and airplanes. The Federal Highway Administration (FHWA) projects that vehicle-miles traveled on our highways will increase 27 percent by 2036, and FAA projects that the number of domestic airline passengers will increase 38 percent by 2038. What that means for automobile and air travelers is that the congestion and delays they experience today are going to get worse—much worse.

The FHWA projects that the number of interstate highway miles with recurring peak period congestion will triple by 2040. That means that the congestion drivers experience on urban interstates today will become the norm between major cities as well. Increased air travel means more flight delays at major airports, such as the three New York City airports where a quarter or more of the arriving flights were late last year according to the Federal Aviation Administration.

While domestic air travel is growing, there are fewer passengers and fewer flights in most short distance city pairs due to the unfavorable economics of short distance flights and the disproportionate impact of enhanced security screening and other delays on shorter trips. A Bombardier study found that passenger trips in under 500-mile domestic city pairs fell 30 percent from 2000 to 2016. Increasing capacity constraints and delays are likely to exacerbate that trend, resulting in less air service and higher airfares in short-distance markets.

All of these trends are very good news for the future of Amtrak. Intercity passenger rail is best suited to offer what Millennials are looking for, including stations in city centers, Wi-Fi connectivity throughout their trip, and contemporary food and beverage choices in the café car. Passenger rail is also the sustainable intercity travel mode: Amtrak trains use 47 percent less energy per passenger mile than automobiles and 33 percent less than travel by air according to the Department of Energy's Oak Ridge National Laboratory. Increasing congestion on other modes makes rail travel an attractive alternative to driving or flying for short distance travel.

Clearly, there is great potential—and great need—to increase travel by train in under 400-mile corridors between major cities throughout the United States, where Amtrak can advance our statutory mission to provide service that is "trip-time competitive with other intercity travel options." (49 USC 24702(b)). However, in most of the country, the service Amtrak provides today is not fulfilling, or poised to fulfill, that potential.

The Northeast, where the population grew 5 percent from 2000 to 2016, is the only region in which Amtrak offers high-frequency, high-speed service. In most of the South, where the population grew 22 percent during the same period, and in the fast-growing Southwest and Mountain West Regions, Amtrak service is limited to a handful of long-distance trains that make a negligible contribution to regional transportation needs.

The map of Amtrak's current route network looks little different from the map of our original network in 1971. It is not designed to meet travel needs and passenger demand in today's fastest growing regions and metropolitan areas, most of which have little or no Amtrak service. Amtrak does not serve Las Vegas, Phoenix, Nashville, or Columbus. A long-distance train operating just once a day provides the only Amtrak service in Dallas, Tampa, Atlanta, Denver, and Salt Lake City. The Houston metropolitan area, population seven million, is served by a long-distance train that operates only three times a week but accounts for nearly 40 percent of Amtrak's service in Texas, the second largest state. Amtrak has less service in Florida—the nation's third largest state—than it did in 1971, when Florida's population was less than a third of what it is today.

While long distance trains play an important role in some small communities, they suffer from limited frequencies, uncompetitive trip times, and extremely poor on-time performance (OTP)—on average, less than 50 percent. They do not meet the needs of short distance travelers in the growing, vital regions and city pair markets where they provide the only Amtrak service today. They attract very few Millennial travelers, who comprise 31 percent of the adult population but only 16 percent of Amtrak's adult long distance ridership.

Speaking of on time performance, just last week during a hearing before this very committee, Chairman Wicker asked the FRA to provide an update on the development of new metrics and standards as required by PRIIA. In response to this question, the FRA stated that it had just formed a commission to begin this important work, which was surprising to me as Amtrak is not part of this commission. It is also concerning; in fact, it appears to be in direct conflict with the law. PRIIA Section 207 clearly states that ". . . the Federal Railroad Administration and Amtrak shall jointly . . ." develop the aforementioned metrics and standards. We appreciate that the FRA is looking to move forward with this important work, but Amtrak must have a seat at the table and jointly develop these metrics and standards consistent with the law. It is the process that was implemented in 2009/2010 and it is consistent with what Congress expected of PRIIA Section 207.

In addition, during last week's hearing, the FRA's witness stated that Amtrak's on-time performance (OTP) was 77.9 percent. Amtrak's actual customer OTP—the percentage of customers who arrived on time—was 73.0 percent in FY2018. However, that figure includes the Northeast Corridor and other Amtrak-dispatched routes, all of which had OTPs of 80 percent or more.

Further, the FRA seemed to focus on train schedules. To be clear, these metrics are designed as a trigger for a Surface Transportation Board (STB) investigation, which would examine the schedules as one of many potential factors influencing poor OTP.

If you look at OTP on the long-distance and state-supported routes on Amtrak's host railroads, the picture is very different. Only four of the 41 host railroad-dispatched routes had an OTP of 80 percent or more. Average OTP on long distance routes was just 43.1 percent. The worst performing long-distance route—the New York-to-New Orleans *Crescent,* which serves the Chairman's constituents—had an OTP of just 25.1 percent. It averaged more than two and hours of freight train interference delays per trip and arrived at its destination over two hours late on more than half of its trips. Very few travelers would choose to fly on an airline flight that had such an abysmal on-time performance.

We know from what we have accomplished in the Northeast Corridor, and from working with our state partners elsewhere, what frequent, reliable, trip time-competitive Amtrak service can do to attract new customers in short distance city pairs and alleviate congestion on other modes. Ridership on our state-supported Hiawatha corridor between Chicago and Milwaukee, where our seven daily trains are faster than a car or bus trip on congested highways, has more than doubled since 2003. On our fast-growing Amtrak Cascades service between Seattle and Portland, Federal and state investments to improve service and reduce trip times have enabled us to capture 58 percent of passengers who travel by air or rail.

A recently awarded Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant to the Southern Rail Commission that will facilitate the restoration of Amtrak service between New Orleans, Louisiana and Mobile, Alabama illustrates the types of projects Amtrak needs to be pursuing if we are to contribute to meeting growing transportation demands in underserved regions and corridors. That 145-mile corridor was last served by a long-distance train that was poorly patronized because it operated only three days a week, was invariably hours late, and served Mobile in the middle of the night. The planned new service will operate twice daily during daytime hours. While there is still much more work to complete before this project is fully realized, it is an example of the type of future investments Amtrak could be making across the country.

We are working internally to assess the potential of numerous other markets for operational and financial viability. This work includes: identifying new markets; evaluating frequencies and schedules; forecasting ridership, revenue, and operating expenses; and estimating fleet and infrastructure capital needs. Once we have a better understanding of the market demands and the assets needed to deliver a modern, improved service, then we will be prepared to engage partners, such as state DOTs, local communities, rail advocacy groups and businesses, and host railroads. This work is meant to help Congress determine how it can help Amtrak modernize, evolve, and expand.

While there has been a lot of attention paid to our National Network of state-supported and long-distance routes, we must not forget about the NEC. The NEC is an amazing machine—Amtrak and eight commuter railroads provide 820,000 trips per weekday, and the services there include America's fastest train service, the *Acela.* However, as the NEC Commission recently stated, there is a $42 billion state of good repair backlog. The NEC is both a prime example of the benefits of passenger rail and an illustration of what happens when adequate funding is not provided for essential investments. The traveling public along the NEC does not doubt the value of intercity passenger rail—in fact, Amtrak carries more passengers within the NEC than all airlines combined in the region. However, asset failures, rail traffic congestion, and other factors cost $500 million per year in lost productivity. Without additional capital investment, those losses will only grow. An unexpected loss of the NEC for one day alone could cost the Nation nearly $100 million in transportation-related impacts and productivity losses.

At last week's Commerce Hearing, there was some discussion on aspects of the Gateway Program, including environmental review and funding gaps. It is important to understand that funding and an EIS are two separate things. Funding is not required in order to finalize the NEPA process, although finishing NEPA is critical to being able to receive Federal funding. The FRA suggested that the Portal North Bridge was ready to go except for funding. However, to be clear Amtrak and our state partners have 100 percent of our local matches ready to go right now. It is, in fact, the USDOT who is holding up the project from advancing by not committing the necessary Federal share. This is especially concerning given the robust funding levels provided by Congress in FY 2018 and FY 2019 for DOT grant programs, such as the FTA's Capital Investment Grants program and FRA's Federal State Partnership for State of Good Repair program. Let's get Portal North's funding finalized today, there is simply no good reason to wait another day. In addition, the FRA mentioned that the Hudson Tunnel Project FEIS is actively being worked on. This is encouraging; however, we have heard nothing from FRA on the project since the document was submitted in December 2018. I know the FRA mentioned that the process still requires some 27 steps to be addressed after already completing 95 steps, but we're talking about the most urgent infrastructure project in the Nation. We need to get this done and stop the unnecessary red tape. Period.

Having outlined our national challenges, here are some of Amtrak's core principles for reauthorization, which we believe should be top of mind for Congress as it decides the future of intercity passenger rail:

- *Principle #1*—Congress should continue to support programs and policies that improve safety throughout Amtrak's rail network.
  - Requiring PTC or PTC-equivalency for all common-carrier, regularly scheduled passenger rail operations nationwide. Amtrak's position remains that PTC should be required for passenger rail operations in the United States. Only in unique cases where it does not make technical or practical sense will we consider a PTC-equivalent solution as a final solution. Amtrak acknowledges that it will take time to implement this strategy. As we continue to collect data from host railroads, our assessments continue to evolve as to whether PTC or PTC-equivalency is most appropriate for any territory. Therefore, for the near term, Amtrak is putting in place non-PTC risk mitigations on these MTEA segments.
  - Increased investments in grade crossing safety.
  - Amtrak's adoption of its industry-leading safety management system and pursuit of a just culture.
  - Development and implementation of new technologies to improve safety.
- *Principle #2*—Congress should clarify the role of intercity passenger rail within the Nation's transportation system and Amtrak's mission and goals. It should identify what goals it wishes to achieve through the intercity passenger rail network, and how those goals are to be prioritized.
  - Amtrak's focus should be providing a trip time competitive alternative to congested highways and airspace in heavily-populated and growing corridors and regions throughout the nation, as opposed to simply maintaining existing rail service as established many decades ago and which may serve relatively few passengers.
  - Market demand, changing demographics, and ridership (both current levels and future projections) should be the primary drivers for service level decisions.
  - Capital costs for infrastructure, fleet, and stations should also be taken into consideration, as should the subsidy level needed to operate a route and the importance of sustainability.
- *Principle #3*—Congress should address Amtrak-Host Railroad challenges.
  - On-time performance (OTP) on much of the National Network is abysmal. In FY 2018, long distance trains OTP was, on average, 47 percent. A legislative fix is necessary to remedy poor OTP and ensure host railroad compliance with existing Federal law, which requires that Amtrak passenger trains be given preference over freight transportation.
  - In addition, legislation is needed to provide a fair and expeditious process to grant access to Amtrak for new or changed routes and services and for determining access terms. Without such changes, Amtrak's ability to expand services in response to demand and to currently underserved communities will be extremely limited. Access to new tracks and frequency expansion—how to assess capacity and develop neutral, fair estimates of capital upgrade costs.
- *Principle #4*—Congress should ensure Amtrak has access to Federal transportation programs and funding and should provide sufficient funding levels to address the challenges across the network.
  - Congress should authorize sufficient funding to advance critical state of good repair and modernization and capacity enhancement projects on the NEC and the National Network. Congress should specifically fund priority investments on the NEC to advance major projects currently in design and to complete acquisition of new passenger cars. Similarly, specific and significant funding is necessary to replace aging fleet across Amtrak's Long-Distance network and to expand intercity passenger rail corridor service in existing and new markets where Amtrak can meaningfully contribute to addressing currently and future mobility challenges.

- ◦ Congress should ensure predictable funding levels consistent with the role and goals it establishes for Amtrak through a trust fund or other multi-year mechanism at levels sufficient to meet the needs of both the NEC and National Network. The nation has underinvested in intercity passenger rail for nearly all of Amtrak's existence. It is the only major surface transportation mode that does not receive dedicated, predicable funding through a trust fund. All FHWA programs, most FTA programs, and most DOT safety programs receive contract authority at levels set by Congressional authorizations, which allows for strong planning and the efficient execution of multiyear investment programs. Amtrak simply seeks parity for intercity passenger rail capital investments.
- ◦ Congress should eliminate the current prohibitions against funding intercity passenger rail projects through existing surface transportation programs. For example, the FTA's governing statute defines "public transportation" as explicitly not including intercity passenger rail provided by Amtrak. This creates confusion and inefficiencies when Amtrak and state partners try to advance rail projects that have shared benefits between commuter and intercity rail. In addition, FHWA programs should be able to fund beneficial intercity passenger rail projects that support the agency's mission. For example, the intent of the Congestion Mitigation and Air Quality (CMAQ) program, is to do what passenger rail does best: improve air quality and reduce congestion by taking cars off the road and promoting alternative transportation options for drivers. However, the current program is limited to eligible costs under Chapter 53 of Title 49, and therefore intercity passenger rail is generally not eligible.

- *Principle #5*—Congress should look at ways to strengthen state partnerships for the benefit of the traveling public.
  - ◦ The current Amtrak-State partnership created by PRIIA and enhanced by FAST Act forms the basis for how states in the NEC and the National Network partner with Amtrak. To confront the challenges of aging assets (infrastructure, fleet, and stations), along with the need for network modernization and expansion, States' role in providing intercity passenger rail should be reevaluated to ensure a fair balance between Federal and state participation. Amtrak and the Federal government must play a greater role in working with states to advance and fund passenger rail expansion in under 400-mile corridors between our country's major metropolitan areas. This may include the Federal government covering the capital and operating costs of new short corridor service, including both adding additional frequencies on existing routes and establishing new routes not currently served by Amtrak.
- *Principle #6*—Congress should allow Amtrak to operate like a business.
  - ◦ The Rail Passenger Service Act, as codified at 49 USC 24301(a), clearly states that Amtrak "shall be operated and managed as a for-profit corporation." Amtrak's Mission and Goals, codified at 49 USC 24101(b) and (c), states that our service should be "efficient and effective" and Amtrak "shall use its best business judgement in acting to minimize United States Government subsidies. . ..". However, in recent years, Congress has repeatedly attempted to undue actions Amtrak has taken to modernize our services, reallocate resources to reflect technological advances like e-ticketing, satisfy changing customer preferences and achieve cost savings. It has earmarked Amtrak's funds for specific capital projects. This has increased the losses on our long-distance trains and the costs to our state partners for our state-supported routes, which of course are borne by taxpayers. It has also prevented Amtrak from reinvesting savings into necessary capital investments to improve our customers' experience and provide cost-effective competition with other modes, such as aviation and bus.

Critical investments for equipment and infrastructure are required over the next few years if Amtrak is to maintain current services and meet the increasing demand for passenger rail service in underserved regions and corridors. As a result, Congress will need to make some tough choices in reauthorization.

If Congress intends for Amtrak to meet intercity passenger rail's unrealized potential in short distance corridors throughout the country and make vital investments in the NEC, while continuing to provide without alteration or cost reduction all of the services we provide today, it will need to provide the additional funding required to fulfill all of those mandates. We cannot kick the can down the road while Amtrak equipment and infrastructure deteriorate and congestion on highways and in airspace becomes even worse because the services we provide meet fewer and fewer travelers' needs. With sufficient investment, however, Amtrak can be a "game changer" in America's transportation network.

I look forward to working with each of you. While the challenges described today are difficult, they can be overcome. At Amtrak, we owe our customers and your constituents nothing less. Thank you for the opportunity to appear before you today, and I welcome your questions.

Senator WICKER. Thank you very, very much.

Mr. Jefferies.

STATEMENT OF IAN JEFFERIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS

Mr. JEFFERIES. Thank you.

Chairman Wicker, Ranking Member Cantwell, Members of the Committee, thank you for the opportunity to be here today.

The Association of American Railroads has a diverse membership of both large and small freight and passenger railroads. Our freight railroad members, including the seven large Class 1 railroads and over 100 shortline and regional railroads, account for the overwhelming majority of our Nation's freight railroad activity while Amtrak and AAR's commuter railroad members account for more than 80 percent of annual U.S. passenger railroad trips.

AAR's membership agrees that America can and should have both safe, effective passenger railroading and a safe, productive freight rail system. Mutual success for both passenger and freight railroads requires collaboration and a recognition of the challenges that must be managed to meet our country's need to move people and goods safely and efficiently.

Well into the 20th Century, railroads were the primary means to transport people and freight in the United States but that did not last. Following years of financial challenges due to falling passenger rail demand, Congress passed the Rail Passenger Service Act of 1970. The Act, which led to the creation of Amtrak, was designed to preserve a basic level of inner city passenger rail service while relieving private railroads of their obligation to provide passenger service.

Freight railroads initially helped capitalize Amtrak in cash, equipment, and services, and were required to provide preference to Amtrak trains.

Today, freight railroads provide the infrastructure for most passenger rail. Approximately 97 percent of Amtrak's 22,000 mile system consists of tracks owned and maintained by freight railroads.

When looking at projects, each project involving passenger and freight railroads should be evaluated on a case by case basis; but these projects are more likely to succeed if certain overarching principles are followed.

First and foremost, we all agree safety always comes first, whether for freight or passenger railroads. Second, current and future capacity needs of both freight railroads and passenger railroads must be front of mind and properly addressed.

Today, freight railroads carry twice the volume as they did when Amtrak was formed while passenger rail ridership continues to increase as well. To improve capacity and safety of the network, freight railroads spend on average $25 billion in private capital each year on maintenance and capital improvements.

When existing or potential freight traffic levels are so high that there is no spare capacity for passenger trains, new infrastructure might be needed before passenger trains can reliably operate.

This leads to the third principle. Proper funding for Amtrak is critical, especially as it looks to change and expand service offerings. Policy-makers should provide Amtrak the level of funding necessary to address its capital needs and pay for expanded capacity when required.

It is not reasonable to expect Amtrak to effectively plan, build, and maintain adequate infrastructure and service when there is excessive uncertainty regarding its capital allocation from 1 year to the next.

Fourth, all parties must recognize that preference of Amtrak trains over freight trains does not mean there will never be delays to Amtrak trains. Any number of factors contribute to rail delays, including bad weather, heavy traffic volume, network maintenance, and other factors. While Amtrak may be given preference, preference cannot mean a guarantee of zero delay.

Ever since Amtrak was created, Amtrak and the freight railroads have worked together to establish and implement rules and procedures governing their interactions. Keeping both Amtrak and freight trains running on time is a tremendously complex issue.

Last week before this Committee, FRA Administrator Batory laid out his framework for next steps on standards and metrics for on-time performance. AAR's members, both passenger and freight, stand ready to constructively participate throughout this process.

Having both safe, effective passenger railroads and a safe, productive freight rail system should be a common goal of all of us because it is in America's best interests. Achieving this goal requires successful navigation and management of several complex challenges, but I am confident that together freight railroads, Amtrak and other passenger railroads, as well, can find common ground that benefits all parties.

Thank you for your time.

[The prepared statement of Mr. Jefferies follows:]

PREPARED STATEMENT OF IAN JEFFERIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS

Introduction

On behalf of the members of the Association of American Railroads (AAR), thank you for the opportunity to appear before you.

AAR has a diverse membership of both freight and passenger railroads, both large and small. The freight railroad members, which include the seven large U.S. Class I railroads as well as approximately 170 U.S. short line and regional railroads, account for the vast majority of freight railroad mileage, employees, and traffic in the United States. Amtrak is a member of the AAR, as are various commuter railroads that in aggregate account for more than 80 percent of U.S. passenger railroad trips.

Like freight railroads, passenger railroading plays a key role in alleviating highway and airport congestion, decreasing dependence on foreign oil, reducing pollution, and enhancing mobility. All of us want passenger railroads that are safe, efficient, and responsive to the transportation needs of our country.

Meanwhile, America is connected by the most efficient, affordable, and environmentally responsible freight rail system in the world, a system which is overwhelmingly built and maintained by the freight railroads themselves. Whenever Americans grow something, eat something, export something, import something, make something, or turn on a light, it's likely that freight railroads were involved somewhere along the line. Looking ahead, America cannot prosper in an increasingly competitive global marketplace without a best-in-the-world freight rail system.

AAR's membership agrees that America can and should have both safe, effective passenger railroading and a safe, productive, freight rail system. Mutual success for both passenger and freight railroads requires collaboration and a recognition of the challenges –especially capacity—railroads face. Government efforts should balance the country's need to move people and goods safely and efficiently.

Freight and Passenger Rail Partnerships: Decades in the Making

Well into the 20th century, railroads were the primary means to transport people and freight in the United States, but that didn't last. Thanks to the huge expansion of America's highway system and the development of commercial aviation, private railroads were losing around $725 million annually by 1957—equivalent to approximately $5 billion per year in today's dollars—on passenger service.

These massive losses continued for years, largely because government regulators made it very difficult for railroads to discontinue unprofitable passenger rail service. In essence, for decades railroads were forced to lose huge sums every year providing a public service that fewer and fewer people chose to use. By 1970, passenger rail ridership had plummeted to around 11 billion passenger-miles, down 88 percent from its 1944 peak of 96 billion, despite a 40 percent increase in population during that time. The massive passenger losses were draining a rail system that was also facing unrelenting pressure on its freight side from subsidized trucks and barges, leading to railroad bankruptcies, consolidations, service abandonments, deferred maintenance, and general financial deterioration.

The Rail Passenger Service Act of 1970 (RPSA), which created Amtrak, wanted to preserve a basic level of intercity passenger rail service while relieving private railroads of the obligation to provide money-losing passenger service that threatened the viability of freight railroading.

Given the huge financial drain, railroads generally welcomed the opportunity to largely exit the passenger business, but first they had to provide the backbone of today's system. Freight railroads initially helped capitalize Amtrak in cash, equipment, and services; these payments to Amtrak totaled around $850 million in today's dollars. Freight railroads were also required to provide preference to Amtrak passenger service over freight service, a benefit that still continues. Finally, when operating on another railroad's tracks, Amtrak generally is required to pay no more than the incremental costs. To this day, this low track rental fee is a major indirect subsidy paid not by taxpayers or Amtrak riders, but by the freight railroads.

Today, freight railroads provide the foundation for most passenger rail. Amtrak owns approximately 730 route-miles, primarily in the Northeast Corridor, which account for about 40 percent of Amtrak's total ridership. Nearly all of the remaining 97 percent of Amtrak's 22,000-mile system consists of tracks owned and maintained by freight railroads. Freight railroads also furnish other essential services to Amtrak, including train dispatching, emergency repairs, station maintenance, and, in some cases, police protection, claims investigation, and communications capabilities.

In addition, hundreds of millions of commuter trips each year occur on commuter rail systems that operate at least partially over tracks or right-of-way owned by freight railroads, and most of the higher speed and intercity passenger rail projects under consideration nationwide involve using freight-owned facilities.

Principles to Guide Passenger Rail Operations on Freight-Owned Corridors

Each project involving passenger and freight railroads should be evaluated on a case-by-case basis. Projects have a better chance of success if certain overarching principles are followed. These principles should not be seen as barriers; instead, they should be seen as a means to ensure what all of us want: the long-term success of passenger rail and a healthy freight rail system that shippers all over the country rely on every day.

First and foremost, safety always comes first. Railroads are an extremely safe way to move people and freight, and everyone in railroading wants to keep it that way.

Second, current and future capacity needs of both freight and passenger railroads must be properly addressed. Today, freight railroads carry twice the volume they did when Amtrak was formed. Freight corridors are expensive to maintain and many freight corridors lack spare capacity. Passenger rail use of freight rail corridors must be balanced with freight railroads' need to provide safe, reliable, and cost-effective freight service to present or future customers. To improve capacity and the safety of the rail network, privately owned freight railroads spend on average $25 billion each year on maintenance and capital improvements, ultimately benefiting Amtrak, surrounding communities, and the Nation a whole. When existing or potential future freight traffic levels are so high that there is no spare capacity for passenger trains, new infrastructure might be needed before passenger trains can be added to operate over a line.

Third, proper funding is necessary, especially as Amtrak looks to change and expand service offerings. As laid out in AAR's surface transportation reauthorization recommendations, policymakers should provide passenger railroads—including Amtrak—with the dedicated funding they need to operate safely and effectively, and to pay for expanded capacity when they require it. It is not reasonable to expect Amtrak to be able to plan, build, and maintain an adequate network that provides optimal transportation mobility and connectivity when there is excessive uncertainty regarding what its capital and operating funding will be from one year to the next. If Congress provides predictable and needed levels of Federal funding support, Amtrak and its state partners could better deliver a future of improved reliability, enhanced capacity, more service, and reduced trip times.

Fourth, all railroads are committed to providing reliable service to all its customers—shippers and passengers. All parties must recognize that the priority of Amtrak's trains over freight trains does not mean there will be no delays to Amtrak trains. We're all familiar with the high occupancy vehicle (HOV) highway lanes here in Washington. These lanes give preference to automobiles with more than one person inside, allowing them, in theory, to get where they're going with little to no delay. That doesn't always happen, though. Sometimes bad weather, unexpected heavy traffic volume, accidents, or other problems cause motorists in HOV lanes to be delayed. The same principle must be applied to the rail network: Amtrak is given preference, but preference cannot mean a guarantee.

On-Time Performance Metrics

Ever since Amtrak was created, Amtrak and freight railroads have worked together to establish and implement the rules and procedures governing their interactions. Most of these rules and procedures are spelled out in formal bilateral operating agreements negotiated between Amtrak and host railroads. These operating agreements are the products of decades of real-world experience regarding what works well and what does not. The agreements often include clauses that provide incentives and penalties to freight railroads to help ensure that Amtrak trains meet specified on-time targets.

The freight railroads and Amtrak are in a far better position than anyone else to determine, working together, what these operating agreements should contain and how they should be structured.

Keeping both Amtrak and freight trains running on time is a tremendously complex issue. When Amtrak was created, freight railroads had significant excess capacity. Since then, much of this excess capacity has been shed, and freight traffic growth has consumed much of what remained.

Day-to-day realities of the 140,000-mile rail network come into play too. For example, when track conditions warrant it, freight railroads temporarily reduce allowable operating speed for safety reasons. These "slow orders" can delay trains of all types, but safety must take precedence over everything else. Similarly, railroads must devote sufficient time to needed track and signal maintenance. This often produces unavoidable delays in the short term for freight and passenger trains, but improves service reliability—and enhances safety—in the long term.

The establishment and periodic review of reasonable and realistic schedules and determination of meaningful on-time performance metrics should be undertaken jointly by host railroads and Amtrak and governed by private, bilateral contracts that consider the unique circumstances of particular routes. One-size-fits-all solutions will not work on a network as complex or important as our Nation's rail system.

I was encouraged by Federal Railroad Administration (FRA) Administrator Ron Batory's testimony at last week's hearing where he indicated the next steps on setting metrics and standards rules. Specifically, he said that the rules would be made using a cooperative process with both Amtrak and the freight railroads at the table, that schedules would be reviewed and updated based on today's rail conditions, that future schedules between Amtrak and the host railroad would be validated, that the industry would use technology, not human measurement tools, to determine reasons for delay, and that the focus would be on realistic consumer expectations. All of AAR's members stand ready to work with the Administrator as this process continues.

Positive Train Control (PTC) Update

Before I close, I want to provide this committee with an update on railroad efforts to implement PTC. The seven Class I freight railroads all met statutory requirements by having 100 percent of their required PTC-related hardware installed, 100 percent of their PTC-related spectrum in place, and 100 percent of their required employee training completed by the end of 2018. In aggregate, Class I railroads had 89 percent of required PTC route-miles in operation as of April 2019. Each Class I railroad expects to be operating trains in PTC mode on all their PTC routes no later than 2020, as required by statute. In the meantime, railroads, in coordination with Amtrak, other passenger railroads, and other tenant railroads, are continuing to test and validate their PTC systems thoroughly to ensure they are interoperable and work as they should.

Conclusion

Having both safe, effective passenger railroads and a safe, productive, freight rail system should be the common goal of all of us because it is in America's best interest. I am confident that together the freight railroads and Amtrak can find common ground that benefits all parties.

Senator WICKER. Thank you very much.

Mr. Souby, you are welcome.

STATEMENT OF JAMES M. SOUBY, COMMISSIONER, SOUTHWEST CHIEF & FRONT RANGE PASSENGER RAIL COMMISSION (COLORAIL)

Mr. SOUBY. Thank you, Mr. Chairman, Chairman Wicker, and thank you, Ranking Member Cantwell.

I'm delighted to be here and honored to provide testimony on this extraordinarily important topic.

First of all, let me thank this committee for all you've done for Amtrak to date through PRIA and all the other efforts you've given to that railroad. It is our passenger-carrying line and as was already mentioned, it provides that service to over 80 percent of the railroad passengers that the Nation sees.

You asked me, Mr. Chairman, to kind of relate the Colorado experience with Amtrak, particularly with respect to the Southwest Chief, and I can tell you, starting in 2011 and all the way through 2017, we had a tremendously positive relationship with the railroad.

The CEO came out twice to our state. They sent the Exhibit Train out twice to test new routes within Colorado. That was a train that Amtrak ran up until just a couple of years ago.

Together with Amtrak, our local communities and Kansas, New Mexico, and Colorado, and the BNSF Railway, we raised $75 million to help improve the route of the Southwest Chief, and three

TIGER Grants. It was the most successful program and still remains the most successful TIGER Grant Program that's ever been initiated under that program.

Unfortunately, in 2017 and then again starting in 2018, we ran into a big change of heart at Amtrak. The match they had provided for our TIGER 9 Grant, which was promoted by Colfax County, New Mexico, which would have repaired another 50 miles of track for the Southwest Chief, Amtrak pledged a $3 million match to that grant and then with little notice, in fact to our Commission with no notice, they withheld that $3 million grant, which caused that project to be delayed.

Now thanks to Senators Gardner, Bennett, Senator Udall, and Senator Heinrich, and I'm thinking of—oh, Senator Moran, Senator Moran, of course, and Senator Roberts, that decision was reversed and so Amtrak did come in with the $3 million but at a tremendous cost and that cost was we missed the entire build grant cycle.

So our partnership, which had prepared a proposal for that grant, was unable to submit it because we couldn't get the TIGER 9 Grant underway. So we fell a year and a half behind.

The next issue that arose was the bus substitution proposal from Amtrak. Once again, our Commission in Colorado was not notified in advance of this proposal. We were told about it after it had been announced and we, of course, had to respond that it was a poor idea. It would have essentially ended the Southwest Chief as a viable rail line through our three states and on from Chicago on to L.A.

So that changed the whole tenor of our relationship with Amtrak and I'm pleased to say that because of the Senators I mentioned and because of this committee, Amtrak has turned around, at least for this Fiscal Year, their position on those items, but we're not positive yet that Amtrak will sustain the long-distance system once the appropriation bill that was passed and put provisions in to maintain a national railroad and to protect those routes. Once that expires, we're concerned about what might happen at Amtrak.

So one of our main recommendations to you on reauthorization is to take that language, that language that was in the Appropriations Act that said we're going to maintain a national network and the foundation for that network is going to be these very valuable long-distance trains that exist, we want to see that language put into the reauthorization so we have a 5-year window with which to continue to address these issues on our long-distance trains.

I share Amtrak's position on on-time performance. I think they need an enforceable standard so that they can make sure their trains run on time. That is a problem for our long-distance trains. It's not the only problem.

I share Amtrak's position that they need extensive funding to re-equip the long-distance trains. There's no doubt about it in my mind, but that has to be done within this policy framework where a national system is going to be maintained and these underlying routes are going to be sustained.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Souby follows:]

PREPARED STATEMENT OF JAMES M. SOUBY, PRESIDENT,
COLORADO RAIL PASSENGER ASSOCIATION (COLORAIL)

Thank you Chairman Wicker, Minority Leader Cantwell and members of the Committee. I am honored to join you for this important hearing on the future of our Nation's passenger rail system. I am James M Souby, from Denver, Colorado. I am a Commissioner on the State's Southwest Chief & Front Range Passenger Rail Commission which was created by our Legislature in 2017. I also serve as President of the Colorado Rail Passenger Association and until this April I was a member of the Board of Directors of the Rail Passengers Association (RPA), a national advocacy organization. I currently serve on the RPA Council and have consulted with the organization on the preparation of this testimony.

My testimony today will cover four themes about the *topic Amtrak: Next Steps for Passenger Rail.* which may be equally important to other current and future passenger rail operators in the Nation. I will describe the topic, then look at what we have learned. The themes include the ongoing campaign to save the Amtrak Southwest Chief service in Colorado, the ongoing efforts to facilitate Front Range Passenger Rail in Colorado, and the successful efforts to restore ski train service to our state between Denver and Winter Park. These experiences and my service with RPA have also provided me with some recommendations for the fourth theme, Congressional direction that will ensure that Amtrak and our Nation continue to improve our passenger rail system.

1. Southwest Chief Campaign—*Save the Chief! (2011–present)*

Colorado's Save the Amtrak Southwest Chief campaign began in early 2011 when Colorado communities, the State Department of Transportation and advocates learned from Amtrak that its operating and maintenance contract between BNSF Railway would expire in 2015 and the terms and conditions would change dramatically. The BNSF was operating far fewer freight trains between Newton, KS, and Madrid, NM, than when the contract was first agreed to some 20 years beforehand. This segment totaled 642 miles of the 2,256 mile route of the Southwest Chief from Chicago to Los Angeles. In fact, the BNSF had stopped operating any trains on the 219 mile segment between Trinidad, Colorado, and Lamy, New Mexico. Thus, Amtrak would be asked to bear a significantly larger share of the operating and maintenance costs for the route segment as its contract with BNSF provided for.

Amtrak estimated that the costs to maintain and improve the track over ten years would be $94.7 million in capital costs, and $111 million in operating and maintenance costs. These costs were based on initial figures provided by BNSF. BNSF took into account the fact that much of the rail and ties on the segment were over fifty years old and would have to be replaced if higher speed passenger train service was to be maintained. This situation forced Amtrak to consider rerouting the SW Chief to the BNSF transcontinental route, which would eliminate service to western Kansas, southeastern Colorado and northeastern New Mexico. Nine communities would lose service: Hutchison, Dodge City and Garden City in Kansas; Lamar, La Junta and Trinidad in Colorado; and Raton, Las Vegas and Lamy in New Mexico. This possible reroute was not favored by any of the parties, including Amtrak and BNSF Railway. BNSF expressed concern over interference with its heavy freight volumes on its transcontinental route and Amtrak didn't want to lose the historic cache of the Santa Fe Trail for its passenger train. In fact, it was later determined that rerouting the train would require expenditures equal to or more than the cost estimates for its historic route.

ColoRail immediately initiated a campaign to find ways to prevent the elimination of service across southern Colorado and neighboring states and instantly found allies in the three Colorado communities, including Rick Klein, City Manager of La Junta, Colorado who has testified to this Committee. Over the ensuing ten months, ColoRail members visited Las Vegas, NM, Raton, NM, Trinidad, CO, La Junta, CO, and Lamar, CO, Santa Fe, NM, and Kansas City, MO, as well as Action 22, the County Association which includes the Colorado counties served by the SW Chief. Rick Klein immediately obtained support from his colleagues in KS. Resolutions of support for maintaining the train were obtained from the communities, counties, local economic development and tourism boards and utilities.

Relying on the success of the first community visits, the City of La Junta and ColoRail organized a "summit" meeting to deal with the impending crisis in November, 2011. Representatives and advocates from communities in the three states attended and the campaign was formally organized. Amtrak briefed the participants on its budget issues and provided information of possible Federal funding sources. A steering committee of reps from Garden City, KS, La Junta, CO, and Colfax County (Raton) NM was formed comprising one elected and one senior appointed official. ColoRail agreed to support the effort with its advocacy. This partnership has survived to this day and has been a mainstay in the campaign's success.

In the spring of 2012, ColoRail and its new local and legislative allies from both political parties drafted a state resolution in support on continuation of the SW Chief route through Colorado. This resolution passed on a overwhelming bi-partisan vote after a standing room only hearing at the State Capitol. The strength of public support for preserving passenger rail service in Colorado was becoming evident.

Following the passage of the state resolution, ColoRail asked the Colorado Senate delegation to host a three state (CO, KS, NM) staff meeting in Washington, DC. ColoRail's President would be meeting there in his capacity as a representative of the National Association of Railroad Passengers. At the meeting, he presented the Amtrak cost estimates and the newly formed coalition's view that the survival of the train was a Federal issue meriting their attention and support. The legal assertion was accepted, but the funding request of some $200 million over ten years was rebuffed. "If you want to raise that kind of money to save the train, you better have some skin in the game" was the most memorable comment from the meeting.

Thus, the campaign entered a new phase. Garden City, KS, elected to apply for a newly inaugurated Transportation Infrastructure Generating Economic Recovery (TIGER) grant from the U.S. Dept. of Transportation. While this request did not succeed, it did generate considerable interest from all the partners in new possibilities to deal with saving the SW Chief.

With the new information about funding possibilities in hand, ColoRail convened a second "Save the Chief Summit" in Pueblo, CO, in September, 2013. Flexing its new found political muscles, Coalition mayors and legislators of both parties from CO, KS and NM met. They agreed to aggressively seek local, state and Federal funding to save the train. Another key observation for Colorado was that the state DOT seemed structurally ill-suited for dealing with regional passenger rail issues. This was to lead to major legislation in Colorado. The summit was also instrumental in enlisting of greater bi-partisan elected support at the County and State Legislative levels.

In 2012 and 2013, ColoRail support also included taking local, state and Congressional elected representatives and staff on the Amtrak SW Chief on what became known as the "Las Vegas Turn", a daylong trip on the train from La Junta or Trinidad, CO, to Las Vegas, NM, and return. ColoRail briefed the officials during the ride and the conductors would then take the VIPs on a tour of the train. In Las Vegas, the Mayor hosted a further briefing on the economic benefits of the train at the train station. He then conducted a tour of the city and its universities and many attractions before the return trip to Colorado on the eastbound SW Chief. Many of the participants never had travelled on a passenger train and the experience was extraordinarily valuable in garnering their support.

In the 2014, Colorado state legislation to create a state commission to deal with the train and its threats was introduced and passed. With strong, bi-partisan support the *Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission* (2014 Commission) was formed.

This independent agency operated with the support of the State Department of Transportation's Transit and Rail Division, but had its own power to receive and expend funds and was able to give the train's survival undivided attention. It also was directed to help coordinate activities across Kansas, Colorado and New Mexico. Its membership included local officials, advocates, Amtrak, CDOT and a liaison with the BNSF Railway. Its meetings were regularly attended by legislators, local leaders, Congressional Staff, and on one occasion, the Administrator of the Federal Railroad Administration (FRA). While participation was voluntary and unreimbursed, the Commission did receive a grant from the County of Pueblo, which allowed it to obtain professional assistance on contract. The new Commission was given a sunset date of June 30, 2017.

The creation of the Commission had its intended effect. Meetings including participation of representatives from KSDOT and NMDOT were held monthly and a three state strategy to save the Chief was designed and implemented. Amtrak cooperation was outstanding, including two visits to the State by the railroad's President and CEO and two visits by the Amtrak Exhibit Train. One Exhibit Train visit took place in Pueblo, an important demonstration of the potential for future service on the Front Range. This positive relationship was to have other beneficial outcomes which included the resumption of ski train service in the State.

One additional directive in the Commission's legislative mandate was to explore the rerouting of the SW Chief through Pueblo and then on to Trinidad, with the possibility of a stop in Walsenburg, CO. Though this would add some 60—70 miles to the overall route, time savings from track improvements under the three state strategy were thought to be sufficient to keep the train's schedule intact for arrival and departure in Chicago and Los Angeles. Amtrak's revenue division estimated ridership on the train would increase by about 15,000 passengers and yield a net of over a million dollars to the train's financial performance. While early completion of the reroute was soon deemed impractical due to necessary La Junta-Pueblo-Trinidad track and signal improvements, the concept remains intact and may become practical when Front Range Passenger Rail is fully implicated.

In the meantime, the idea of "through car" service to Pueblo from La Junta was raised by Amtrak. This would entail detaching cars from the westbound SW Chief in the morning and taking them to Pueblo. They would be turned and returned to La Junta to join the eastbound SW Chief in the late afternoon. This proposal was attractive. The service would be the first step toward bringing Front Range passenger rail to Colorado, it could possibly be extended to Colorado Springs, and as a through car service it would remain part of the SW Chief for funding and operations as are other Amtrak through cars. It would also bolster the train's financial performance. While the concept is still being evaluated, the Positive Train Control mandate would add route improvement costs which were not initially anticipated.

The most significant outcomes of the 2014 Commission's brief tenure were due to its role in helping to coordinate and advance the three state strategy involving Transportation Infrastructure Generating Economic Recovery (TIGER) grants. This fund raising approach was pioneered by Garden City, KS, with a grant application in 2012. Their effort, though unsuccessful, brought the process into sharp focus for Kansas, then Colorado and eventually New Mexico.

The first successful grant under TIGER VI was sponsored by Garden City, as well. Kansas DOT (KDOT) matched the grant with $3 million, Amtrak with $4 million and BNSF Railway with $2 million. Kansas and Colorado communities and advocates matched with $300,000. In connection with the grant award of $12,469,963, BNSF Railway announced that they would take full responsibility for maintenance costs of any rail, ties and ballast replaced under the grant for the useful life of the improvements. This was a major contribution which improved the financial picture for maintenance of the entire 642 mile segment.

The Garden City success was followed by La Junta's success on a TIGER VII application which received a $15,210,143 award. In this grant, the Colorado Department of Transportation (CDOT), KDOT and New Mexico DOT (NMDOT) each pledged a $1 million match. Local communities and advocates in the three states pledged matches of $234,000. Amtrak matched with $4 million and BNSF matched with $2 million. TIGER VII became the model for future funding of SW Chief route improvements.

Following a Lamar, CO, sponsored TIGER VIII application which was not funded, Colfax County, New Mexico mounted a successful TIGER IX application in 2017. Lamar's loss was not attributed to the quality of the application, but because the state of Colorado had competing priorities in the same grant cycle. Colfax County, on the other hand, became the first New Mexico TIGER grant applicant for the SW Chief three state coalition. It yielded a $15.2 million Federal award with approximately $10 million in match from CDOT, KDOT, and NMDOT; BNSF; Amtrak; and, communities and advocates in the three states. Improvements under this grant were delayed and have only begun in 2019.

As the sunset date for the 2014 Commission approached, the Commissioners including CDOT's representatives agreed that a follow-on Commission should be formed. Its purpose would be to continue the SW Chief campaign and also to advance the concept of Front Range passenger rail which was growing more feasible. Population growth and congestion in the I–25 corridor from Wyoming to New Mexico was driving costly highway expansion and significant future population and traffic growth were predicted. It was clear that a more efficient way to move people would be necessary if Colorado's positive economic momentum was to be maintained.

This legislative proposal also received broad bi-partisan support leading to the formation of the *Southwest Chief & Front Range Passenger Rail Commission* (2017 Commission) in the 2017 Colorado legislative session. The 2017 Commission included a voting representatives from each of the five Front Range Councils of Governments/Metropolitan Planning Organizations, the two Class I freight railroads (BNSF Railway and Union Pacific Railroad), two passenger rail advocates, a representative from the counties served by the SW Chief, and a representative of the Denver Regional Transportation District. CDOT and Amtrak were named as non-voting members. In 2018, the legislature appropriated $2.5 million to the 2017 Commission to begin Front Range passenger rail planning in earnest.

As the 2017 Commission was forming a major and controversial glitch in the TIGER IX grant award occurred. Unbeknownst to the 2017 Commission, Amtrak had filed a letter of support to the grant sponsor, Colfax County, which conditioned the award of their $3 million match on the development of a long-range financial plan for the SW Chief including needed improvements in the New Mexico, 219 mile sole use segment between Trinidad, CO and Lamy, NM. These costs were estimated at $30 to $50 million. The importance and implications of this condition were not understood by Colfax County, and the 2017 Commission was not informed of the existence of the letter and its conditions. It was only when the grant was awarded and detailed planning for the grant program began, *e.g.,* filing for a categorical exemption under NEPA, etc., that the partners became award of Amtrak's position. The successful three state strategy was brought to a stunning halt. Only through the firm and adamant intervention by U.S. Senators from the three state coalition was Amtrak compelled to honor its match.

As a consequence of this uncertainty and delay, the partners missed the 2018 BUILD grant cycle. In the meantime, the 2017 Commission still awaits a reply to its letter of May 6, 2019 to Amtrak proposing a collaborative meeting to commence the requested long-range financial planning for the SW Chief.

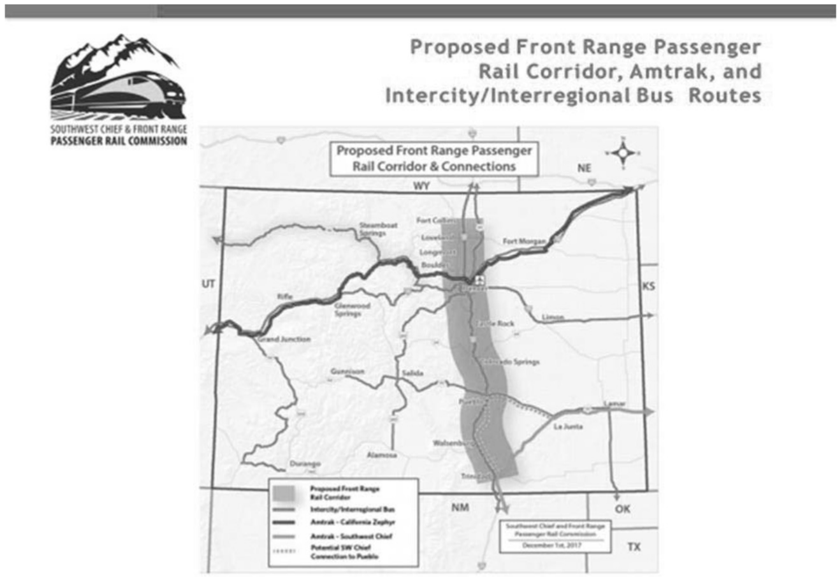
Early in 2018, KDOT, CDOT, BNSF, Amtrak and the 2017 Commission successfully applied for a Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant in order to install Positive Train Control signaling between Dodge City, KS, and Las Animas, CO, which is necessary to meet the FRA standards for safety on this segment and reqired by Amtrak. The Federal award was $9.2 million.

2. Colorado Front Range Passenger Rail (2017—ongoing, see Front Range Corridor Map)

During the 2014 Commission deliberations, the rerouting proposal and subsequent consideration of through car service to Pueblo and possibly Colorado Springs brought the advantages of Front Range Passenger Rail into greater focus. This was not a new issue for Colorado; previous efforts to propose these services had been tried without success. What was new was the increased congestion and demand on the I–25 corridor and the shrinking opportunities to deal with it with highway expansion alone. The costs were now becoming comparable with passenger rail construction, which would yield up to 14 times the capacity of highway expansion when fully implemented.

The need for connectivity between Amtrak services and growing Colorado State Bustang Front Range intercity bus services became a matter of frequent discussions. Facing the sunset of the Commission and its unfinished business with new TIGER grant applications under development, the Commissioners asked the legislature to broaden the Commission's mission while maintaining support for the SW Chief, which was viewed as the southern anchor for Front Range rail. Public awareness of the need for Front Range passenger rail was also increasing. In March of 2017, ColoRail conducted a statewide poll of the public concerning support for passenger rail. A resounding over 62 percent of citizens supported not only the development of a Front Range passenger rail system, but also the creation of a funding mechanism to underwrite its construction. In Front Range communities, the support ranged from 64 percent in the Colorado Springs metro area to 75 percent in the Denver metro area.

The Colorado Legislature accepted the Commission's recommendations and created the Southwest Chief & Front Range Passenger Rail Commission (2017 Commission). The goals now included facilitating the development of Front Range passenger rail as well as sustaining the operations of the SW Chief in Colorado. The powers were expanded and representatives from Colorado Front Range councils of governments, the Denver Regional Transit Authority (RTD), and the Union Pacific Railroad Company were added. The legislature added an appropriation of $2.5 million to begin formal planning activities.



At present, the 2017 Commission has hired a full-time project director and will shortly select a contractor to undertake more detailed planning and public outreach efforts. Also, the State of Wyoming has joined as a non-voting member represented by the Cheyenne Chamber of Commerce. Like their colleagues in New Mexico, Wyoming's Department of Transportation (WYDOT) staff also routinely participate in Commission meetings. Economic interests in Wyoming have already seen the eventual value of a rail link as growth expands to the north from the Colorado Front Range.

The Denver Front Range so-called Mega Region has also attracted the attention of Amtrak. Their representatives have often commented on the fact it is one of the railroad's ten attractive expansion regions but without commenting on Colorado's assertion it will have to link the SW Chief and California Zephyr. The lack of creativity about how this might work is once again, baffling. The railroad is simply frozen in time and looking backwards. All they seem to want is immediate passenger revenue, not passenger connectivity, which is the key to growing both.

3. Winter Park Express Ski Train Service Campaign (2014–Present)

During an Amtrak special inspection train along the SW Chief Route in June, 2014, ColoRail advocates met with the President and CEO about the organization's three top priorities: Saving the SW Chief, Restoring ski train service, and developing Front Range Passenger rail. The ski train idea was thought to be a no-brainer but was met, instead, with disdain. On the other hand, the SW Chief and Front range ideas were met with enthusiastic support. It was later learned that previous litigation over ski train service had soured the railroad on its prospects. A new strategy was called for. This was generated by ColoRail member and Amtrak employee Brad Swartzwelter, who drafted a business plan for a new ski train service to be inaugurated at Denver's magnificently renovated Union Station. A ColoRail team set about reviewing and refining the plan which was then submitted to Winter Park Resort's CEO and Amtrak through appropriate channels in December, 2014.

Not surprisingly, ColoRail's no-brainer tag prevailed. The new service was indeed a no brainer, provided the Winter Park Resort, Union Pacific Railroad and Amtrak could work out an agreement to safely and economically operate a train. It was also provident that 2015 was the 75th anniversary of Winter Park's founding. That provided the impetus to get a demonstration run for a train. It did not hurt that ColoRail arranged a bus trip over Berthoud Pass back to Denver following as early planning meeting to demonstrate the advantages of train travel to the Amtrak execs. Following a hair-raising trip over the pass and two hour delay in I–70 traffic, the advantages of a train trip became apparent. Thus, on a Saturday in March, 2015, a demonstration train was organized and deployed. It sold out in under 8 hours. In cooperation with the Union Pacific, a second run was deployed the following day with virtually no advanced notice. It too sold out in hours. The business plan seemed secure.

The big issue facing the plan was the safety of passengers boarding and alighting the train in their gear. In the old days, they had alighted onto the roadbed, not safe by today's standards. The answer was a new platform running the length of the train. It had to be engineered to follow the curve of the tracks just after they leave the famous Moffat tunnel and reach the resort. It had to resist the thunderous vibrations of passing coal trains, and it had to be heated to stay ice free for safe traction. This was no small feat. In fact, engineers from the resort contractors, Union Pacific Railroad and Amtrak designed and constructed an extraordinary platform.

To make sure the service was passenger friendly, ColoRail, Winter Park Resort and Amtrak developed a train host program. Over 50 ColoRail members provide the hosting service at Denver Union Station, aboard the train and on the Winter Park platform making sure passengers are well informed and safe. The hosts who are trained by Amtrak and Winter Park Resort provide information about the route, ski conditions and other venues at Winter Park, and of course, the advantages of rail travel. The service is very popular and gains continual support for better passenger rail service in Colorado. (see WPE brochure).

After three years of service the Winter Park Express is a great success. Amtrak, Winter Park Resort and Union Pacific Railroad are presently negotiating a continuation contract for the service. ColoRail supports a long range continuation of the service and thanks all the business partners for making the service happen.

The Winter Park Express Service is a great example of how Amtrak, our freight host railroads, tourist industries and advocates can work together to develop popular, beneficial services. Congress needs to realize that these services may require Federal investment, however they return important public and private economic benefits, just as they do for communities along the SW Chief route.

4. Congressional Direction

As you approach reauthorizing the rail provisions of the FAST Act several key passenger rail issues need to be understood and/or resolved. These recommendations have been developed over the past year at the Rail Passengers Association (RPA).

First is the fact that Amtrak is an economic engine, and its economic benefits far outweigh the Federal investment it receives.

Amtrak returns value for the taxpayer dollars invested in it. Whether a particular route is "profitable" to Amtrak misses the point: the value returned to the communities Amtrak serves is many multiples of what is spent on it. This is the taxpayers' own "return on equity," as small towns, rural communities and urban centers see tourism, hotels, restaurants, stores and services grow up around train stations.

As we consider ways to transform the U.S. passenger rail system, it's important to begin with a cleareyed understanding of what Amtrak is for and why this transformation makes good business sense for the country and the taxpayer. Amtrak does not exist to make a profit. In fact, seven years after Amtrak began accepting passengers Congress stepped in to make it explicitly clear that while the Congress expected Amtrak to be good stewards of public money by running an efficient and business-like operation, a profit was neither expected nor required.

In its report on the Amtrak Improvement Act of 1978, House lawmakers specified that they were amending the Rail Passengers Service Act "to conform the law to reality, providing that Amtrak shall be 'operated and managed as' a for-profit corporation. This amendment recognizes that Amtrak is not a for-profit corporation."

The Rail Passengers Association (RPA) has undertaken several studies in the past year to quantify the economic benefits of rail service to individual communities. The Empire Builder route between Chicago and Seattle, for example, generates about $327 million each year for the served communities in the form of tourism, induced travel, indirect job creation, increasing the tax base and avoiding highway maintenance. This is 5.7 times what is spent on the route each year through Amtrak's annual grant.

Likewise, a planned additional frequency between Chicago and Minneapolis-St. Paul is projected to be worth more than $50 million annually to Illinois, Wisconsin and Minnesota, while the annual continuing investment by these states is expected to be only $6 million.

And when proposals emerged last year to substitute buses for rail on a significant portion of the Southwest Chief route between Kansas and New Mexico via Colorado, the annual damage to the three affected states was estimated at $180 million—roughly 3.5 times Amtrak's annual investment on the entire route in a year.

Passenger Rail Funding

Transforming the U.S. passenger rail system will require a significant increase in passenger rail investment to address decades of stagnant funding.

Rather than relying on the annual appropriations process, Congress must create a predictable, dedicated, and robust Passenger Rail Trust Fund. This Trust Fund could utilize diverse revenue streams, including a Per Barrel Tax on crude oil, an Intercity Railroad Passenger Tax assessed at point of sale, an E-Commerce Transportation Tax for online sales, a General Sales Tax, similar to those established by the Commonwealth of Virginia to fund rail infrastructure and operations; a broadly-based tax Station Area Value Capture Tax program for NEC and National Network-served train stations.

Since 2008, Congress has sustained highway spending by transferring $143 billion in general revenues to the HTF, including $70 billion in 2016 as a result of the FAST Act. To the extent that non-road user revenue is directed to the transportation, states should be able to flex these funds to non-highway projects. Granting local officials discretion in modal allocation of general revenue funds will allow states to direct resources to the highest impact projects.

Intercity rail connects with and supports transit rail systems across the U.S., and therefore the Rail Passengers Association believes states and municipalities should be able to flex transit funds to intercity rail projects that support local transit systems.

RPA also supports transformation of the current FAST Act INFRA program to create a larger Intermodal Freight Fund, establishing a 1 percent freight user fee. This fee is projected to produce $9 billion a year for an intermodal fund with no limitation on the percentage committed to rail projects.

Encouraging Transparency and Stakeholder Involvement

Congress has radically overhauled the intercity passenger rail authorization and funding structure over the past decade to try to incentivize greater state and local investment and oversight in the passenger rail network. Yet in recent years, just as Congress was directing funds to passenger rail grant programs authorized by the FAST, Amtrak has adopted a worryingly opaque planning process: withdrawing from previously agreed-upon funding pacts with little or no notice; engaging in fights with elected officials over these sudden changes in direction; and changing company policy towards customers and employees with no chance for stakeholder input. In a letter addressed to Senator Jerry Moran, dated May 20th, 2019, Mr. Anderson failed to respond to a clear and direct question about whether Amtrak is considering truncating or otherwise altering any long-distance routes. Instead, Mr. Anderson answered the question for Fiscal Year 2019 only, acknowledged they planned to reexamine the current route structure of the National Network during this reauthorization cycle, highlighted short-distance corridors they believed would benefit from additional passenger rail service, while refusing to any information on which routes it believes are the best candidates for elimination or alteration.

In this same May 20th letter, Amtrak fails to address the fundamental question posed by the concerned Senators: "does the fully allocated cost produced by Amtrak's Cost Accounting Amtrak Performance Tracking (APT) give an accurate and complete picture of the incremental costs of providing service on a long-distance corridor?" Amtrak avoided answering this question, engaging in ad hominem attack on our association rather than engaging with the question.

This will have serious ramifications for any analysis of the cost of providing service to rural communities and small towns. To give one small example: between the FY 2019 Amtrak legislative grant request and FY 2020 Amtrak legislative grant request, the amount charged to the National Network as its share of the Northeast Corridor investment swung by $165 million (from $115 million in FY 2019 to $280 million in FY 2020), with no clear explanation for why given to appropriators. If Amtrak wants to have a debate over which communities should have their service taken away, stakeholders must understand what costs are fixed, what costs are incremental, and the debate must be public. Instead, Amtrak has walled off much of this information from public view. This is an inappropriate mode of operation for a publicly funded entity, and it has real consequences for the communities which are being asked to invest more in their stations and their service—and have enthusiastically responded in the affirmative, in many notable cases.

Congress has recognized this in recent appropriations bills, stating that this lack of transparency "could have unintended consequences for long-distance customers, especially in rural and small communities where passenger rail serves as an important mobility option and economic driver." Appropriators have directed Amtrak to "conduct comprehensive outreach and consultation" with a whole range of stakeholders, including "passenger rail organizations," noting that Amtrak "must engage in an open and transparent process" which takes into account anyone who might be affected by changes.

Until Amtrak signals a willingness to develop their reauthorization in a transparent fashion with stakeholder communities, Congress should assume that it must provide the national vision for passenger rail service in the U.S., with a special recognition that rural stations remain in special danger of losing service in the absence of that leadership.

Incentivizing Regional Rail

Development of passenger rail systems in the U.S. has been a product of historical accident and disinvestment. This has resulted in a fragmented patchwork of localized systems that duplicate operating costs and restrict connectivity, providing slower and less frequent service at a higher cost to passengers. Rail Passengers proposes a comprehensive restructuring of the intercity, commuter, and urban rail systems to introduce a hybrid urban-suburban rail model. This hybrid model has already demonstrated success in Germany (S-Bahn) and France (Paris RER) and would allow for the creation of a faster, more frequent rail service within the constrained fiscal environment.

Utilizing the recently completed regional rail studies overseen by the FRA as part of the Passenger Rail Improvement and Improvement Act of 2008 (PRIIA), Congress should authorize programs that incentivize coordination between Governors, State Departments of Transportation, and other relevant state and local officials and entities.

To promote regional coordination and sustain a vision of passenger rail service, Congress should incentivize the creation of interstate passenger rail compacts by providing operating funding for the entities created by the compact, establishing benchmarks for the compacts to reach to acquire and maintain certification.

These compacts should work to create systems should work to achieve certain operation goals, including:

Through-running rather than stub-end, city-center terminals;

Integrated governance within a single regional agency to streamline administration costs and optimize system planning;

Implement short dwell times, install fully electrified double track, use rapid transit signals.

Run service on dense networks with infill to transform low-ridership commuter rail into high-ridership rapid rail transit.

Revitalize the National Fleet of Rail Equipment

With the Fiscal 2019 funding boost, Congress has given Amtrak and the States a mandate to continue work on modernizing the U.S. rail fleet. Amtrak is well into the procurement process for the new Northeast Corridor fleet (ACELA 2021); safer, more energy-efficient next-generation diesel locomotives to replace the aging National Network locomotive fleet; and has issued a Request for Proposals for new single-level equipment to replace Amfleet I cars on the Northeast Corridor and neighboring StateSupported services. However, there is still a long way to go towards fleet modernization. Congress must work with States and Amtrak to establish a stable funding mechanism to allow for critical investments in equipment that will meet public demand for reliable, energy-efficient equipment with modern amenities.

In particular, RPA strongly encourages granting the full amount of Amtrak's $533 million grant request for new equipment for the National Network and $374 million grant request for new equipment for the NEC.

The U.S. lacks a robust domestic rail manufacturing market, resulting in increased costs for operators and longer lead times for equipment procurement. In recognition of this fact, Congress should create a U.S. Rail Manufacturing Bureau (USRMB) to encourage co-production agreements between U.S. and international firms.

The aviation industry has created a blueprint for this kind of successful technology transfer between mature manufacturing markets and emerging manufacturing markets. While the technology transfers in aviation are usually a U.S. export, this USRMB can help establish offset agreements in order to gain economic benefits for the expenditure of public funds on the purchase of equipment from foreign suppliers.

Improving Operations

Amtrak needs to have an enforceable On Time Performance (OTP) mechanism. Granting Amtrak the right of private action under its statutory authority, in addition to correcting its equipment maintenance problems through reinvestment in its fleet, would allow the railroad to move to correct the majority of its delays which reduce ridership and revenue.

Senator WICKER. Thank you very much.

Ms. Homendy.

STATEMENT OF HON. JENNIFER HOMENDY, MEMBER, NATIONAL TRANSPORTATION SAFETY BOARD

Ms. HOMENDY. Thank you.

Good morning, Chairman Wicker, Ranking Member Cantwell, and Members of the Committee.

Thank you for inviting the National Transportation Safety Board to testify today.

Rail is one of the safest modes of transportation. However, when an accident does occur, the consequences can be devastating, particularly for those who lost loved ones or who were injured. Recent accidents remind us of the need to be vigilant in improving safety.

The Board recently held a meeting to determine the probable cause of a 2017 Amtrak derailment near DuPont, Washington, which resulted in three deaths and 57 injuries. This accident is one of several Amtrak accidents that we've investigated over the past few years, including accidents in Philadelphia, Pennsylvania; Chester, Pennsylvania; Bowie, Maryland; and Cayce, South Carolina.

On behalf of the NTSB, I'd like to take a moment to extend our deepest sympathies to the families and friends of those who died in these accidents and wish the fullest recovery to those who were injured.

There were multiple factors contributing to the DuPont accident but the tragic fact is that the deaths and injuries were preventable. Frustratingly, this was another crash that could have been prevented with positive train control. PTC is on the NTSB's Most Wanted List.

This August, we will remember those who lost their lives 50 years ago in a collision of two Penn Central trains in Darien, Connecticut, that led to our first recommendation on PTC. Since then, we've investigated more than 150 accidents that caused over 300 fatalities and 6,700 injuries.

While the railroads are making progress toward implementing PTC, much work remains. Full implementation must not be further delayed and exemptions should be eliminated, including exemptions on the 1,400 miles of freight-owned track that Amtrak will be operating on without PTC.

Additionally, the NTSB has recommended that the FRA prohibit the operation of passenger trains on new, refurbished, or updated territories unless PTC is implemented.

While PTC will greatly enhance safety on our Nation's railroads, a well-trained crew is vital to safe operations. Our investigation of the DuPont accident found that there was inadequate training provided to the engineer.

The Amtrak Qualification Program did not effectively train and test crew members on the physical characteristics of the new territory and did not provide sufficient training on the new locomotive. The training deficiencies were evident on the recordings examined by the NTSB. This investigation reinforced the safety benefit of inward and outward facing cameras.

The FAST Act required that all passenger railroads install cameras but left it up to the Secretary to determine whether they should include audio. The NTSB believes all railroads should be required to install cameras that provide both audio and image capabilites.

Finally, I want to stress the importance of requiring all railroads, including Amtrak, to implement a comprehensive Safety Management System, modeled after the programs developed and implemented by commercial airlines. Had Amtrak established an SMS program, this accident and many others likely would never have occurred.

The NTSB has long recommended the implementation of SMS in all modes of transportation and we've recommended it before in our investigation of the 2016 Amtrak collision in Chester. Since then, with the exception of risk assessments for roadway workers, Amtrak has made tremendous progress in implementing SMS. While the program is still in its infancy, Amtrak is much further ahead of the other railroads.

Congress has also recognized the importance of SMS. The Rail Safety Improvement Act of 2008 required the Secretary of Transportation to issue a regulation requiring all railroads to implement a risk-reduction program. More than a decade later, FRA still hasn't implemented this mandate. A final rule was published in August 2016 but the FRA has delayed its implementation six times.

Earlier this month, the FRA issued an NPRM seeking a seventh stay of the final rule that would delay it again for an unknown period of time.

The absence of a sense of urgency by FRA to implement our safety recommendation and the willingness to continue to jeopardize the safety of train crews and their passengers is unacceptable.

Thank you again for the opportunity to testify today. I'm happy to answer any questions.

[The prepared statement of Ms. Homendy follows:]

PREPARED STATEMENT OF HON. JENNIFER HOMENDY, MEMBER, NATIONAL TRANSPORTATION SAFETY BOARD

Good morning Chairman Wicker, Ranking Member Cantwell, and Members of the Committee. Thank you for inviting the National Transportation Safety Board (NTSB) to testify today.

Congress established the NTSB in 1967 as an independent agency within the United States Department of Transportation (DOT) with a clearly defined mission to promote a higher level of safety in the transportation system. In 1974, Congress reestablished the NTSB as a separate entity outside of the DOT, reasoning that "no Federal agency can properly perform such (investigatory) functions unless it is totally separate and independent from any other . . . agency of the United States."[1]

[1] Independent Safety Board Act of 1974 § 302, Pub. L. 93–633, 88 Stat. 2166–2173 (1975).

Because the DOT has broad operational and regulatory responsibilities that affect the safety, adequacy, and efficiency of the transportation system, and transportation accidents may suggest deficiencies in that system, the NTSB's independence was deemed necessary for proper oversight.

The NTSB is charged by Congress with investigating every civil aviation accidents in the United States and significant accidents in other modes of transportation—highway, rail, marine, and pipeline. We determine the probable cause of the accidents we investigate, and we issue recommendations to federal, state, and local agencies, as well as other entities, aimed at improving safety, preventing future accidents and injuries, and saving lives. The NTSB is not a regulatory agency—we do not promulgate operating standards nor do we certificate organizations and individuals. The goal of our work is to foster safety improvements for the traveling public.

Our Office of Railroad, Pipeline and Hazardous Materials Investigations is responsible for investigating railroad accidents. The majority of railroad investigations involve freight train accidents, such as collisions and derailments, but the office also places special emphasis on train accidents that involve the traveling public, such as passenger train and rail transit accidents. Based on these accident investigations, the NTSB issues safety recommendations to Federal and state regulatory agencies, industry and safety standards organizations, railroads, rail transit agencies, manufacturers and emergency response organizations. There are currently 25 open recommendations that we have made to Amtrak, and 89 open recommendations that we have made to the Federal Railroad Administration (FRA).[2]

Our nation's system of rail transportation is generally safe. However, when an accident does occur the consequences can be devastating. When there is a fatality or an accident involving a passenger train, it is the NTSB's role to investigate, determine probable cause, and issue safety recommendations. Recent accidents involving passenger rail remind us of the need to be vigilant in improving safety, and should compel all those who are responsible for the safety of rail transportation and of the travelling public to make improvements.

On May 15, 2019, the Board held a meeting to determine the probable cause of the December 18, 2017, derailment of Amtrak train 501 onto Interstate 5 near DuPont, Washington.[3] Of the 83 people on the train, 3 passengers died, and 57 passengers and crew members were injured. In addition, eight people in highway vehicles were injured. There were multiple factors contributing to this accident and its severity, but the tragic fact is that it, and the deaths and injuries that resulted, were preventable. Several of the factors relate to safety issues that we have identified and made recommendations to address in previous investigations.[4] This testimony will discuss those issues and the need to address them in order to prevent the continued recurrence of such accidents.

Positive Train Control

Positive Train Control (PTC) is an advanced train control system designed to prevent train-to-train collisions, overspeed derailments, incursions into established work zones, and movement through a switch left in the wrong position. The first NTSB-investigated accident that train control technology would have prevented occurred in 1969, when 4 people died and 43 were injured in the collision of two Penn Central commuter trains in Darien, Connecticut. In the 50 years since then, we have investigated over 150 accidents that could have been prevented by PTC. These accidents have claimed almost 300 lives.

On February 4, 2019, we announced our Most Wanted List of Transportation Safety Improvements for 2019–2020, which identifies the top safety improvements that can be made across all modes to prevent accidents and injuries and save lives, based on our investigations.[5] The implementation of PTC appeared on the first Most Wanted List in 1990, and remains on the current list due to lack of full implementation.

According to Amtrak's First Quarter 2019 PTC Progress Report submitted to the FRA, Amtrak has made progress in implementing PTC on the tracks that it owns. Amtrak-owned locomotives are all PTC-equipped and 85 percent of the route miles on its own tracks are operational.[6] However, Amtrak's progress toward PTC implementation on host railroads cannot be determined through reports provided to the FRA because the host railroads report on the entirety of their systems (all loco-

[2] A list of all open and closed unacceptable recommendations to Amtrak and the FRA is contained in the appendix.
[3] NTSB, *Amtrak Passenger Train 501 Derailment, DuPont, Washington, December 18, 2017.*
[4] A list of all open recommendations to Amtrak is contained in the appendix.
[5] National Transportation Safety Board, *2019–2020 Most Wanted List.*
[6] Amtrak Quarter 1, 2019, PTC Progress Report.

motives and all infrastructure), with no transparency as to whether Amtrak is PTC operational on their lines. Additionally, the NTSB remains concerned about the FRA's granting of exemptions to PTC, including more than 1,400 miles of freight railroad-owned track on which Amtrak operates, some of which is in dark (non-signaled) territory.

In the DuPont investigation, the Central Puget Sound Regional Transit Authority (Sound Transit) had identified the need for PTC to mitigate the risk of the accident curve on the Point Defiance Bypass; and, at the time of the accident was working with Amtrak and BNSF Railway on the installation, testing and verification, and validation of the PTC system on the route. However, service was initiated even though neither PTC, nor any other risk mitigation, had been implemented. Without PTC and the lack of oversight to implement mitigations, there was an increased safety risk to the traveling public. We found that had PTC been fully installed and operational at the time of the accident, it would have intervened to stop the train prior to the curve, thus preventing the overspeed derailment.

As a result of the DuPont investigation, we have recommended that the FRA prohibit the operation of passenger trains on new, refurbished, or updated territories unless PTC is implemented. PTC must be fully implemented to ensure the safety of railroad passengers and crews.

Speed Limit Action Plans

Without PTC in place, it was critical for Sound Transit, Amtrak, and FRA to ensure that processes and procedures were in place to reduce the risk of derailment at the accident curve due to train overspeeds. The maximum authorized speed for passenger trains on the Point Defiance Bypass was 79 miles per hour (mph), but it reduced to 30 mph at the curve.

Section 11406 of the Fixing America's Surface Transportation Act of 2015 (the FAST Act) required each railroad carrier providing intercity rail passenger transportation or commuter rail passenger transportation, in consultation with host railroad carriers, to survey their systems and identify each main track location where there is a reduction of more than 20 mph from the approach speed to a curve, bridge, or tunnel. The carriers also must develop appropriate actions to enable warning and enforcement of the maximum authorized speed for passenger trains at each of those locations. The plans must be reviewed and approved by the Secretary of Transportation, who is also provided authority to add conditions to the approval. The FAST Act did not require the FRA to continue to solicit updates from railroads beyond the initial submission deadline, nor did FRA pursue additional submissions for new or updated routes from railroads that owned or operated service on such routes even though the FRA has authority to do so. Because the upgrade had not yet occurred at the time of the enactment of the FAST Act, the accident curve was not addressed in any speed limit action plans. Additionally, FRA did not require railroads in the planning or construction phases of projects to evaluate the potential risk to future operational territories, and Sound Transit did not apply risk mitigation strategies as outlined by the FAST Act on the accident curve.

For its part, Amtrak had planned to update its Speed Limit Reduction Action Plan through a General Order implementing a "crew focus zone" at the accident curve. Crew focus zones are locations where the operating crews are required to communicate warnings of upcoming speed restrictions. This was not planned to be completed until January 2018, several weeks after revenue service on the subdivision had begun. We recommended that Amtrak update its safety review process to ensure all operating documents are up to date and accurate before initiating new or revised revenue operations.

Although FRA participated in the Point Defiance Bypass project through Federal grant funding administration and safety oversight, FRA officials located in both headquarters and in the field failed to recognize that additional hazard mitigations strategies were not implemented by Sound Transit or Amtrak at the accident location. While the FAST Act did not require it, the FRA should have ensured that speed limit action plans include new or updated routes owned or operated by railroads. As a result of this investigation, we have recommended that FRA require intercity and passenger railroads to periodically review and update their speed limit action plans to reflect any operational or territorial operating changes requiring additional safety mitigations and to continually monitor the effectiveness of their speed limit action plan mitigations. We also recommended that the agency require railroads to apply their existing speed limit action plan criteria for overspeed risk mitigation to all current and future projects in the planning, design, and construction phases, including projects where operations are provided under contract.

Safety Culture and Management

Our investigation of the DuPont accident, as well as of the February 4, 2018, collision of Amtrak train 91 and a CSX train in Cayce, South Carolina, highlighted that there is inconsistency in the approach to managing safety on the territories in which Amtrak operates. Amtrak operates on track that it owns, as well as track that it does not own—referred to as a host railroad. Amtrak maintains host railroad agreements to access the infrastructure necessary to provide nationwide passenger rail service. On July 10 and 11, 2018, we held an investigative hearing regarding the DuPont and Cayce accidents to explore issues on managing safety on passenger railroads.[7]

In the Cayce accident, the Amtrak train unexpectedly entered a siding and collided with a stationary CSX freight train. Two of the Amtrak crewmembers—the engineer and the conductor—were killed, and 91 others transported to medical facilities.[8] At the time of the accident, a signal suspension was in place through the area, due to signal work being done by CSX, including upgrades to prepare for implementation of PTC. Trains were being directed through the area by a CSX dispatcher, who would issue warrants, or permissions, to use the main line.[9] The crew of the CSX train had completed work in the area, moved the train to the siding, and released their authority to use the main line back to the dispatcher. However, the switch on the main line was left open to the siding and locked. As we saw in DuPont and other accidents, this accident also demonstrates Amtrak's incapability to control or influence the management of safety on the host railroad. When operating over the territory of a host railroad Amtrak is subjected to the risk mitigation strategies implemented by that host. Although there is a host railroad agreement in place between Amtrak and the host railroad, this agreement does not establish the parameters for safe operations and a consistent level of risk mitigation from host railroad to host railroad.

Amtrak relies on host railroads to meet the minimum Federal safety standards to ensure safe operations of Amtrak trains. However, on its own territory, Amtrak aims to meet and exceed these standards. Our investigation of the DuPont derailment determined that, to improve safety for the public, Amtrak needs to implement a safety management system (SMS) program on all of its operations, whether internal or on a host railroad. We have recommended that Amtrak work collaboratively with all host railroads and states that own infrastructure over which Amtrak operates to develop and implement a comprehensive SMS program.

The NTSB has long recommended the implementation of SMS across all modes of transportation. For example, SMS is becoming a standard of practice among Part 121 commercial aviation operators. There are four components to SMS per Federal Aviation Administration Order:

- a safety policy that sets out what the organization is trying to achieve; outlines the requirements, methods, and processes the organization will use to achieve the desired safety outcomes; establishes senior leadership's commitment to incorporate and continually improve safety in all aspects of the business; and reflects management's commitment to implementing processes and procedures for establishing and meeting safety objectives and promoting a safety culture.
- a safety risk management process that identifies all hazards, analyzes the risk, assesses the risk, controls the risk, and then continually evaluates whether those risk management strategies are working.
- a safety assurance process that evaluates the continued effectiveness of, and compliance with, requirements and implemented risk control strategies and supports the identification of new hazards.
- a safety promotion program which includes training, communication, and other actions to create a positive safety culture within all levels of the workforce.

Had Amtrak developed and implemented a comprehensive SMS, the DuPont accident, and others, would likely never have occurred.

This accident is not the first time we have raised the importance of Amtrak implementing SMS. In 2016, an Amtrak train traveling near Chester, Pennsylvania, struck a backhoe with a worker inside, killing the operator and a track supervisor

[7] NTSB, Investigative Hearing: Managing Safety on Passenger Railroads (July 10–11, 2018).
[8] NTSB, *Amtrak Passenger Train Head-on Collision With Stationary CSX Freight Train, Cayce, South Carolina, February 4, 2018.*
[9] Signal suspension means train control signals located alongside the track have been taken out of service, oftentimes for maintenance or system upgrades. When these signals are taken out of service, train movements are controlled by means such as absolute blocks or by track warrants.

and injuring 39 others.[10] We found that Amtrak allowing a passenger train to travel at maximum authorized speed on unprotected track where workers were present, the absence of worker protection devices, the failure of the foreman to conduct a job briefing at the start of the shift, all coupled with the numerous inconsistent views of safety and safety management throughout Amtrak, led to the accident. We also found that Amtrak did not have an effective program to ensure that its employees, especially those in safetysensitive positions, were drug-free while performing their public transportation duties. We continue to investigate other accidents where unsafe practices have killed railway workers In our report, we recommended that Amtrak develop a comprehensive SMS that vitalizes safety goals and programs with executive management accountability; incorporates risk management controls for all operations affecting employees, contractors, and the traveling public; improves continually through safety data monitoring and feedback; and is promoted at all levels of the company.

The Rail Safety Improvement Act of 2008 required the Secretary of Transportation to promulgate a regulation that requires each Class I railroad and railroad carriers that provide intercity rail passenger or commuter rail passenger transportation to develop and implement a railroad safety risk reduction program that systematically evaluates railroad safety risks on its system and manages those risks in order to reduce the numbers and rates of railroad accidents, incidents, injuries, and fatalities. On August 12, 2016, the FRA published a final rule to implement the 2008 mandate, known as the System Safety Program, with an initial effective date of October 11, 2016.[11] However, the enactment of the final rule has been continually delayed, and on June 12, 2019, the FRA issued a notice of proposed rulemaking seeking to further delay for an undetermined time period the final rule for a seventh time.

As part of our investigation into the collision near Chester, Pennsylvania, we found that by delaying progressive system safety regulation, the FRA had failed to maximize safety for the passenger rail industry and the traveling public and recommended that the FRA enact the System Safety Program without further delay. We also recommended that Amtrak and the labor unions work collaboratively to develop and implement a comprehensive SMS program that complied with the pending System Safety Program regulation.

We also reiterated our recommendation to FRA to enact the 2016 final rule without delay in the DuPont accident report. Despite evidence further demonstrating the need for the timely enactment of the System Safety Program regulation, the FRA continues to delay the requirement for commuter and intercity passenger railroads to improve the safety of their operations. It has been 11 years since Congress mandated implementation of a final rule. The rule itself provides another year for railroads to submit their plans for review and approval to the FRA and another three years for them to implement it, which means a full 15 years will have gone by before the mandate is even implemented, and that is assuming there is not another delay as the FRA has proposed. The absence of a sense of urgency by the FRA to implement this safety recommendation and the willingness to continue to jeopardize the safety of train crews and their passengers is unacceptable. The railroads should not wait one more day on the FRA to implement a final rule, and each railroad should take swift action to ensure system safety.

Training

The failure of Sound Transit to provide an effective mitigation for the hazardous curve on the Point Defiance Bypass without PTC in place allowed the engineer of Amtrak 501 to enter the curve at too high of a speed due to his inadequate training on the territory and inadequate training on the newer equipment.

Our investigation found that the engineer only had rudimentary knowledge and experience with both the accident locomotive and the physical characteristics of the territory. The Amtrak qualification program for the Point Defiance Bypass did not effectively train and test qualifying crewmembers on the physical characteristics of a new territory, and Amtrak did not provide sufficient training on all characteristics of the Charger locomotive, the type of lead locomotive involved in the accident. The engineer had qualified on the route two days before the accident, and the accident trip was his first time operating on the territory in revenue service and without supervision. He was accompanied in the operating compartment by a qualifying conductor who was making his first trip over that territory. The engineer's qualification training included a number of observation rides, then making two northbound and

[10] NTSB, *Amtrak Collision with Maintenance-of-Way Equipment, Chester, Pennsylvania, April 3, 2016.*

[11] 49 CFR Part 270

one southbound trips while operating the train under supervision. Some of these trips were made on the Charger locomotive.

As a result of our investigation, we made recommendations to Amtrak to improve training for crewmembers to ensure proficiency on the physical characteristics of a territory and operating characteristics of locomotives, including through the use of simulators. Simulators are very useful in addressing in a controlled environment operating behaviors that are either too dangerous to undertake using actual equipment or that must be evaluated more precisely than is possible through observation alone. However, to be most effective, this type of training must closely reproduce the conditions and operating tasks of the equipment being represented.[12]

We also recommended that Amtrak conduct training that specifies and reinforces how each crewmember, including those who have not received their certifications or qualifications, may be used as a resource to assist in establishing and maintaining safe train operations.

Passenger Rail Car Crashworthiness

The rail cars involved in the DuPont accident have a unique design, different from conventional United States passenger equipment. The Talgo Series VI trainsets were manufactured by Talgo for Amtrak and the Washington State Department of Transportation between 1996 and 1998, and the accident trainset was built in 1998. On May 12, 1999, the FRA published a final rule strengthening passenger equipment safety standards.[13] The Talgo Series VI trainsets did not meet the requirements of the new rule, so Amtrak petitioned the FRA to grandfather or permit the use of the Talgo Series IV trainsets on three corridors, including the Pacific Northwest corridor between Eugene, Oregon, and Blane, Washington, via Portland and Seattle (Puget Sound route). In 2009, the FRA ultimately authorized the use of the Talgo Series VI on the route. However, the FRA did express concern about the performance of the trainsets in higher energy events, particularly collisions at greater than 25 mph. Additionally, although risk analyses conducted by Amtrak at the request of the FRA showed that PTC would have reduced the risk of fatality by 47 percent and injury by 30 percent, the FRA did not require implementation of PTC on the route, even the FRA had the authority to attach special conditions to the approval of the petition.[14]

On September 6, 2017, Amtrak submitted a petition to the FRA requesting permission to operate the Talgo Series VI trainsets on Sound Transit's Lakewood Subdivision near Tacoma, Washington. On December 14, 2017, just four days before the accident, FRA determined that granting Amtrak's request was "in the public interest and consistent with railroad safety" with no risk assessment of the new route or review of the risk of operations between the original route and the new route.[15]

As the result of our investigation, we found that the Talgo Series VI did not provide adequate occupant protection, resulting in complex uncontrolled movements and secondary collisions with the surrounding environment which led to damage so severe to the railcar body structure, that it caused passenger ejections. The failure of the railcars directly resulted in three fatalities and two partially ejected passengers. We recommended that WSDOT discontinue the use of the Talgo Series VI trainsets as soon as possible and replace them with passenger railroad equipment that meets all current safety requirements. We also found that allowing the grandfathering provision to remain in FRA regulations is an unnecessary risk that is not in the public interest nor consistent with railroad safety, and recommended its removal.

Audio and Image Recorders

In the DuPont accident, the locomotive was equipped with an inward-facing image recorder that provided investigators with both a visual and audio recording of the crewmember activities during the accident trip. Amtrak installed these devices even though they are not required by the FRA. This accident demonstrated the value of image and audio data for investigations and development of safety recommendations

Dozens of previous railroad accident investigations would have benefitted from this technology. These types of recorders are also critical to improving operational safety and management oversight. When investigating the September 12, 2008, accident in Chatsworth, California, we were unable to determine the actions of the Metrolink engineer leading up to the collision and after discovering some illicit ac-

[12] NTSB, *Derailment and Collision of Amtrak Passenger Train 66 with MBTA commuter train 906 at Back Bay Station, Boston, Massachusetts, December 12, 1990.*

[13] 49 CFR Part 238

[14] FRA *Docket ID: FRA–1999–6404*

[15] *https://www.regulations.gov/document?D=FRA-1999-6404-0098*

tivities by the engineer during previous trips. The railroad had no way of monitoring the engineer's activities to ensure appropriate behaviors. This accident, in which 25 people were killed and 102 people were injured, underscored the importance of understanding the activities of crewmembers in the time leading up to the accident. As a result of that investigation, we recommended that the FRA require the installation, in all controlling locomotive cabs and cab car operating compartments, of crash-and fire-protected inward- and outward-facing audio and image recorders.[16] The FAST Act required the Secretary of Transportation to require each railroad carrier that provides regularly scheduled intercity rail passenger or commuter rail passenger transportation to the public to install inward- and outward-facing image recording devices in all controlling locomotive cabs and cab car operating compartments in such passenger trains.

We continue to believe that inward- and outward-facing audio and image recorders improve the quality of accident investigations and provide the opportunity for proactive steps by railroad management and the FRA to improve operational safety. Nonetheless, after six reiterations of the NTSB's recommendations, the FRA has not taken positive action regarding inward-facing devices nor developed inward-facing recorder regulations as required by the FAST Act. Therefore, as a result of the DuPont investigation, we have recommended that the Secretary of Transportation require the FRA issue regulations for inward-facing recorder regulations that include audio recordings as recommended by NTSB, not just image recordings as required in the FAST Act.

Conclusion

Over the last 52 years, our investigations have found that railroad safety is a shared responsibility among operators, government oversight agencies, and local communities.

Railroads remain one of the safest means of transportation. However, the consequences are tragic when there is a lack of PTC, lack of SMS, or insufficient training. Our 2019–2020 Most Wanted List of Transportation Safety Improvements includes additional safety issues related to rail that, if addressed, would make a significant impact. To that end, the NTSB urges FRA, Amtrak, and other operators to expeditiously implement all NTSB safety recommendations.

We recognize the progress that has been made; yet, there will always be room for improvement. The NTSB stands ready to work with the Committee to continue improving the safety of our Nation's rail network.

Thank you again for the opportunity to testify today. I am happy to answer your questions.

[16] NTSB Safety Recommendations *R–10–001* and *R–10–002.*

APPENDIX

Open Safety Recommendations to Amtrak (as of June 26, 2019)

R–15–28	TO THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK): Install, in all controlling locomotive cabs and cab car operating compartments, crashand fire-protected inward-and outward-facing audio and image recorders capable of providing recordings to verify that train crew actions are in accordance with rules and procedures that are essential to safety as well as train operating conditions. The devices should have a minimum 12-hour continuous recording capability with recordings that are easily accessible for review, with appropriate limitations on public release, for the investigation of accidents or for use by management in carrying out efficiency testing and system wide performance monitoring programs.	Open—Acceptable Response
R–15–29	TO THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK): Semi-annually, issue a public report detailing Amtrak's progress in installing crashand fire-protected inward-and outward-facing audio and image recorders. The report should include the number of locomotives and cab car operating compartments that have been equipped with the recorders, as well as the number of locomotives and cab car operating compartments in Amtrak's fleet that still lack those devices.	Open—Acceptable Response
R–16–37	TO THE NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK): Incorporate strategies into your initial and recurrent training for operating crewmembers for recognizing and effectively managing multiple concurrent tasks in prolonged, atypical situations to sustain their attention on current and upcoming train operations.	Open—Acceptable Response
R–16–45	TO BNSF RAILWAY, CANADIAN NATIONAL RAILWAY, CANADIAN PACIFIC RAILWAY, CSX TRANSPORTATION, KANSAS CITY SOUTHERN RAILWAY, NORFOLK SOUTHERN RAILWAY, INTERCITY RAILROADS, AND COMMUTER RAILROADS: Review and revise as necessary your medical rules, standards, or protocols to ensure you are informed of any diagnosed sleep disorders that employees in safety-sensitive positions must report and, when an employee makes such a report, perform periodic evaluations to ensure the condition is appropriately treated and the employee is fit for duty.	Open—Await Response
R–17–19	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Establish a method to ensure that ontrack protection in an active work zone is not lost during shift transfer.	Open—Initial Response Received
R–17–20	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Develop and implement an engineering safety procedure for preparing site-specific work plans for maintenance projects on the Northeast Corridor main line tracks spanning multiple shifts or multiple workdays to reduce or mitigate the inherent risks of maintenance-of-way work in a high-speed train operations environment.	Open—Initial Response Received
R–17–21	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Require supervisors to review train dispatchers' foul time log sheets to verify whether supplemental shunting devices are being adequately applied.	Open—Initial Response Received
R–17–22	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Revise its train dispatcher rules so that potentially distracting activities, such as making personal telephone calls, are not allowed while dispatchers are on duty and responsible for safe train operations.	Open—Initial Response Received

Open Safety Recommendations to Amtrak (as of June 26, 2019)—Continued

R–17–23	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Conduct a risk assessment for all engineering projects and use the results to issue significant speed restrictions for trains passing any engineering project that involves safety risks for workers, equipment, or the traveling public, such as ballast vacuuming, as part of a riskmitigation policy.	Open—Initial Response Received
R–17–24	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Work with labor to achieve full participation in all applicable safety programs.	Open—Initial Response Received
R–17–25	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Work collaboratively with labor to develop and implement a viable safety reporting system (for example, C3RS); ensure that employees do not experience reprisal for using the system; respond quickly to the data collected; and communicate any resulting safety improvements to all employees.	Open—Initial Response Received
R–17–26	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Work collaboratively with labor in an effort to develop a comprehensive safety management system program that complies with pending Federal Railroad Administration regulation Title 49 Code of Federal Regulations Part 270, System Safety Program, and that vitalizes safety goals and programs with executive management accountability; incorporates risk management controls for all operations affecting employees, contractors, and the traveling public; improves continually through safety data monitoring and feedback; and is promoted at all levels of the company.	Open—Initial Response Received
R–17–27	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Once Safety Recommendation R–17–26 is completed, implement the safety management system program throughout the company with resources sufficient to ensure that all levels of management and all labor unions involved with Amtrak operations accept and comply with the system.	Open—Initial Response Received
R–19–6	TO CSX TRANSPORTATION AND THE NATIONAL RAILROAD PASSENGER CORPORATION: Prohibit employees from fouling adjacent tracks of another railroad unless the employees are provided protection from trains and/or equipment on the adjacent tracks by means of communication between the two railroads.	Open—Initial Response Received
R–19–19	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Ensure operating crewmembers demonstrate their proficiency on the physical characteristics of a territory by using all resources available to them, including; in-cab instruments, signage, signals, and landmarks; under daylight and nighttime conditions; and during observation rides, throttle time, and written examinations	Open—Await Response
R–19–20	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Revise your classroom and road training program to ensure that operating crews fully understand all locomotive operating characteristics, alarms and the appropriate response to abnormal conditions.	Open—Await Response
R–19–21	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Require that all engineers undergo simulator training before operating new or unfamiliar equipment (at a minimum, experience and respond properly to all alarms), and when possible, undergo simulator training before operating in revenue service in a new territory and experience normal and abnormal conditions on that territory	Open—Await Response

Open Safety Recommendations to Amtrak (as of June 26, 2019)—Continued

R–19–22	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Implement a formal, systematic approach to developing training and qualification programs to identify the most effective strategies for preparing crewmembers to safely operate new equipment on new territories.	Open—Await Response
R–19–23	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Work with host railroads and states that own infrastructure over which you operate to conduct a comprehensive assessment of the territories to ensure that necessary wayside signs and plaques are identified, highly conspicuous, and strategically located to provide operating crews the information needed to safely operate their trains.	Open—Await Response
R–19–24	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Conduct training that specifies and reinforces how each crewmember, including those who have not received their certifications or qualifications, may be used as a resource to assist in establishing and maintaining safe train operations.	Open—Await Response
R–19–25	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Update your safety review process to ensure that all operating documents are up to date and accurate before initiating new or revised revenue operations.	Open—Await Response
R–19–26	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Incorporate all prerevenue service planning, construction, and route verification work into the scope of your corporate-wide system safety plan, including your rules and policies, risk assessment analyses, safety assurances, and safety promotions.	Open—Await Response
R–19–27	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Work collaboratively with all host railroads and states that own infrastructure over which you operate in an effort to develop a comprehensive safety management system program that meets or exceeds the pending Federal Railroad Administration regulation Title 49 Code of Federal Regulations Part 270, "System Safety Program."	Open—Await Response
R–19–28	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Conduct risk assessments on all new or upgraded services that occur on Amtrak-owned territory, host railroads, or in states that own infrastructure over which you operate.	Open—Await Response
R–19–29	TO AMTRAK (NATIONAL RAILROAD PASSENGER CORPORATION): Develop policies for the safe use of child safety seats to prevent uncontrolled or unexpected movements in passenger trains and provide customers with guidance for securing these child safety seats.	Open—Await Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)

R–00–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Develop, then periodically publish, an easy-to-understand source of information for train operating crewmembers on the hazards of using specific medications when performing their duties.	Open—Unacceptable Response
R–00–003	TO THE FEDERAL RAILROAD ADMINISTRATION: Establish and implement an educational program targeting train operating crewmembers that, at a minimum, ensures that all crewmembers are aware of the source of information described in R–00–2 regarding the hazards of using specific medications when performing their duties.	Open—Unacceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–00–004	TO THE FEDERAL RAILROAD ADMINISTRATION: Establish, in coordination with the U.S. Dept. of Transportation, the Federal Motor Carrier Safety Administration, the Federal Transit Administration, and the U.S. Coast Guard, comprehensive toxicological testing requirements for an appropriate sample of fatal highway, railroad, transit, and marine accidents to ensure the identification of the role played by common prescription and over-the-counter medications. Review and analyze the results of such testing at intervals not to exceed every 5 years.	Open—Unacceptable Response
R–01–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Evaluate, with the assistance of the Research and Special Programs Administration, the Association of American Railroads, and the Railway Progress Institute, the deterioration of pressure relief devices through normal service and then develop inspection criteria to ensure that the pressure relief devices remain functional between regular inspection intervals. Incorporate these inspection criteria into the U.S Dept. of Transportation hazardous materials regulations.	Open—Acceptable Response
R–01–017	TO THE FEDERAL RAILROAD ADMINISTRATION: Modify 49 Code of Federal Regulations 219.201(b) as necessary to ensure that the exemption from mandatory postaccident drug and alcohol testing for those involved in highway-rail grade crossing accidents does not apply to any railroad signal, maintenance, and other employees whose actions at or near a grade crossing involved in an accident may have contributed to the occurrence or severity of the accident.	Open—Acceptable Response
R–06–007	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to implement for all power-assisted switch machines, regardless of location, a formal commissioning procedure and a formal maintenance program that includes records of inspections, tests, maintenance, and repairs.	Open—Unacceptable Response
R–07–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Assist the Pipeline and Hazardous Materials Safety Administration in developing regulations to require that railroads immediately provide to emergency responders accurate, real-time information regarding the identity and location of all hazardous materials on a train.	Open—Acceptable Response
R–08–006	TO THE FEDERAL RAILROAD ADMINISTRATION: Require redundant signal protection, such as shunting, for maintenance-of-way work crews who depend on the train dispatcher to provide signal protection.	Open—Unacceptable Response
R–08–007	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise the definition of covered employee under 49 Code of Federal Regulations Part 219 for purposes of Congressionally mandated alcohol and controlled substances testing programs to encompass all employees and agents performing safetysensitive functions, as described in 49 Code of Federal Regulations 209.301 and 209.303.	Open—Unacceptable Response
R–09–001	TO THE FEDERAL RAILROAD ADMINISTRATION: Establish uniform signal aspects that railroads must use to authorize a train to enter an occupied block, and prohibit the use of these aspects for any other signal indication.	Open—Unacceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–09–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Study the different signal systems for trains, identify ways to communicate more uniformly the meaning of signal aspects across all railroad territories, and require the railroads to implement as many uniform signal meanings as possible.	Open—Unacceptable Response
R–09–003	TO THE FEDERAL RAILROAD ADMINISTRATION: Require that emergency exits on new and remanufactured locomotive cabs provide for rapid egress by cab occupants and rapid entry by emergency responders.	Open—Unacceptable Response
R–10–001	TO THE FEDERAL RAILROAD ADMINISTRATION: Require the installation, in all controlling locomotive cabs and cab car operating compartments, of crash-and fireprotected inward-and outward-facing audio and image recorders capable of providing recordings to verify that train crew actions are in accordance with rules and procedures that are essential to safety as well as train operating conditions. The devices should have a minimum 12-hour continuous recording capability with recordings that are easily accessible for review, with appropriate limitations on public release, for the investigation of accidents or for use by management in carrying out efficiency testing and systemwide performance monitoring programs.	Open—Acceptable Response
R–10–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Require that railroads regularly review and use in-cab audio and image recordings (with appropriate limitations on public release), in conjunction with other performance data, to verify that train crew actions are in accordance with rules and procedures that are essential to safety.	Open—Acceptable Response
R–12–003	TO THE FEDERAL RAILROAD ADMINISTRATION: Require that safety management systems and the associated key principles (including top-down ownership and policies, analysis of operational incidents and accidents, hazard identification and risk management, prevention and mitigation programs, and continuous evaluation and improvement programs) be incorporated into railroads' risk reduction programs required by Public Law 110–432, Rail Safety Improvement Act of 2008, enacted October 16, 2008.	Open—Acceptable Response
R–12–016	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to medically screen employees in safetysensitive positions for sleep apnea and other sleep disorders.	Open—Unacceptable Response
R–12–017	TO THE FEDERAL RAILROAD ADMINISTRATION: Establish an ongoing program to monitor, evaluate, report on, and continuously improve fatigue management systems implemented by operating railroads to identify, mitigate, and continuously reduce fatigue-related risks for personnel performing safety-critical tasks, with particular emphasis on biomathematical models of fatigue.	Open—Acceptable Response
R–12–018	TO THE FEDERAL RAILROAD ADMINISTRATION: Conduct research on new and existing methods that can identify fatigue and mitigate performance decrements associated with fatigue in on-duty train crews.	Open—Acceptable Response
R–12–019	TO THE FEDERAL RAILROAD ADMINISTRATION: Require the implementation of methods that can identify fatigue and mitigate performance decrements associated with fatigue in on-duty train crews that are identified or developed in response to Safety Recommendation R–12–18.	Open—Acceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–12–020	TO THE FEDERAL RAILROAD ADMINISTRATION: Require the use of positive train control technologies that will detect the rear of trains and prevent rear-end collisions.	Open—Unacceptable Response
R–12–021	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise Title 49 Code of Federal Regulations Part 229 to ensure the protection of the occupants of isolated locomotive operating cabs in the event of a collision. Make the revision applicable to all locomotives, including the existing fleet and those newly constructed, rebuilt, refurbished, and overhauled, unless the cab will never be occupied.	Open—Acceptable Response
R–12–022	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise Title 49 Code of Federal Regulations Part 229 to require crashworthiness performance validation for all new locomotive designs under conditions expected in a collision.	Open—Unacceptable Response
R–12–027	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to install, along main lines in non-signaled territory not equipped with positive train control, appropriate technology that warns approaching trains of incorrectly lined main track switches sufficiently in advance to permit stopping.	Open—Unacceptable Response
R–12–039	TO THE FEDERAL RAILROAD ADMINISTRATION: Develop side impact crashworthiness standards (including performance validation) for passenger railcars that provide a measurable improvement compared to the current regulation for minimizing encroachment to and loss of railcar occupant survival space.	Open—Acceptable Response
R–12–040	TO THE FEDERAL RAILROAD ADMINISTRATION: Once the side impact crashworthiness standards are developed in Safety Recommendation R–12–39, revise 49 Code of Federal Regulations 238.217, “Side Structure,” to require that new passenger railcars be built to these standards.	Open—Acceptable Response
R–12–041	TO THE FEDERAL RAILROAD ADMINISTRATION: Require that passenger railcar doors be designed to prevent fire and smoke from traveling between railcars.	Open—Unacceptable Response
R–13005	TO THE FEDERAL RAILROAD ADMINISTRATION: Identify, and require railroads to use in locomotive cabs, technology-based solutions that detect the presence of signalemitting portable electronic devices and that inform the railroad management about the detected devices in real time.	Open—Acceptable Alternate Response
R–13–007	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to implement initial and recurrent crew resource management training for train crews.	Open—Unacceptable Response
R–13–018	TO THE FEDERAL RAILROAD ADMINISTRATION: Determine what constitutes a reliable, valid, and comparable field test procedure for assessing the color discrimination capabilities of employees in safety-sensitive positions.	Open—Unacceptable Response
R–13–019	TO THE FEDERAL RAILROAD ADMINISTRATION: When you have made the determination in Safety Recommendation R–13–18, require railroads to use a reliable, valid, and comparable field test procedure for assessing the color discrimination capabilities of employees in safetysensitive positions.	Open—Unacceptable Response
R–13–020	TO THE FEDERAL RAILROAD ADMINISTRATION: Require more frequent medical certification exams for employees in safety-sensitive positions who have chronic conditions with the potential to deteriorate sufficiently to impair safe job performance.	Open—Unacceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–13–021	TO THE FEDERAL RAILROAD ADMINISTRATION: Develop medical certification regulations for employees in safety-sensitive positions that include, at a minimum, (1) a complete medical history that includes specific screening for sleep disorders, a review of current medications, and a thorough physical examination, (2) standardization of testing protocols across the industry, and (3) centralized oversight of certification decisions for employees who fail initial testing; and consider requiring that medical examinations be performed by those with specific training and certification in evaluating medication use and health issues related to occupational safety on railroads. [This recommendation supersedes Safety Recommendations R–02–24 through –26.]	Open—Unacceptable Response
R–13–022	TO THE FEDERAL RAILROAD ADMINISTRATION: Require all information captured by any required recorder to also be recorded in another location remote from the lead locomotive(s), to minimize the likelihood of the information's being unrecoverable as a result of an accident.	Open Unacceptable Response
R–13–038	TO THE FEDERAL RAILROAD ADMINISTRATION: Work with the Federal Highway Administration to (1) include guidance in the Manual on Uniform Traffic Control Devices (MUTCD) for the installation of advance warning devices, such as movement-activated blank-out signs, that specifically use the word "train" to indicate the preemption of highway traffic signals by an approaching train, and (2) amend the MUTCD to indicate that preemption confirmation lights, while not intended to provide guidance to the general public, would be useful in providing advance information on train movements to law enforcement and emergency responders.	Open—Acceptable Response
R–14–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Develop a program to audit response plans for rail carriers of petroleum products to ensure that adequate provisions are in place to respond to and remove a worst-case discharge to the maximum extent practicable and to mitigate or prevent a substantial threat of a worst-case discharge.	Open—Acceptable Response
R–14–011	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise the Track Safety Standards specified in Title 49 Code of Federal Regulations 213.233(b)(3),removing the exemption for high-density commuter railroads and requiring all railroads to comply with these requirements: (1)to traverse each main track by vehicle or inspect each main track on foot at least once every 2weeks, and (2) to traverse and inspect each siding, either by vehicle or on foot, at least once every month.	Open—Unacceptable Response
R–14–015	TO THE FEDERAL RAILROAD ADMINISTRATION: Promulgate a regulation for permitting a train to pass a red signal aspect protecting a moveable bridge that is similar to the criteria for allowing a train to cross a broken rail as contained in Title 49Code of Federal Regulations213.7(d) to ensure that the bridge has been inspected by a qualified employee before a train is authorized to proceed across the bridge.	Open Acceptable Alternate Response
R–14–016	TO THE FEDERAL RAILROAD ADMINISTRATION: Collaborate with the Pipeline and Hazardous Materials Safety Administration and the American Short Line and Regional Railroad Association to develop a risk assessment tool that addresses the known limitations and shortcomings of the Rail Corridor Risk Management Safety software tool.	Open—Acceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–14–017	TO THE FEDERAL RAILROAD ADMINISTRATION: Collaborate with the Pipeline and Hazardous Materials Safety Administration and the American Short Line and Regional Railroad Association to conduct audits of short line and regional railroads to ensure that proper route risk assessments that identify safety and security vulnerabilities are being performed and are incorporated into a safety management system program.	Open—Acceptable Response
R–14–035	TO THE FEDERAL RAILROAD ADMINISTRATION: Work with the Occupational Safety and Health Administration (OSHA) to establish clear guidelines for use by railroads and railroad workers detailing when and where OSHA standards are to be applied.	Open—Acceptable Response
R–14–036	TO THE FEDERAL RAILROAD ADMINISTRATION AND THE FEDERAL TRANSIT ADMINISTRATION: Require initial and recurring training for roadway workers in hazard recognition and mitigation. Such training should include recognition and mitigation of the hazards of tasks being performed by coworkers.	Open—Acceptable Response
R–14–044	TO THE FEDERAL RAILROAD ADMINISTRATION AND THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION: Assist the Federal Transit Administration in establishing roadway worker protection rules, including requirements for job briefings.	Open—Acceptable Response
R–14–048	TO THE FEDERAL RAILROAD ADMINISTRATION: Require equivalent levels of reporting for both public and private highway—railroad grade crossings.	Open—Unacceptable Response
R–14–069	TO THE FEDERAL RAILROAD ADMINISTRATION: When the proposed system safety program regulation is promulgated, develop and implement a robust performancebased audit program to ensure that railroads are maintaining effective system safety programs.	Open—Acceptable Response
R–14–074	TO THE FEDERAL RAILROAD ADMINISTRATION: Develop a performance standard to ensure that windows (*e.g.,* glazing, gaskets, and any retention hardware) are retained in the window opening structure during an accident and incorporate the standard into 49 Code of Federal Regulations(CFR) 238.221 and 49CFR 238.421 to require that passenger railcars meet this standard.	Open—Acceptable Response
R–14–075	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise Title 49 Code of Federal RegulationsPart213 to define specific allowable limits for combinations of track conditions, none of which individually amounts to a deviation from Federal Railroad Administration regulations that requires remedial action, but, which when combined, require remedial action.	Open—Acceptable Response
R–14–076	TO THE FEDERAL RAILROAD ADMINISTRATION: Once you have completed the actions specified in Safety Recommendation R–14–75, program your geometry inspection vehicles to detect combinations of conditions that require remedial action.	Open—Acceptable Response
R–15–001	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise Title 49 Code of Federal Regulations (CFR) 238.213 to require the existing forward-end corner post strength requirements for the back-end corner posts of passenger railcars.	Open—Unacceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–15–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise Title 49 Code of Federal Regulations Part 238 to incorporate a certificate of construction, similar to the one found at Title 49 Code of Federal Regulations 179.5, and require that the certificate be furnished prior to the in-service date of the railcar.	Open—Unacceptable Response
R–15–004	TO THE FEDERAL RAILROAD ADMINISTRATION: Review your existing regulations and your motive power and equipment compliance manual, and revise them as needed to prohibit automatic systems from resetting the locomotive alerter. (Urgent)	Open—Acceptable Response
R–15–026	TO FEDERAL RAILROAD ADMINISTRATION: Prohibit the use of a white light as a marking device on the rear of a train.	Open—Unacceptable Response
R–15–035	TO THE FEDERAL RAILROAD ADMINISTRATION: Enhance your medical standards by identifying a list of medical conditions that disqualify employees for safetysensitive positions because of the conditions' potential for negatively affecting rail safety.	Open—Unacceptable Response
R–15–036	TO THE FEDERAL RAILROAD ADMINISTRATION: Enhance your medical standards by identifying a list of medical conditions that disqualify employees for safetysensitive positions because of the conditions' potential for negatively affecting rail safety.	Open—Unacceptable Response
R–15–037	TO THE FEDERAL RAILROAD ADMINISTRATION: Once disqualifying medical conditions and medications have been identified, develop specific criteria (such as standards for medical test results) that may allow employees who have been disqualified but have been determined by a subsequent, individualized assessment to pose no increased danger to rail safety to obtain a medical certification.	Open—Unacceptable Response
R–16–032	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to install devices and develop procedures that will help crewmembers identify their current location and display their upcoming route in territories where positive train control will not be implemented.	Open—Unacceptable Response
R–16–033	TO THE FEDERAL RAILROAD ADMINISTRATION: Modify form 6180.54 (Rail Equipment Accident/Incident Report) to include the number of crewmembers in the controlling cab of the train at the time of an accident.	Open—Initial Response Received
R–16–034	TO THE FEDERAL RAILROAD ADMINISTRATION: After form 6180.54 is modified as specified in Safety Recommendation R–16–33, use the data regarding number of crewmembers in the controlling cab of the train at the time of an accident to evaluate the safety adequacy of current crew size regulations.	Open—Initial Response Received
R–16–035	TO THE FEDERAL RAILROAD ADMINISTRATION: Conduct research to evaluate the causes of passenger injuries in passenger railcar derailments and overturns and evaluate potential methods for mitigating those injuries, such as installing seat belts in railcars and securing potential projectiles	Open—Unacceptable Response
R–16–036	TO THE FEDERAL RAILROAD ADMINISTRATION: When the research specified in Safety Recommendation R16–35 identifies safety improvements, use the findings to develop occupant protection standards for passenger railcars to mitigate passenger injuries likely to occur during derailments and overturns.	Open—Unacceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–16–043	TO THE FEDERAL RAILROAD ADMINISTRATION: Require freight railroads to use validated biomathematical fatigue models, similar to the models used by passenger railroads, to develop work schedules that do not pose an excessive risk of fatigue.	Open—Unacceptable Response
R–16–044	TO THE FEDERAL RAILROAD ADMINISTRATION: Develop and enforce medical standards that railroad employees in safety-sensitive positions diagnosed with sleep disorders must meet to be considered fit for duty.	Open—Unacceptable Response
R–17–003	TO THE FEDERAL RAILROAD ADMINISTRATION: Evaluate the risks posed to train crews by hazardous materials transported by rail, determine the adequate separation distance between hazardous materials cars and locomotives and occupied equipment that ensures the protection of train crews during both normal operations and accident conditions, and collaborate with the Pipeline and Hazardous Materials Safety Administration to revise 49 Code of Federal Regulations 174.85 to reflect those findings.	Open—Acceptable Response
R–17–006	TO THE PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION AND THE FEDERAL RAILROAD ADMINISTRATION: Work together to develop specific guidance for railroads when using the list of items found in appendix D of title 49 Code of Federal Regulations Part 172 in their risk assessments and apply the information gathered in those risk assessments when analyzing proposed routes for high-hazard flammable trains or high-hazard flammable unit trains.	Open—Initial Response Received
R–17–017	TO THE FEDERAL RAILROAD ADMINISTRATION: Enact Title 49 Code of Federal Regulations Part 270, System Safety Program, without further delay.	Open—Unacceptable Response
R–17–018	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to install technology on hi-rail, backhoes, other independently operating pieces of maintenance-of-way equipment, and on the leading and trailing units of sets of maintenance-of-way equipment operated by maintenance workers to provide dispatchers and the dispatch system an independent source of information on the locations of this equipment to prevent unauthorized incursions by trains onto sections of track where maintenance activities are taking place in accordance with the Congressional mandate under the Rail Safety Improvement Act of 2008.	Open—Acceptable Response
R–17–032	TO THE FEDERAL RAILROAD ADMINISTRATION: Research and evaluate wheel impact load thresholds to find remedial actions that address the mechanical condition of tank cars used in high-hazard flammable trains.	Open—Initial Response Received
R–17–033	TO THE FEDERAL RAILROAD ADMINISTRATION: Mandate remedial actions that railroads should take to avoid or identify mechanical defects that are identified by wheel impact load detectors.	Open—Initial Response Received
R–17–034	TO THE FEDERAL RAILROAD ADMINISTRATION AND THE ASSOCIATION OF AMERICAN RAILROADS: Collaborate in the evaluation of safe kip thresholds to determine the remedial actions for suspected defective wheels conditions in high-hazard flammable train service based upon equipment detector data, and revise the Federal Railroad Administration Safety Advisory 2015–01 and the Association of American Railroads interchange rules.	Open—Acceptable Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–18–001	TO THE FEDERAL RAILROAD ADMINISTRATION: Require intercity passenger and commuter railroads to implement technology to stop a train before reaching the end of tracks.	Open—Initial Response Received
R–18–002	TO THE FEDERAL RAILROAD ADMINISTRATION: Include the Collision Hazard Analysis Guide for Commuter and Intercity Passenger Rail Service as part of the regulation or part of a detailed compliance manual to assist railroads in implementing Title 49 Code of Federal Regulations Part 270.	Open—Initial Response Received
R–18–005	TO THE FEDERAL RAILROAD ADMINISTRATION: Issue an Emergency Order directing railroads to require that when signal suspensions are in effect and a switch has been reported relined for a main track, the next train or locomotive to pass the location must approach the switch location at restricted speed. After the switch position is verified, the train crew must report to the dispatcher that the switch is correctly lined for the main track before trains are permitted to operate at maximum-authorized speed. (Urgent)	Open—Unacceptable Response
R–18–009	TO THE FEDERAL RAILROAD ADMINISTRATION: Review and evaluate the notifications received from the Occupational Safety and Health Administration, and use the information contained in them to modify the National Inspection Plan to include more plant railroads in your routine inspections.	Open—Initial Response Received
R–18–010	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to develop a device or technique to eliminate the possibility of employees failing to perform critical tasks such as lining a switch, lining a derail, or ensuring cars are in the clear.	Open—Initial Response Received
R–18–011	TO THE FEDERAL RAILROAD ADMINISTRATION: Assist the Federal Highway Administration (FHWA) in developing specific criteria to establish when an existing grade crossing should be reconstructed, closed, or otherwise have the risk posed by its unsafe vertical profile comprehensively mitigated, to be incorporated into the FHWA Railroad-Highway Grade Crossing Handbook.	Open—Await Response
R–18–016	TO THE FEDERAL RAILROAD ADMINISTRATION: Review, and modify if necessary, your current inspection guidance regarding watchman/lookout equipment to verify that it requires railroads to provide the necessary equipment for a watchman/lookout to notify a roadway work group of approaching trains and that this accurately reflects the definition contained in Title 49 Code of Federal Regulations 214.7.	Open—Initial Response Received
R–18–017	TO THE FEDERAL RAILROAD ADMINISTRATION: Review railroads' on-track safety programs to determine if the necessary equipment is required and provided for a watchman/lookout to notify roadway work groups of approaching trains. If deficiencies are discovered, use enforcement options to encourage compliance.	Open—Initial Response Received
R–18–018	TO THE FEDERAL RAILROAD ADMINISTRATION: Revise your guidance for inspectors regarding required watchman/lookout equipment and procedures, train all of your inspectors on the revised guidance, and audit subsequent inspections to verify adherence to the specifications outlined in Title 49 Code of Federal Regulations 214.	Open—Initial Response Received
R–18–019	TO THE FEDERAL RAILROAD ADMINISTRATION: Modify the National Inspection Plan to require periodic unannounced inspections for roadway worker protection regulation compliance.	Open—Initial Response Received

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–18–024	TO THE FEDERAL RAILROAD ADMINISTRATION: Issue a guidance document railroads can use to assess their on-track safety program to ensure it encompasses the role of signal and train control equipment, including redundant protection, such as supplemental shunting devices to protect roadway workers and their equipment.	Open—Initial Response Received
R–18–025	TO THE FEDERAL RAILROAD ADMINISTRATION: Study available technologies that automatically alert maintenance-of-way workers fouling tracks of approaching trains, then require that such technology be implemented as a redundant protective measure.	Open—Initial Response Received
R–18–026	TO THE FEDERAL RAILROAD ADMINISTRATION: Provide additional training to all your track inspectors on regulatory track safety standards compliance and provide guidance of available enforcement options to obtain compliance with minimum track safety standards when defective conditions are not being properly remediated by railroads on all routes that carry high hazardous flammable materials.	Open—Initial Response Received
R–19–008	TO THE FEDERAL RAILROAD ADMINISTRATION: Study the efficacy of how signs used in other modes of transportation may be effectively used in the railroad industry.	Open—Await Response
R–19–009	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to periodically review and update their speed limit action plans to reflect any operational or territorial operating changes requiring additional safety mitigations and to continually monitor the effectiveness of their speed limit action plan mitigations.	Open—Await Response
R–19–010	TO THE FEDERAL RAILROAD ADMINISTRATION: Require railroads to apply their existing speed limit action plan criteria for overspeed risk mitigation to all current and future projects in the planning, design, and construction phases, including projects where operations are provided under contract.	Open—Await Response
R–19–011	TO THE FEDERAL RAILROAD ADMINISTRATION: Prohibit the operation of passenger trains on new, refurbished, or updated territories unless positive train control is implemented.	Open—Await Response
R–19–012	TO THE FEDERAL RAILROAD ADMINISTRATION: Remove the grandfathering provision within Title 49 *Code of Federal Regulations* 338.206(d) and require all railcars comply with the applicable current safety standards.	Open—Await Response
R–19–013	TO THE FEDERAL RAILROAD ADMINISTRATION: Use your authority and compel all commuter and passenger railroads to meet the requirements outlined in Title 49 *Code of Federal Regulations* Part 238 without delay, such that in the event of a loss of power, adequate emergency lighting is available to allow passengers, crewmembers, and first responders to see and orient themselves, identify obstacles, safely move throughout the railcar, and evacuate safely.	Open—Await Response
R–19–014	TO THE FEDERAL RAILROAD ADMINISTRATION: Reevaluate existing seat securement mechanisms and their susceptibility to inadvertent rotation, to identify a means to prevent the failure of these devices to maintain seat securement.	Open—Await Response

Open Safety Recommendations to the Federal Railroad Administration (as of June 26, 2019)—Continued

R–19–015	TO THE FEDERAL RAILROAD ADMINISTRATION: Conduct research into the effectiveness of occupant protection through compartmentalization for passengers whose size (including children) is not within the current range of anthropomorphic passenger sizes in Federal Railroad Administration standards.	Open—Await Response

Senator WICKER. Well, thank all four of you for excellent testimony, and we'll now move to questions by members of the Committee.

Let me start with Mr. Anderson. In a *Wall Street Journal* article from February of this year, Amtrak indicated it would like to move away from long-distance routes and promote more frequent service between pairs of cities.

Does that accurately describe Amtrak's vision for the national network? How will Amtrak support and improve long-distance and state-supported routes over the next five to 10 years, and do you plan to shrink any of the long-distance train routes through state-supported?

Mr. ANDERSON. Yes, I don't think the *Wall Street Journal*—had part of it right, part of it not right.

On the state-supported——

Senator WICKER. Astounded.

Mr. ANDERSON. Are you shocked by that? On the state-supported network under 209 of PRIA, that's the strongest part of Amtrak and that piece of Amtrak is really where the future lies for inner city passenger rail and short-haul markets where freeways are jammed and you can't add more capacity.

So I'd say under Section 209 of PRIA, our state-supported piece, which is really separate from the long distance, is performing very well and we have great partnerships with over 20 states in the United States in that piece of Amtrak. That's half of Amtrak's business and it's growing.

Here's the challenge on the long distance. Since Fiscal Year 2013 to Fiscal Year 2018, our trips for miles over 600 miles, in other words, passengers buying a ticket to go over 600 miles, is down 30 percent. The train goes 45 miles an hour and the ticket is more than a low-cost discount airline ticket in the same market.

So we are working hard to try to get ridership up but it's just clear that trips over 600 miles are not where consumers want to use Amtrak and 85 percent of our long-distance trips are short-haul trips where people get on in Chicago and get off in 100 or 200 miles.

The challenge in long distance is the on-time performance is a threat to the viability of that business and, Number 2, it needs billions of dollars of investment. So what I want to do is have this dialogue with you and your professional staff as we go into reauthorization about how we tackle that challenge.

I do think that there are historically important trains in the long-distance network that we should always operate, like the Builder, like the Zephyr, like the Coast Starlight, but because we spread our resource like peanut butter, we don't have the kind of investment you should have in making those a really special product to experience.

So we believe there has always a role for long distance but on the margin, 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.

Senator WICKER. Well, let's look forward to having that dialogue between your team and our professional staffs.

Let me quickly move to one other topic and that's on-time performance, OTP. There was a recent Supreme Court decision. I assume you agree that that moved the issue along and that Amtrak and FRA must now reformulate and issue new OTP metrics. Once they do, the Surface Transportation Board will be able to investigate situations where OTP falls below 80 percent.

At last week's Senate Commerce testimony, Ron Batory, the FRA Administrator, testified about the Administration's work to reissue on-time performance metrics and standards.

What do you envision as the timeline and process for reissuing these metrics?

Mr. ANDERSON. We don't have a timeline. I don't think the statute contemplates any sort of commission. It's suppose to be done by the FRA and Amtrak. The work was done a decade ago before the litigation with the host railroads was undertaken.

When the Supreme Court denied cert on that case, it put the validity of the statute on firm ground. We ought to be able to get this done in about 90 days. There's already a template. In 1987, the United States Department of Transportation, Consumer Affairs, passed these same kinds of rules for airlines and you all live under those rules today.

Senator WICKER. Will you do this? We're going to have to close the record at some point. Will you get back to Senator Cantwell and me and other members of the Committee in about 90 days and give us an update on how that's going——

Mr. ANDERSON. Yes, sir.

Senator WICKER.—because that's a very optimistic prediction and good news as far as I'm concerned.

Mr. ANDERSON. Thank you.

Senator WICKER. Very good. Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman, and again thank you to the witnesses for their testimony.

Ms. Homendy, I think I want to start with you. I think the discussion this morning, you know, Puget Sound and certainly the DuPont accident is Exhibit Number 1 of the challenges we face and what we have to get right. There is more congestion than ever, and there are still exempted freight tracks, as you were mentioning, that aren't coming into standard.

So what do you think we need to do to make sure that that happens here in Washington, D.C., to get FRA to implement that?

Ms. HOMENDY. As far as the exemptions, the law did not allow for exemptions from PTC. The law actually allowed, in addition to main line tracks, for the Secretary to go beyond the requirements for passenger rail and for toxic by inhalation lines, for main lines. That was done in the rule.

So the exceptions, we have 1,400 miles, over 1,400 miles of exceptions that have been granted for PTC for Amtrak and some of those, I believe it's about 20 curves where there's a 20-mile-per-hour difference, so something similar to what occurred in DuPont, and so there has to be, without PTC, a risk mitigation.

Amtrak and the freight railroads are going to have to look at what can be put in place if there's not going to be PTC. We're on record as saying PTC should be everywhere. There shouldn't be exceptions and we continue to believe that. We've had 153 accidents.

Senator CANTWELL. Well, I certainly believe that it needed to be implemented and I'm sure if I asked Mr. Anderson, he's going to tell me it is implemented in Washington, but that doesn't give all our riders that ride outside the state of Washington a sense of security. We need to learn from the DuPont accident and implement this.

I think underlying this, Mr. Jefferies, is this increase in volume of freight traffic is what is causing—we're doubling. I mentioned over in Spokane Valley, if you're going from—if you're going to double the train traffic in the next 15 years, from 56 freight trains a day and it's going to go to 114, congestion is our Number 1 problem.

So then, looking at these other freight corridors, which is exactly what happened in DuPont, people said, oh, my God, we have so much congestion, how are we going to get around it, and then we didn't put in place the system management and the risk reduction plans that went along with that. We need to stop the next DuPont from happening.

So, Mr. Jefferies, Mr. Anderson, could you comment on how we do that? I'm assuming that you are for positive train control being implemented across the country and that this exemption not be allowed by FRA.

Mr. JEFFERIES. Thank you for that question.

Right now, railroads nationwide have 89 percent of their required PTC miles fully operational. We're working through that last bit on the lines that host Amtrak trains. I think that number is at 85 percent right now. We're really working toward interoperability between the various railroads, making sure everyone's systems talk together seamlessly.

The FRA regulations are very clear about where PTC is required on existing passenger train routes and then any new passenger service that might be stood up in the future. Certainly, we support those regulations. We abide by those regulations and we'll continue to do so. If there's interest in re-engaging on that, certainly we'll be at the table.

Senator CANTWELL. Mr. Anderson.

Mr. ANDERSON. I agree with everything you've said. I do not think we should operate a passenger train in the United States without PTC or PTC-equivalent technology to give us that layer of safety.

The Southwest Chief is the prime example. It doesn't have PTC along that route and it's a lower level of safety and we shouldn't tolerate a lower level of safety and so where we could use help from you is we think that there are PTC solutions that don't require as much trackside implementation that involve putting pads in cabs of locomotives where we use geo-fencing and other kinds of technologies that you're used to in your car, and we are up against the wall at FRA about having a tablet available in the cab of the locomotive.

So we think that there might be some PTC-equivalent capabilities by using GPS and geo-fencing to at least get speeds under control.

Senator CANTWELL. May I just ask you, you're not against Ms. Homendy's recommendation that there are cameras inside and out?

Mr. ANDERSON. Oh, absolutely. You need cameras inside and out. Our goal in our SMS Program, which is what we did when I was CEO of Delta, every flight every day, the data recorder is downloaded into a database and you find all the parameters where the operation was outside.

We need to have the data on every single one of our operations in a flexible database so that we can monitor what's going on and quickly react to any out-of-tolerance operation.

Senator CANTWELL. My time has expired, Mr. Chairman. Thank you.

Senator WICKER. Thank you, Senator Cantwell.

Senator Blunt.

STATEMENT OF HON. ROY BLUNT, U.S. SENATOR FROM MISSOURI

Senator BLUNT. Thank you, Chairman. Thanks to all of you for being here.

Last week in front of this committee, the FRA Administrator stated that the agency was beginning the process of putting a new on-time rule in place. At the risk of losing all my 4 minutes and 40 seconds here with this question, Mr. Jefferies and then Mr. Anderson, and remember I want the other one to respond, too, what would you like to see included in that rule in both cases, and also some discussion of the right to preference, Richard, when it comes to you?

Mr. Jefferies, you want to start?

Mr. JEFFERIES. Sure. Thank you, Senator Blunt.

The important thing for the AAR—knowing that we have Amtrak and commuter railroads as members as well as Class 1s and other host railroads as members—we are encouraged by the comments Mr. Batory made last week where he laid out a process seeking input from all involved parties.

To achieve a fully sustainable solution that's going to work into the future, we think it's important to take input from all stakeholders involved.

As my colleague, Mr. Anderson said, the law states that the FRA and Amtrak shall develop standards and metrics. In my opinion, that doesn't come at the expense of seeking input and stakeholder involvement from other involved parties. Having everybody at the table, taking a hard look at the data and getting all parties to a totally sustainable long-term solution is an appropriate path forward.

Senator BLUNT. I guess if everybody was on time, right to preference wouldn't matter, but assuming everybody won't be on time all the time, do you have anything to say about the impact of an Amtrak train being given the preference over other track users?

Mr. JEFFERIES. In my opening statement, I made the point that, giving Amtrak preference doesn't guarantee zero delays in all instances. The important thing is that FRA move forward in its development of metrics and standards that can be used to measure preference. The STB is then the appropriate authority to evaluate and investigate those situations once the metrics and standards are in place.

The STB is the agency with the expertise to take a national view and look at the impacts of what's going on in the railroad network. Mr. Batory laid out the first few steps in the right direction. The devil will be in the details, but there's a path forward that can be workable.

Senator BLUNT. Mr. Anderson, what would you like to see in that rule?

Mr. ANDERSON. That it would be gauged around the customer, so it's customer on-time. The number needs to be about 80 percent customer on-time because we compete against railroads and buses and people in their cars. So our statute says we have to be competitive with other modes of transportation in inner city travel.

So if you look at the DOT rules on airlines, you know, the goal was to have arrival within 14 statistics that mimic what passengers wanted to be able to see as consumers.

Number 2, on the question of preference, the preference was given in the statute in 1970–71 and then reinforced again when PRIA was passed in 2009. We litigated for 10 years over it. We won the litigation and now it's time to get on with putting a program in place that accommodates what Ian talks about, which is, you know, we are going to have bridges wash out and we are going to have hurricanes and we are going to have acts of God that are going to cause us to terminate service.

We understand that, but the day-to-day operation from the eyes of the customer is what's key.

Senator BLUNT. Well, you know, every Member of Congress thinks they're an expert in air travel, as I've talked to you about when you were in your other job. Politics and air travel are the two things that every Member of Congress thinks they know everything about.

But do you know about what happens, too, when you begin to get behind some place in the day, what happens all over the rest of the system? How do you see that impacting particularly the freight line that you use and most of the line you use is, as you pointed out earlier, not line you own but line you use, you don't own?

Mr. ANDERSON. Well, the best way to answer that is the way I did it at the airline, which we ran the best airline in the United States by far.

When the weather was good, you better run at 95 because there are going to be some days when weather's bad. So the bottom line is when you use an average of customer on-time performance, that average of customer on-time performance has got to include a lot of days where you run on time, taking into account there are going to be some times when you have bridge wash-outs or the like.

So, you know, we were able to sort of consistently run in the mid 80s and on a good day, we were running in the mid 90s. Today, Amtrak runs the Northeast Corridor up in the high 80s on-time performance. So it's something that can be done.

Senator BLUNT. Thank you, Chairman.

Senator WICKER. Thank you, Senator Blunt.

Senator Udall, I understand that you've said you're used to being skipped over and that you're willing to go last today, is that correct?

STATEMENT OF HON. TOM UDALL, U.S. SENATOR FROM NEW MEXICO

Senator UDALL. That's not correct.

Senator WICKER. Oh, OK.

[Laughter.]

Senator WICKER. Well, then the Chair recognizes Senator Udall for five and a half minutes.

Senator UDALL. Thank you. Thank you very much.

As many of you are aware,—and great to have you here, good testimony today. As many of you are aware, the Southwest Chief is vitally important to many of the Senators on this dais and to the communities we represent.

I'm grateful for the work of my friends on this Committee, Senators Moran and Gardner, as well as the work of Senators Heinrich, Roberts, and Bennett. This bipartisan coalition of Senators proves that we can work together on issues of common interest to our constituents.

As you may recall, nearly a year ago the Senate voted on my Sense of the Congress Amendment, 92 to 6, to support the importance of the National Network for Amtrak, and I don't think that support has diminished since.

President Anderson, thank you for our recent discussion and for changing course for now, an action that's on discontinuing the Southwest Chief, an action that would be a disservice to Amtrak customers and hurt all communities on the line between Dodge City, Kansas; and Albuquerque, New Mexico; and I was very discouraged to hear you say that you are looking at breaking up long-distance routes. That wasn't in your written testimony quite that strongly but I want to take a big disagreement with that.

You know, while progress has been made, I am confident that the threat is not over. I see that Amtrak continues to blame Congress and others for budgetary woes when it's convenient, yet when tasked with engaging with stakeholders, you're slow to do so.

Last year when Amtrak wasted resources proposing to disband the Southwest Chief, I repeatedly requested Amtrak engage directly with our active stakeholders, but we don't seem to be there yet.

According to Mr. Souby's testimony, Amtrak has not even responded to a written request for stakeholder engagement.

When Congress rejects Amtrak's Corridor Plan, it appears that Amtrak will once again be left without a real vision for a national network. That is deeply disappointing. Amtrak must develop a visionary and bold plan to preserve and improve long-distance rail for the American public.

Mr. Souby, first, thank you for your efforts to save Southwest Chief. Our present success staving off discontinuation of service wouldn?t have happened without your efforts. Your testimony highlights the lack of transparency from Amtrak's leadership, recognizing you continue to work with many dedicated Amtrak employees.

What is the evidence of the willingness of top management in Amtrak to meaningfully engage with stakeholders?

Mr. SOUBY. I hate to be speaking for Amtrak, Senator, but my opinions on this are they should—we have a great example of this and that is, we went to Amtrak four-five years ago and asked them to help us restore ski train service in Colorado and we presented a business plan and the railroad responded. They sent executives out to Colorado. They met with the Winter Park Resort executives. They met with COLORAIL, our advocacy group. They met with the Union Pacific Railroad and, in fact, that ski train service with great support from this Committee and our Colorado Senators as well as our Governor, that ski train service is restored. It just had its most successful year ever this past year and hopefully Amtrak can renegotiate a new contract with the Union Pacific and continue that service.

So my example of how Amtrak ought to behave is exactly that particular effort.

I'll say one other thing about this issue that I think is extremely important and it hasn't been touched on yet by Mr. Anderson and I want to make sure that the Committee hears this and that is the way Amtrak evaluates long-distance service or any of its services is purely based on metrics related to passenger trips and the greatest value of long-distance trains are the economic and social benefits they bring to the communities they serve.

No doubt that rural communities aren't going to have as many passengers boarding and alighting the system as you do in a heavy metropolitan area, but the interesting fact is that in the three states, Kansas, Colorado, and New Mexico, that the Southwest Chief runs through, the economic and social benefits total $180 million a year and the Amtrak asserts that it costs $60 million of public support a year to run that train over all eight states.

And so there's something wrong with that equation when they're not taking into account the value that it brings. It's a public transportation system. Most public transportation systems return about 50 percent on their fare box recovery, but they're necessary because that's how people get to work and so we provide support for them, public support, and that argument never appears in any of Amtrak's statements about these services.

I'll also note that when Mr. Anderson replied to the earlier question about long-distance trains, he didn't mention the Southwest Chief which is disturbing, but, you know, I accept that as just a minor item compared to this value argument.

It has to be a part of this equation. I know you understand it and I know all of our mayors, county commissioners, city managers, all along the route understand that. It's intrinsically understood. We just finished research on this where we actually have documented those values and that's where that $180 million amount comes from, and we've looked at the Empire Builder. It returns over $337 million a year and I think it's subsidized or supported by Federal funds to the extent of about $50 million or $60 million a year, just like the Southwest Chief.

So we're talking about a huge public return on that Federal investment and it needs to be a part of that equation. If you just go on passenger boardings, well, yes, we're going to these small communities, La Junta, Colorado; Lamar, Trinidad communities, but that 15,000, maybe 20,000 residents, you're not going to have that ridership, but when you think about the value, the economic and social value of that train to that community, it's immense and that's why we support it and that's why most elected officials and others sense that. They get that.

We finally documented it, the Rail Passengers Association, working with the Trent Lott Institute. We documented how you can discover those economic benefits and we've published a report to that effect and I shared it with, I think, the Committee staff and I know I've shared it with our Colorado Senators.

Senator WICKER. Thank you, Mr. Souby.

Senator UDALL. Mr. Chairman,——

Senator WICKER. Yes?

Senator UDALL.—could I just thank him for that very powerful statement, and I hope, President Anderson, you were listening to that.

I also want to say to Senator Tester, he asked me to not ask too many questions that were in his arena and I've only asked one. So, Senator Tester, there you go.

Senator WICKER. I'm sure he appreciates that as he appreciates you on every occasion.

Senator Gardner.

Senator GARDNER. Thank you, Mr. Chairman.

I want to add to that comment my appreciation for Senator Udall. Thank you very much for your leadership on this, Senators Moran, Heinrich, Bennett, and Roberts, as well, for the work on the Southwest Chief.

Mr. Souby, thank you very much for your leadership in Colorado. Thank you for being here today.

Just for the record, I mean, the ski train has been an incredible success. You can now fly into Denver International Airport. You can hope on the train to Union Station, hop on the train from there up to Winter Park, and you can ski off the train down the slope. You don't even to go up the slope because you're already on it. It's still snowing in Colorado. So you can still come out and enjoy it.

So, anyway, thank you very much for the opportunity to hear from all of you, and, Mr. Souby, you talked a little bit about the lessons learned in terms of Amtrak, Colorado, and how we can work together to succeed in the future with passenger rail in our state.

Could you talk about once again the importance of just quickly maintaining a national transportation network so it's not just a Northeast Corridor Amtrak?

Mr. SOUBY. Well, it's terribly important to the three states the Southwest Chief runs through but also to the states that the Empire Builder runs through and, of course, the Zephyr runs through Colorado, as well.

This uncertainty of whether or not this train is going to be continued has definitely impacted our efforts in Colorado. We were working with Amtrak Vacations, a company called Yankee Holidays, to develop excursions off the Southwest Chief. It's a tremendous destination or not destination but a tremendous European vacation venue and Europeans come through La Junta, get off, go to Bent's Old Fort. They're thinking about the Santa Fe Trail.

So we proposed these excursions to Yankee Holidays. They said this looks great but it will take us two to three years to develop the marketing outreach and make these vacations happen. Then we estimated they'll be very profitable and they'll increase the ridership, of course, of the train.

I'm not referring to Mr. Anderson when I say this. It was before his immediate time, but that's when all this uncertainty arose over whether the train needed to be relocated down to the BNSF Transcontinental Line back in the early 2000s.

And so what happened was Yankee Holidays says we cannot engage. We can't get involved in developing these vacation packages. They're very expensive. We have to market them internationally. We just can't do this unless we have certainty that the train's going to continue to run and so we lost that opportunity.

So this uncertainty about what the future of the long-distance train service is has a tremendous economic and social effect on our communities and our citizens.

Senator GARDNER. That's a really good point because as we look at ways to increase ridership, as we look at ways to help encourage people to join the Southwest Chief, that uncertainty then is the same uncertainty that prevents more people from enjoying it because a company like you just mentioned cannot market to its customers to go on the Southwest Chief because they have to plan a year or more in advance on a big trip like that, it may not be in existence——

Mr. SOUBY. Absolutely.

Senator GARDNER.—if that's the concern that they have. I think that's a really good point. So we need to have that certainty.

To the point of certainty, Mr. Anderson, thank you for your leadership. I know it's not an easy job. So I appreciate it, even if we disagree on some things, I appreciate your willingness to come and meet with us and talk to the Senators about some of these issues and challenges, and I hope we can continue to work on that.

I would just ask for a couple things. On the certainty front, a letter that several of us had sent on April 5, 2019, Amtrak responded on May 17, I believe it was, and this is what the letter said.

"Amtrak is not planning to truncate or substantially alter any long-distance routes as we have been given clear direction by Congress to maintain the status quo in 2019, and we believe Congress generally endorsed continued operation of our current route network for the five-year period from Fiscal Year 2015 to Fiscal Year 2020."

The paragraph basically ends by saying, "We plan on operating all of our long-distance routes for the trains for the remainder of the period while seeking to drive improved performance."

Do you maintain that commitment?

Mr. ANDERSON. Sure. I signed the letter. I actually wrote that line.

Senator GARDNER. Very good. Thank you for that. Thank you. I look forward to working with you on this and beyond and would just, Mr. Anderson, if I could get your commitment to work with Mr. Souby and the Colorado and Kansas and New Mexico interests, as well, to resolve these issues and make this work for the Southwest Chief and the states involved.

Mr. ANDERSON. That would be great. I'm glad to hear that it's worth $180 million to the states, so then they can get their matches up for us to be able to do the work that needs to be done to keep this operation underway.

Senator GARDNER. Mr. Souby?

Mr. SOUBY. That goes into the general economy of our rural communities, but that does raise an interesting point, and it's positive train control, which we all support, but as was mentioned earlier, other risk mitigation might be necessary because not every single mile of the 1,400 miles of non-PTC track that Amtrak runs on.

Should we pay to have PTC on in my opinion, at least not yet, until traffic increases, and I specifically want to mention the New Mexico line where Amtrak is the only user of the line and runs one train one way and one train the other in 24 hours. That's about 230 miles.

If in fact it's $500,000 or so a mile to install positive train control, then we're talking about $100 million for that 200 and some odd mile line. That's an extremely costly investment for two trains.

Senator GARDNER. Thank you, Mr. Souby. I see my time has expired.

Thank you, Mr. Chairman.

Senator WICKER. Thank you very much, Senator Gardner.

Senator Tester, since Senator Udall asked one of your questions for you, will three minutes be all right?

STATEMENT OF HON. JON TESTER, U.S. SENATOR FROM MONTANA

Senator TESTER. That's fine. I'm willing to work with you, Mr. Chairman.

Senator WICKER. Senator Tester is recognized.

Senator TESTER. Thank you very much. Thank you, Ranking Member Cantwell. I want to thank you all for your testimony.

Mr. Anderson, I've got to tell you you come here with an incredible resume and I was a Northwestern flyer before I was a Delta flyer and you made that transition incredibly well and you have a personality that, quite frankly, is hard to get mean with, and we've had some differences on decisions that were made.

Your testimony about breaking even in the next 12 months, about the fact that we have a highway system that's overloaded in certain areas and you can be a solution to that and play an increasing role in transportation, I think it's really, really good, and something that I don't think anybody on this committee would disagree with.

My concern is, is in Montana, and you know Montana pretty well from your previous job, is that whether we're talking about Amtrak transportation or whether we're talking about broadband and closing the Digital Divide or whether we're talking about making sure the Postal Service can deliver to Rural America and then changing their postal delivery standards or whether we're talking about air travel, it's always a challenge. It's always a challenge.

If we go off of numbers, as Mr. Souby said, and strictly go off of numbers, and I get it, man, I mean, I want Amtrak to be able to run itself without any dollars from the Federal Government, but the truth is I do think it's bigger than that and I know your board has given you a charge probably to make this thing run with zero dollars input from the taxpayer.

But I will tell you that as I talk to folks and I've never ridden a train in Europe, I've talked to Max Block as he talked about the high-speed train network that?s being built in China, everybody that's been in Europe tells me that those trains are absolutely incredible and something that people gravitate to for their transportation needs.

I just really hope that moving forward that we really try to make Amtrak all it can be moving forward and you talk about the population areas and I agree with you. I mean, truthfully, you've got to go where the money is, right, but we can't forget about the rural areas either and so where I'm going with this, you probably already know, is that in two little small towns that happen to be fairly close to where I live personally, there was a ticket office that was closed, no big deal, except for the fact that in Montana, we don't have broadband. Twenty-five percent of the places in Montana don't have broadband. So we can't buy tickets online. Except for the fact that there is no kiosk in these places. If there is, there's a person there but they can't sell tickets.

The question becomes for me if we're not going to leave Rural America out like the Postal Service guy, Postmaster General tried to do a few years ago, like we're having this challenge with broadband, how do we make it so these folks in rural areas that, quite frankly, would use a train and have said if we don't have train service, we're not going to use it, and I've talked too much. It truly ticks me off.

But the truth is, is that, how do we make this work for rural areas and I know your heart's in the right spot, but the truth is, is that, Mr. Souby is correct. There are economic and social benefits to this that we also need to include in the equation. Could you respond to that?

Mr. ANDERSON. I agree with your policy statement. I think that inner city passenger rail can play a really important role in connecting Rural America to Urban America. There's no doubt about it. We see it across the network and there is a permanent place for the long-distance network.

I just don't think the long-distance network serves a lot of these communities very well and that we could do a lot better job serving these communities.

I have to say that, you know, I have a Secretary of Transportation and an Administration that wants to basically cut our funding to a point where we'd have massive layoffs and I disagree with the Secretary and I disagree with OMB.

Senator TESTER. Yes, so, well, I would just say this. I don't know how we can get to the 21st Century on railroads but we're not there. We're not there and it's not your fault. It, quite frankly, is Congress's fault and if we don't make the investment, we're never going to get the dividend.

Mr. ANDERSON. You're right.

Senator TESTER. And so I would just encourage you to keep pushing very, very hard to make sure that not only do we have good passenger service in the places where the high populations are that you talked about because they're important. I've ridden the Northeastern line. It's handy. Don't taken offense to this. It's actually easier to ride the rails than it is to fly an airplane.

Mr. ANDERSON. I think it's far better than flying an airplane.

Senator TESTER. That's exactly right and you should in your position.

But the bottom line is, is that, we need your advocacy because you know this issue better than any of us to be able to push forward so we can make smart investments that work well for the American public.

Thank you very much.

Senator WICKER. Thank you, Senator Tester.

Senator Moran.

STATEMENT OF HON. JERRY MORAN,
U.S. SENATOR FROM KANSAS

Senator MORAN. Mr. Chairman, thank you. Thank you to our panel for being here.

You have the joy of having three Senators who care strongly about Southwest Chief on this committee. So our focus—I'm sorry the other two witnesses seem to be on two other folks.

Let me start with Mr. Souby. You mentioned an equation that doesn't take into account benefits to communities that are served by long-distance passenger rail service. Where does that equation come from? Is that something that Amtrak has developed on its own volition or is that statutory or——

Mr. SOUBY. No, no, no. The Rail Passengers Association, which is a national group, I served on the board until just recently, I'm a national representative now, did research. They went to the Trent Lott Institute because we worked on that for the Gulf Coast possible resumption of service.

We went back to them because they do a very good job in this analysis, but they then went out and looked, as I recall, they looked at 11 or some odd——

Senator MORAN. Let me make sure you understand my question. You tell me that Amtrak is using this particular equation that——

Mr. SOUBY. No, no, no, they're not. I'm recommending that they should.

Senator MORAN. Correct, sir. But where do they get the authority? Where did they make the decision to use that equation that they use?

Mr. SOUBY. Oh, in any evaluation, particularly of a long-distance line, in other words,——

Senator MORAN. Is that a legislative mandate on Amtrak?

Mr. SOUBY. I think it should be part of a policy framework, as I mentioned earlier. It should be part—that policy framework should say we're going to maintain a national system. We're going to maintain this underlying set of highly valued long-distance train service and we're going to grow the expansion of our national rail network based on that existing network, and when decisions are made about how to establish additional service, then we should take into account not just passenger demand but also the benefits to communities.

Senator MORAN. I understand fully your point and agree with that.

Let me turn to Mr. Anderson so that I can turn my fire to somebody that I disagree with less than I thought I used to but still disagree with.

Mr. Anderson, you've set the stage for my skepticism about your view toward the Southwest Chief and long-distance passenger service. We had a conversation with you and my colleagues and you indicated that it was in the planning stages or at least thought process at Amtrak a replacement of long-distance or passenger service on the Southwest Chief from Dodge City, Kansas, to Albuquerque using bus service.

My reaction—I never intended when I met with you, I was annoyed by Amtrak's failure to pay the $3 million that I believe they committed to in a grant process for the Southwest Chief. That's what originated my outreach to you, but it was the bus comment that caught my attention and it stayed with me, and the idea that Amtrak would think about replacing passenger service with bus service for 400 miles and believed that we would still have a long-distance passenger train service is something I can't get over because it tells me your attitude toward that line or maybe toward long-distance non-profitable passenger service.

So I'll say a few more things before the Chairman determines my time is gone, but I'm anxious for you to assure me that my perception about your belief in regard to this is erroneous and in that regard, what I would add to my question or comment is can you reassure me that you will follow the law?

Can you assure me that if you follow the law that long-distance non-profitable passenger train service would continue, and in the letter that Senator Gardner read to you that you claim credit for that paragraph, which is pretty appealing to me, is there anything in that letter that I should be concerned about that you are using hedge words or things that give you greater flexibility than I think you're conveying by what you're saying today?

Mr. ANDERSON. First of all, we brought the issue—you're my boss. OK. So Congress decides what our funding is. You decide the policy. I keep a laminated copy of the policy with me at all times because the best thing to do, given how many of you are up here on the Hill, is to just tell people that you follow the law and the law is fairly straightforward in terms of what our mission is.

Senator MORAN. So in what the law allows you to do, what do I need to be worried about that you might do in regard to the reduction in service on the Southwest Chief?

Mr. ANDERSON. Well, look, you've been clear on the Southwest Chief and we're headstrong in terms of using the $50 million. We've leveraged the $50 million, I think I told you when we met, to $90 million.

But, look, it still has three big problems and we shouldn't run from these problems. It needs to have PTC. I fundamentally disagree with him and I don't think anybody should tell Rural America that they have a lower level of safety than Urban America and that their trains are not going to have the kind of technology that the Northeast Corridor has. That happened in aviation. We had a whole series of accidents and Congress, Oberstar, changed the law.

So I disagree with that and I bet that the NTSB disagrees with that. So that's Number 1. You've got to fund what has to be funded to operate that railroad safely and it needs $100 million of investment. We don't have that hundred million. I have an OMB and a Secretary of Transportation that has a different view of my budget than I do. I agree with all of you that we need to invest in a national railroad network, but we've got to have the funding. We've got to fix on-time performance because you cannot hope to sustain this service with the Southwest Chief with the kind of continual deterioration of on-time performance.

Senator MORAN. I'll take it that you want to increase and improve the service, but there are no hedge words in that paragraph. Thank you.

Senator WICKER. Thank you, Senator Moran.

Senator Blumenthal.

STATEMENT OF HON. RICHARD BLUMENTHAL, U.S. SENATOR FROM CONNECTICUT

Senator BLUMENTHAL. Thank you, Mr. Chairman, and welcome to all the participants this morning.

Mr. Anderson, last month I sent you a letter expressing my deep disappointment that Amtrak has failed so far to reinstate its discount program for veterans and their immediate family members.

Until March 2018, as you know, Amtrak provided a 15 percent savings to veterans on tickets for nationwide travel and for the Acela Express travel on weekends. In fact, under previous leadership, Amtrak expanded this program to include same-day travel and benefits to immediate family members. Last year inexplicably, Amtrak eliminated this program.

I'd like to ask you, as I did in the letter, when this discount program will be reinstated for veterans?

Mr. ANDERSON. Well, first of all, we've always had a good discount program for Active Duty military. So that program has continued unabated, and we're in the process of implementing the 10 percent discount for retired military personnel. I can have my staff get back to you on when it will be fully implemented.

We have a lot of computer programming that has to be done since most of our tickets are sold over the internet.

Senator BLUMENTHAL. Well, can you give me an approximate timeline?

Mr. ANDERSON. We should be pretty quick here, you know.

Senator BLUMENTHAL. Days?

Mr. ANDERSON. I don't know. Days? End of this fiscal year. So end of September. Is it all programming?

Senator BLUMENTHAL. Why does it take that long?

Mr. ANDERSON. Well, you've got to reprogram.

Senator BLUMENTHAL. Well, I wrote to you back in——

Mr. ANDERSON. You want us to go faster.

Senator BLUMENTHAL. Well,——

Mr. ANDERSON. OK. I got it.

Senator BLUMENTHAL [continuing]. Actually, the veterans of America want you to go faster.

Mr. ANDERSON. I got it, I got it.

Senator BLUMENTHAL. I'm glad you got it and I hope,——

Mr. ANDERSON. I got it.

Senator BLUMENTHAL.—in all due respect, that you will address their request to you.

Mr. ANDERSON. On it.

Senator BLUMENTHAL. Thank you.

Ms. Homendy, I thank you for your commitment to positive train control and a reminder that it was 50 years ago in Darien that a crash occurred that prompted the focus on positive train control, PTC, and it was actually included on the first of the most wanted list, as you say in your testimony, back in 1990. We're not talking about a novel or technologically new process.

I assume you agree that that 2020 deadline should not be waived or delayed or in any respect abrogated.

Ms. HOMENDY. It should not be.

Senator BLUMENTHAL. Do the rest of the panel members agree?

[Affirmative responses.]

Senator BLUMENTHAL. They are nodding. What should be done if they fail to meet that deadline? What would you recommend?

Ms. HOMENDY. You know, I know there has been a lot of discussion about civil penalties. I myself have looked at the penalties and I do have some concerns about commuter railroads because they're cash-strapped about charging them with civil penalties that in the end they could use that funding for implementation of PTC instead of putting that money in the Treasury, but I think the pressure needs to remain on not just for implementation of PTC by 2020 and I would urge swift implementation.

You don't have to wait to 2020 to get that done, do it immediately, but also eliminating the exemptions to PTC. We just talked about an exemption on the Southwest Chief, and I just want to make sure that Senators are aware. I'm very supportive of our national passenger rail system and I spent many years defending the Southwest Chief and all the other long-distance routes, but when it comes to talking about numbers, the NTSB has investigated 153 PTC preventable accidents since 1969, over 300 fatalities, over 6,700 injuries.

In that amount of time, we put a man on the Moon. We could have implemented PTC. And, thankfully Congress required it back in 2008 and if we're going to talk about measures where there are exemptions to PTC and there should be no exemptions, those exemptions should be eliminated. They weren't authorized in the law and iPads in the locomotive cab will not stop the train if an engineer runs through a red signal, if there's an over-speed derailment, if there's a switch in the wrong position, or if a roadway worker is on the track.

So we have to implement PTC and these exemptions need to go away.

Senator BLUMENTHAL. Well, I have one more quick question.

Mr. Anderson, you called the Gateway Project "the most urgent infrastructure project in the nation," and then you said, "We need to get this done and stop the unnecessary red tape." I could not agree more.

What can we do to cut through that red tape?

Mr. ANDERSON. The FRA needs to give the environmental approval for the Hudson Tunnel Project and, Number 1, we need to kick off. All the funding is in place from New York and New Jersey for the matches to go forward on the construction of the Portal Bridge.

All of this Northeast Corridor is owned and operated by Amtrak. We serve 820,000 people a day by either our operation or hosting all the commuter railroads, the Connecticut Railroad. It's an essential part of the economy of the Northeast Corridor and the idea that we don't brace up and go make the kinds of investments that other countries around the world make all the time is, candidly, discouraging.

Senator BLUMENTHAL. And as a practical matter, commerce, transportation, rail transportation would be absolutely crippled, that is, cratered.

Mr. ANDERSON. It would crater the Northeastern economy because when you have that many people that rely upon the railroad to get to and from work every day and to get in and out of Manhattan, it would cripple the economy.

Senator BLUMENTHAL. And we're talking about tunnels that have decayed and are literally potentially dangerous due to Hurricane Sandy.

Mr. ANDERSON. Hurricane Sandy. Now, first of all, we have a lot of really good Amtrak people that have gone in those tunnels, but the bottom line is they were ruined by Hurricane Sandy and we got our money's worth. They were built in 1908.

Senator BLUMENTHAL. Thank you.

Senator WICKER. Thank you, Senator Blumenthal.

Senator Duckworth.

STATEMENT OF HON. TAMMY DUCKWORTH, U.S. SENATOR FROM ILLINOIS

Senator DUCKWORTH. Thank you, Mr. Chairman. Thank you for holding today's hearing on the implementation of FAST Act Freight and Passenger Rail Programs.

Mr. Anderson, Mr. Jefferies, I'd like to start with you. Last week, I extended an invitation to the heads of FRA, NHTSA, and FMCSA to meet with me to discuss their ideas and priorities for surface transportation reauthorization. I think it would also be helpful to discuss industry and quasi-governmental perspectives.

Would you each come to my office in the coming weeks to discuss your specific ideas and priorities for the surface transportation reauthorization?

Mr. ANDERSON. Absolutely.

Mr. JEFFERIES. Would love to.

Senator DUCKWORTH. Thank you. Mr. Anderson and Mr. Jefferies, implementation of PTC continues to be my primary focus as it is for many of my colleagues for the rail industry.

The December 2020 deadline is right around the corner and while significant progress has been made, I'm still concerned about the interoperability components specifically in dynamic areas, like Northeastern Illinois.

Mr. Jefferies, are you still confident that the inter-operability issue will be fully addressed before December 31, 2020?

Mr. JEFFERIES. I am. As you know, we've briefed your office on a few occasions and as issues come up, we've been able to work through those. You are absolutely right, Chicago is the epicenter of interoperability and we've got an interoperability working group among all of the industry stakeholders. We are working through the interoperability challenges and I have full confidence we will meet the deadline.

Senator DUCKWORTH. Mr. Anderson, are you equally optimistic?

Mr. ANDERSON. Yes, we have great relationships with the freight railroads and our last mile of PTC implementation for Amtrak-owned tracks is a mile going into Chicago Union Station and we are on schedule to have that completed on time.

If I could just note for the Committee, the real challenge for PTC implementation by the deadline is going to be commuter railroads, particularly in the Northeast Corridor, and Ron Batory has actually done a very good job marshalling everybody.

There's a big summit meeting in July at the FRA to get the heads of all those railroads and Amtrak together to make sure they're going to hit the deadline.

Senator DUCKWORTH. Thank you. Mr. Jefferies, I assume AAR supports raising funding levels for both the Freight Formula Program, INFRA Grant Program, and eliminating the CAFE non-highway spending under both programs. Is that a correct statement?

Mr. JEFFERIES. AAR absolutely supports the federal grant funding programs you mentioned, Multimodal grant programs have been enormously helpful to help fund projects like CREATE in Chicago. And our railroad members have been active contributors to those projects as well.

Senator DUCKWORTH. Thank you. Mr. Anderson, last week FRA Administrator Batory, for whom I have the highest respect, highlighted that Amtrak's nationwide on-time performance is 77.9 percent and on par with U.S. airlines, sounds pretty good, but as you have testified many times today, that's really not the true story when you scratch beneath the surface.

Can you give some figures? The Chicago to San Francisco Zephyr line is actually 48.8 percent on time, Southwest Chief 47 percent, Empire Builder 46.3 percent on time, New Orleans 45.1, Capital Limited 41 percent, Texas Eagle 39 percent, and dead last, the Saluki line from Chicago down through Southern Illinois 35 percent on-time performance. I myself have been stuck on that train oftentimes for hours at a time parked on a side track.

Reliability is the entire game, as you have mentioned, for passenger and commuter rail. It doesn't matter if there's one train per day or 10 trains per day if your customers cannot rely on that train to arrive on time as scheduled. As you have said, they might as well drive or book a flight. It's that simple.

Last week, I pressed Administrator Batory to direct his staff to be more engaged on the short shunting issue in particular on the Saluki line and I'm confident that he will keep that commitment.

I am, however, curious if Amtrak is experiencing this signal activation issue in other areas of the country and on other rail lines.

Has Amtrak experienced short shunting issues elsewhere in the nation?

Mr. ANDERSON. The real place we've experienced short shunting issues is on the line you've described. We did have some of the trouble, I think, on the Hoosier line but the State of Indiana has discontinued the Hoosier service.

So I think it has been principally there and Ron Batory's been really good about pressing the host railroad to come up with solutions.

Senator DUCKWORTH. So did you ever find a solution for the Hoosier line or you never did?

Mr. ANDERSON. We haven't found a solution. The solution they've told us is to put more cars on the train and just haul more empty cars in the hope of closing the circuit which seems goofy but it's what we're doing.

Senator DUCKWORTH. OK. I am deeply concerned and I hope that we can really—it has been years——

Mr. ANDERSON. Yes.

Senator DUCKWORTH.—and I hope we can troubleshoot this and he has said that he will commit to——

Mr. ANDERSON. He has been good about it.

Senator DUCKWORTH. Yes.

Mr. ANDERSON. He has been.

Senator DUCKWORTH. But you really haven't seen this anywhere else?

Mr. ANDERSON. No, I don't know. I don't think we have. Missouri, Steven says in Missouri on the Union Pacific a little bit.

Senator WICKER. You may supplement the record to check with staff on that.

Thank you very much. Thank you, Senator Duckworth.

Senator DUCKWORTH. Thank you.

Senator WICKER. Senator Markey.

STATEMENT OF HON. EDWARD MARKEY, U.S. SENATOR FROM MASSACHUSETTS

Senator MARKEY. Thank you, Mr. Chairman, very much.

In March 2017, a public works official was killed when his snowplow was struck by an Amtrak train at a rail crossing in Longmeadow, Massachusetts. This tragic event marked the seventh collision and fifth death at the location since 1975, making the Longmeadow crossing the deadliest in Massachusetts.

Regrettably, 33 percent of rail-related fatalities occur at similar grade crossings nationwide. The area where the railway line intersects with the road or path is a significant danger zone and we need to do more to prevent these kinds of tragedies.

Mr. Anderson, what is Amtrak doing to prevent fatal accidents at these rail crossings? We would like to hear that because in Longmeadow, I'm proud to have helped Amtrak and the Massachusetts State Government come together on a joint funding agreement for safety improvements at this particular crossing, including the installation of warning lights and gates, but I also understand that we're currently waiting for work to begin in Longmeadow.

So, Mr. Anderson, can you provide me with any information on Amtrak's expected timeline for the Longmeadow project?

Mr. ANDERSON. I don't have the details on the Longmeadow project. I did get your correspondence and the correspondence of the other officials. I remember writing on the top we need to go fix this.

Senator MARKEY. Fix it, please.

Mr. ANDERSON. OK. So I got that. Look, crossings are—it's really incredible in this country, as wealthy as this country is, that we still have about 1,800 people a year die at crossings. I mean that's a really big number, and the FRA has a good program, a good grant program, and it seems to me that you would just methodically take Longmeadow and force rank the most dangerous intersections in the United States and use an FRA grant program because there is a basic way to keep that from happening and we know what that technology is. It's just a matter of forcibility implementing a nationwide strategy to stop it from happening.

Senator MARKEY. Well, we need obviously more work to be done, but I need you to also commit to giving us the information on Longmeadow——

Mr. ANDERSON. OK.

Senator MARKEY.—as soon as possible.

Mr. ANDERSON. Got it.

Senator MARKEY. Briefing for the community so that they know that this whole thing has been brought to a conclusion.

Mr. ANDERSON. Got it.

Senator MARKEY. So I ask you to make a commitment to do that and to do it in the very near future.

The Federal Railroad Administration recently withdrew a proposed rule that would have mandated trains, both passenger and freight, to have at least a two-person crew. The FRA also went a step further and created a regulatory black hole by saying it would not allow individual states to control the size of train crews no matter their unique needs.

I believe the FRA's decision represents an abdication of responsibility. It is another example of the Trump Administration's anti-safety regulatory rollbacks.

The FRA's goal prior to the Trump Administration was to make sure that there are always at least two certified crew members, a conductor and an engineer, onboard and ready to protect the train as well as people living beside the tracks.

In response to the FRA's withdrawal of the two-person crew rule, I'm introducing the Safe Freight Act. The legislation will mandate two-person crew safety standards on trains nationwide.

Mr. Jefferies, I know that your organization disagrees with me about the need for a national crew size rule and applauded the FRA's recent rollback.

However, can you please explain whether you also believe that individual states should have zero power to protect the safety of local cargo, passengers, and citizens near railways? Shouldn't a state have the ability to guarantee a minimum crew size if it believes such a rule would be necessary for the unique circumstances in their states?

Mr. JEFFERIES. Thank you for that question, Senator Markey.

The FRA was pretty clear in its reasoning and data, or lack thereof, justifying any Federal crew size rule. We agree with the FRA's finding. A 17-year review of accidents concludes that there is no data showing that having two individuals in the cab reduces the risk of accidents.

Every day, we have single-person crews operating throughout the country. You're right that the AAR does not agree that it makes sense to lock in a current operating practice in perpetuity. This has always been a matter of collective bargaining and we believe that's where it should stay.

The FRA laid out its legal justification regarding its views on its action and the federal preemptive effects of its ruling. Railroading is the epitome of interstate commerce and we feel strongly that railroads need to operate under a uniform code of rules and regulations. The Federal Railroad Safety Act lays that out and makes clear that federal action have a preemptive effect on state and local actions.

So, for our purposes, uniformity is certainly desirable.

Senator MARKEY. All right. Well, you know, from my perspective, the Obama FRA reached a different conclusion and that's why I'm introducing legislation to proceed toward resolving the issue. So I just think it's imperative.

Thank you, Mr. Chairman.

Senator WICKER. Thank you, Senator Markey.

Ms. Homendy, I'm told PTC really is not designed to help with grade crossings, is that correct?

Ms. HOMENDY. That's correct.

Senator WICKER. Is there a possibility that PTC could be upgraded for that purpose?

Ms. HOMENDY. I know that in the FAST Act, Congress required a study of technologies and advancements that could be used after PTC is implemented for grade crossings, but I don't know the status of that. I believe that was for FRA.

Senator WICKER. OK. Let's see. Mr. Anderson, Senator Tester mentioned these two little towns where there's no ticket officer or no ticket agent and a kiosk.

Can you discuss Amtrak's current plan for updating its reservation ticket payment systems to improve the customer ticket experience, increase efficiency, and reduce operating costs?

I assume these little towns with train stops and the passenger can get on and buy a ticket on the train.

Mr. ANDERSON. Right.

Senator WICKER. Could you discuss that?

Mr. ANDERSON. Well, first of all, if you look across Amtrak's system, I think we have 517 places we stop and the vast majority of those have no one there. It's like the old days where you pull up at the train station, the conductor puts the little stool down, people get on and off, load the bags, and head on.

About 93 percent of our tickets are sold electronically now and in those two particular cities, I went back and looked and since we removed station agents, which have an all-in cost of about $150,000 minimum a year, we are still selling the same amount of tickets for people to get on and off trains in those two towns in Montana.

So it has been something we've been doing over time and as we deploy more technology, we want to be able to give our customers the capability to do a hundred percent of all transactions on their phone with Amtrak.

Senator WICKER. OK. When you were with Delta, what was your daily passenger count?

Mr. ANDERSON. It depended upon the day, but we carried 186 million passengers a year.

Senator WICKER. OK. And how's that compare to Amtrak?

Mr. ANDERSON. Well, Amtrak carries about 32 million, but if you look at the number of passengers we carry on the railroad we operate, the Northeast Corridor, it's 250 million probably. So if you take our 30 million but then we're the operator of the railroad up and down the Northeast Corridor for all the commuter agencies, that number exceeds what Delta did a year in passenger enplanements.

Senator WICKER. So if Amtrak were an airline, where would it rank?

Mr. ANDERSON. Oh, it would probably—I don't know. It would rank pretty—if you count all the Northeast Corridor, it would rank at the top, but if you count just——

Senator WICKER. Would you explain that distinction?

Mr. ANDERSON. Yes, so we——

Senator WICKER. I want to make sure that everyone——

Mr. ANDERSON. Yes, so we own the Northeast Corridor. Amtrak owns and operates the Northeast Corridor and all the stations up and down the Northeast Corridor and that's Union Station in D.C. all the way up to Springfield in Boston, and there are eight commuter railroads that operate, that Amtrak dispatches. We take care of the stations. We take care of the track. We run the railroad. There are 2,200 trips a day, 2,100 trips a day on the Northeast Corridor.

Amtrak itself has about—this year, we're going to grow at record numbers. We're going to add 900,000 riders. We have about 32 million riders on Amtrak metal and we probably have about 250 million that operate somewhere or we operate railroads for other operators. We operate the commuter railroad in L.A. We do maintenance for Sound Transit. We operate a railroad in Florida and then we maintain the corridor.

If you take all of that, it's probably a quarter of a billion or more.

Senator WICKER. Thank you. That's, I think, a very instructive bit of testimony.

Mr. Jefferies, in the fall of 2018 and early 2019, Union Pacific, Norfolk Southern, Kansas Southern announced they would be implementing precision scheduled railroading, PSR. This is an operating plan previously implemented at CSX, CN and CP intended to create greater operational efficiencies.

Shippers have raised concerns about the impact of PSR on their business and rail service. In May 2019, the Surface Transportation Board held a two-day hearing on changes to Class 1's demurrage and accessorial charges in the context of PSR implementation.

How do you see Class 1s' implementation of precision schedule railroading affecting passenger service let's say in the next 6 months, this year, and how is implementation of precision scheduling affecting shippers, and what are Class 1s doing to minimize negative impacts and improve service?

Mr. JEFFERIES. Thank you for that question, Mr. Chairman.

You're absolutely correct that several of the railroads in the latter half of last fall announced changes to their operational plans. Each railroad is certainly unique in its network and its operation.

I wouldn't want to cast a blanket statement about what all of them are doing, but I think some of the principles or tenets that you've mentioned are being undertaken or discussed and that's certainly not limited just to the folks that you listed. Railroads are evaluating increased asset utilization, increased efficiency, increased visibility into orders and shipments, and augmenting customer knowledge of product delivery.

Any successful company is always evaluating how it does its job and how it operates and looking for a better way to improve its products or its service, and that's exactly what these railroads are doing, all of them.

When you look at some of the goals—again increasing efficiency, creating additional capacity, creating better visibility, and more predictable schedules into delivery of the product—I would expect those benefits to extend into the passenger realm as well.

Richard can certainly chime in on Amtrak's point of view, but if the goal overall is a more timely, predictable schedule on the delivery of goods and services, including passenger, you would expect to see a positive improvement.

Senator WICKER. Let me just then ask one more question to you, Mr. Jefferies, and then perhaps we can stop.

On Page 4 of your testimony, you mention correctly that to improve capacity and safety of the rail network, "privately-owned freight railroads spend on an average of $25 billion each year on maintenance and capital improvements," and you point out that this ultimately benefits Amtrak, surrounding communities, and the Nation as a whole.

You go on to say, "When existing or potential future freight traffic levels are so high that there is no spare capacity, new infrastructure might be needed before passenger trains can be added to operate over a line."

Does your association or do you personally have a recommendation in that regard as to how to supplement? Tell us for the record how the freight railroads—where this extra $25 billion each year comes from?

Mr. JEFFERIES. So the $25 billion in private investment every year comes from the revenues earned by the freight railroads.

Senator WICKER. OK. Is that encouraged by tax benefit of some kind?

Mr. JEFFERIES. Oh, absolutely. It's encouraged by the economic paradigm under which we operate. The Class 1s don't benefit from any specific tax credit; they benefit from a balanced economic regulatory scheme. They benefit from a competitive economy. They benefit from customers who want to ship goods and in turn railroad plow those revenues back into their networks. Because of this investment, the freight railroad network is in the healthiest shape it has been in the history of the network and so all users, whether it's freight, whether it's passenger, benefit from the health of that network.

Senator WICKER. The point I'm trying to get to is you're in the unique position as being able to speak for passengers and also for freight, but do you have a recommendation to us? Is there a need for more capacity than the average additional $25 billion each year on maintenance and capital improvements and, if so, do you have a recommendation?

Mr. JEFFERIES. OK. Depending on the particular project involved, both sides—the host railroad and Amtrak—work together to identify and model where demand is today and where demand will be in the future so that potential capacity constraints can be identified.

If there are capacity constraints, then absolutely there's a Federal role to play whether it's funding through the INFRA grant program, whether it's through the CRISI grant program, or other federal programs that Amtrak or other public partners can draw from to secure a match or a contribution to construct the necessary capacity to ensure the long-term success of both passenger and freight rail service.

Senator WICKER. OK. Well, look, thank you all and I guess we'll close it down at this point. You've been very helpful and informative.

The hearing record will remain open for two weeks. During this time, Senators are asked to submit any questions for the record. Upon receipt, the witnesses are requested to submit their written answers to the Committee as soon as possible but no later than Wednesday, July 24, 2019.

So thank you very much. We appreciate the participation of all members, and we thank the witnesses.

This hearing is now adjourned.

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

APPENDIX

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. ROGER WICKER TO RICHARD ANDERSON

Question 1. What is the long term status of dining car service? Please also provide a specific schedule for replacement and refurbishment of long distance equipment (diners, coaches, sleepers and locomotives).

Answer. Starting October 1, 2019, flexible contemporary dining will be offered on six single night long-distance routes; *The Capitol Limited, Cardinal, City of New Orleans, Crescent, Lake Shore Limited,* and *Silver Meteor* and we intend to reintroduce a dining car operating with this new service on our *Silver Star* later in the Fiscal Year. These meals will be hot ready-to-serve entrées and reflect our transition to a more flexible and modern dining environment on these trains. Additionally, we are further differentiating our Auto Train product by adding more Sleeper capacity and aligning our Coach product to match all other long-distance routes by no longer including complimentary dinner service for that fare class. Finally, Amtrak is considering modifications to our Viewliner II diners used on the single-night overnight long-distance trains which would allow these cars to function both as diners and cafes and/or to support cart service throughout the train. We plan to have a conceptual design in FY 2020 leading to the development of a working prototype.

FY 2020 plans for two-night trains are more modest. Current planning and design efforts are underway on an in-depth evaluation of our food and beverage service on these trains given their unique characteristics and needs of our passengers for FY 2021. In the meantime, our intent is to maintain the basic product and service delivery methods.

As for long-distance equipment refurbishment and replacement, we have ongoing work to refresh our existing fleet, complete the introduction of new equipment now being delivered to the company, monitor the manufacture of new Diesel Locomotives and undertake a number of design and prototyping efforts as we continue to experiment with product innovations and improvements. Our Amfleet II Coach Refresh project is estimated completion is December 2019, which will impact most long-distance trains in the East. The refresh of Superliner I/II Coaches, predominately used on our Western trains and similar in scope to the Amfleet program, is scheduled to kick-off in FY2020 and will be completed in approximately 12–18 months. Superliner I/II and Viewliner I Sleeper Refreshes are scheduled to kick-off in FY2020 and detailed schedules are still being refined.

Incremental work to improve customer experience in the Superliner Sightseer Lounges and the Diners continues and Amtrak is currently engaged with a design firm to provide conceptual designs for each of these cars in FY 2020. Designs are to provide a cohesive image and contemporary amenities aligning not only with industry but our vision of the network.

Finally, Amtrak is exploring the introduction of a new service class that fits between our current offerings of Coach and Sleeper on either the one-night, two-night trains or both, realizing there may be opportunities to reach more customers. In FY 2020, we plan to develop conceptual designs and perform further market research and analysis to determine if this is truly viable. Designs could include a semi-enclosed seat that reclines into a bed for those long journeys. We are working towards prototyping this in FY21.

Question 2. What is the status of Amtrak's regional marketing functions?

Answer. To support Amtrak's ridership and revenue goals, the Marketing team executes both national advertising campaigns that reach all markets that Amtrak serves as well as campaigns targeting specific geographies and audiences. Consistent with consumer trends, Amtrak advertising campaigns are approximately 90 percent digital and allows us to track bookings resulting from the advertising and the associated return on investment (ROI). Campaigns reflect a "total market" approach to ensure that images of people shown in ads are representative of the overall population. These "always on" continuous running campaigns leverage such tactics as paid search, programmatic digital banner placements on hundreds of websites based on behavioral targeting, paid social media placements on Facebook, Instagram, YouTube and LinkedIn, terrestrial radio and streaming radio such as Pandora and Spotify. Amtrak's Marketing team also works closely with state-corridor route representatives to provide access to creative assets, facilitate participation in flash sale fare promotions and to assist them with the planning and execution of advertising and promotions at the local level.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. SHELLEY MOORE CAPITO TO RICHARD ANDERSON

Amtrak provides valuable service to thousands of West Virginians every year. Amtrak operates two National Network trains in my state: the Capitol Limited that provides daily service and the Cardinal that runs three times a week.

There has been a growing concern that Amtrak has not been communicating with states before making decisions that impact rail service. That is why I was happy to get language in the FY 2018 Transportation, Housing, and Urban Development (THUD) Appropriations bill that mandated Amtrak to improve their communication efforts when it comes to these kinds of decisions.

Question 1. For the past 52 years, the Collis P. Huntington Railroad Historical Society had been running the annual New River Train excursion from Huntington, WV to Hinton, WV. However, for 2019 the country's last-surviving and longest mainline passenger excursion train was cancelled. I know that Amtrak has been working with the City of Hinton on a way to continue the New River Train, but there has been come confusion on whether a deal has been reached or not. Could provide some clarity on Amtrak's discussions and see if a deal has been reached?

Answer. Amtrak was in regular contact with the entities involved with the New River Train over the past couple years, working hard to find resolution on a project we felt was mutually beneficial for Amtrak and the communities in West Virginia. We will continue to maintain regular and meaningful contact with our business partners. As I am sure you know at this time, we have reached a deal to operate this train, now called the Autumn Colors Express, in 2019. We remain hopeful that this will continue in future years.

Question 2. This July through August, the Summit Bechtel Family National Scout Reserve in Glen Jean, WV will host the 24th World Scout Jamboree. I understand that the Boy Scouts have been working with Amtrak on potentially allowing greater train access on the Cardinal line for the upcoming jamboree.

Does Amtrak work with organizations—like the Boy Scouts—in order to provide service in these unique cases? *Follow up.* When service on Amtrak's line is known in advance and for a temporary period—like for the Boy Scouts—what does Amtrak take into consideration?

Answer. Amtrak does review unique requests and opportunities for service from a variety of interested parties and organizations. Such requests are considered on the basis of their value and contribution to Amtrak, the feasibility of supporting the proposed operation, potential issues with host railroads, equipment availability, and other considerations. We reviewed the request from the Boy Scouts Organization for 2019 and unfortunately, it did not meet our Charter Train Guidelines, which establish our policies for such services, because of the extensive amount of equipment and resource needed to provide adequate transportation for over 4,000 passengers on a one-time movement. Amtrak would have needed to pull equipment away from other routes in order to serve this one-time movement because we do not have dozens of extra cars that are not being utilized elsewhere in the system.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO RICHARD ANDERSON

Highway-Rail Grade Crossings. Amtrak's passenger train service operates on freight tracks in Washington State where 121 million tons of freight were shipped by rail in 2014. And the state expects this freight volume to more than double by 2035.

Delays at grade crossings create congestion on our roads. At the worst 50 grade crossings in Washington State, trains block each crossing for an average of 2 hours every day.

The FAST Act authorizes the Railway-Highway Crossings program, which supports safety improvements to reduce fatalities, injuries, and crashes at public railway-highway grade crossings.

But it will cost $830 million to improve the 50 most congested grade crossings in Washington State and in Fiscal Year 2018 the state received only $4.4 million from the Federal Railway-Highway Crossings program. That is less than half a percent of the total funds needed to improve these crossings.

Question 1. Your testimony states that Amtrak's safety risk assessments are being expanded to include grade crossings as a focus area. Will you provide those risk assessments for grade crossings to this committee?

Answer. Specific assessments we conduct of grade crossing are part of our Safety Management System (SMS) and contain privileged assessments and recommendations internally undertaken for the purpose of evaluating, planning, and implementing safe and efficient rail service operations. We stand ready to meet with the Committee, explain the risk assessment process and to provide examples of the types of issues we examine in grade crossing risk assessments.

Amtrak Safety Culture and Safety Management System (SMS). One month before the Amtrak derailment in DuPont, the Chairman of the NTSB, Robert Sumwalt, provided an ominous warning about Amtrak's safety culture.

He said quote, "Amtrak's safety culture is failing, and is primed to fail again, until and unless Amtrak changes the way it practices safety management." In your testimony in front of this Committee in March 2018, you stated that improving the safety culture at Amtrak was one of your top priorities.

In your written testimony today, you explain that quote, "Amtrak has continued to implement the safety management system throughout our operations. . .."

However, according to the NTSB, the fatal incidents in DuPont, Washington and Cayce, South Carolina demonstrate that cannot control safety management when it is operating on the territory of a freight railroad.

Question 2. How will Amtrak fully implement its safety management system, or SMS, on all operations when Amtrak does not control the management of safety where passenger trains run on host railroad tracks?

Answer. This is an area where Amtrak has responsibility but not authority, per se. We are utilizing our SMS to make decisions to operate in a manner that is best for Amtrak, our customers and employees, and not merely at the discretion of our host railroads. We will work with them and have observed host railroads to be open to the mitigations that we have recommended and have agreed to implement some of these, as demonstrated by our procedures for signal suspensions and non-PTC operations. This remains an area where legislative assistance would benefit Amtrak customers and employees. We believe it is imperative that the Federal Railroad Administration (FRA) establish one system safety program plan standard for freight and passenger railroads by combining 49 CFR Parts 270/271.

Question 3. How will you ensure that Amtrak meets the same safety standards on host tracks compared to where Amtrak operates on its own track?

Answer. Meeting the same safety standards is a twofold approach. We are developing a change management process and performing a major operating rule analysis comparing our rules to those of our host railroads. In a mature operation, significant change (such as new route segments or other changes to infrastructure, facilities, equipment, services, etc.) is known to introduce risk. The objective of this process is to institutionalize how these changes are evaluated to ensure the risks are understood and properly mitigated. The major operating rule analysis is designed to start formalizing where key differences in how we operate exist in comparison to our host railroads, enabling a clear assessment of the risks and opportunities for improvement. We envision that our partnership with hosts, state services, and applicable stakeholders will only continue to increase as our SMS matures due to our dependency on their support for safe and effective operations.

Amtrak is looking at Reauthorization and other opportunities to work with Congress and stakeholders to consider a consolidated national operating book to replace the multiple books that are present today across the industry.

Question 4. Are employees able to report legitimate safety violations to Amtrak management without the fear of retaliation?

Answer. Not only are employees able to report legitimate safety violations to Amtrak management, they are encouraged to report safety violations and concerns. The reporting of safety violations allows Amtrak to become a learning organization where violations are shared, root causes are identified, and mitigations are implemented in a non-punitive environment. A variety of means are available for reporting safety violations to include sharing a violation with an immediate supervisor, voluntary safety reporting programs, a safety hotline that is monitored daily and a safety e-mail inbox. Amtrak has zero tolerance for retaliation for reporting or properly acting upon safety concerns.

Question 5. Are employees allowed or encouraged to report safety violations directly to you as CEO?

Answer. Yes, employees are allowed to report safety violations or concerns directly to the CEO. In fact, the CEO does receive reports of safety violations or concerns directly from employees. However, they are encouraged to utilize their chain of command first. The front-line management at Amtrak is more than capable of addressing most safety violations or concerns. Issues that cannot be addressed by the front-line management are escalated up the chain until resolution.

Question 6. Since the implementation of Amtrak's SMS program, how many safety violations have been reported year-over-year compared to the number of safety violations reported in the two years prior to SMS implementation?

Answer. Over the last two Fiscal Years we have received over 1,400 reports of safety concerns annually as part of the C3RS program and the implementation of the Engineering Department voluntary reporting program. This is an increase in comparison to the reports received in the two prior years. We attribute this to heightened awareness of the programs and we anticipate the upward trend to continue as communication and education around the programs continue.

Positive Train Control (PTC) Exemptions. NTSB Board Member Homendy's written testimony notes that the NTSB remains concerned that the Federal Railroad Administration is, quote "granting exemptions to PTC, including for more than 1,400 miles of freight railroad-owned track on which Amtrak operates, some of which is in dark (non-signaled) territory."

Question 7. What are Amtrak's plans to mitigate safety risks in areas where PTC is not operational?

Answer. Amtrak's position remains that PTC should be required for passenger rail operations in the United States. Only in unique cases where it does not make technical or practical sense, will we consider a PTC-equivalent solution as a final solution. Amtrak completed a review of over 1,400 miles of Main Track Exclusion Addendum (MTEA) territory and identified approximately 60 mitigations to improve operating safety in non-PTC areas. Over half of those mitigations have already been implemented and the remaining items are in work with the responsible host railroad. Amtrak acknowledges that it will take time to implement this strategy. As we continue to collect data from host railroads, our assessments continue to evolve as to whether PTC or PTC-equivalency is most appropriate for any territory. Therefore, for the near term, Amtrak is putting in place non-PTC risk mitigations on these MTEA segments.

Amtrak's Long-Distance Routes. Amtrak's long-distance routes are important to Washington's rural communities. There are two long-distance lines in my state, the Coast Starlight and the Empire Builder. These lines serve 15 communities in my state, the majority being smaller rural communities.

The Trump administration has repeatedly advocated for eliminating these long-distance routes, and while I know you do not support their elimination, it has become a very sensitive issue for the Committee.

Question 8. Can I receive your commitment that you will notify this Committee of any decisions at Amtrak that could impact the service of any of Amtrak's long-distance routes?

Answer. We have no plans to materially alter long-distance routes until Congress has an opportunity to consider reauthorization, which we believe is the appropriate venue for this discussion. Congress continues to invest in these routes through the Appropriations process consistent with the current authorization enacted by the FAST Act, and we continue to try to improve our long-distance services and deliver value to the American taxpayer's investment. We believe the Coast Starlight and the Empire Builder are key routes in this current network.

Response to Written Questions Submitted by Hon. Amy Klobuchar to Richard Anderson

The Empire Builder, one of Amtrak's longest rail lines, provides a critical link for many rural communities in Minnesota. In your testimony, you noted the important role that long-distance trains play in these communities while also highlighting that these trains often have poor on-time performance.

Question 1. How does poor on-time performance of long-distance rail lines negatively impact small communities, including in rural areas?

Answer. Long-distance train ridership and passenger-miles (the measures of long-distance train usage) have fallen in recent years. This is during a period when ridership has grown significantly both on Amtrak's NEC and state-supported routes. Passenger miles on long-distance trains have fallen dramatically—they are down 12.5 percent from FY 2010 to FY 2018. The major cause of this decline is freight train interference on host railroads, which has devastated on-time performance and reduced demand for longer distance rail trips. Trips over 600 miles on long-distance routes have fallen 20.5 percent from FY 2010 to FY 2018. These decreases are more significant in coach than in sleeper, reflecting the reduced appeal of the trains to those whose travel is less likely to be for leisure purposes. Unfortunately, we do not see these trends changing and it is evident freight railroads that host passenger trains will continue to ignore the law and delay passenger trains. That is why it is critical that Congress look at ways to ensure freight railroads follow the law of preference.

Question 2. What steps is Amtrak taking to address this?

Answer. Amtrak is dedicated each day to improving on-time performance (OTP) for our customers traveling on host railroads. We pursue a strategy rooted in collaboration. We strongly prefer to resolve all performance issues by working together with host railroads. Amtrak crews and operating managers are in continuous dialogue with each host on a daily basis to work to deliver safe and reliable service on host lines and address any operating issues that may arise. Amtrak management convenes regular meetings with host railroad executives and passenger operations staff to discuss performance trends, identify opportunities for improvement, and actions both the host and Amtrak might take to reduce delays. Furthermore, the operating agreements between Amtrak and each of the Class I host railroads contain financial incentives based on performance. While these incentive systems vary by host and in their effectiveness, they nonetheless provide an opportunity for substantial financial gain for the timely operation of Amtrak trains. Taking a collaborative approach to improving on-time performance is our top priority, and we pursue every opportunity available to us to work with host railroads on joint performance initiatives.

However, we know from experience that Amtrak customers receive the highest level of reliability on host railroads when there is a mechanism to enforce the Federal statute requiring freight railroads to provide Amtrak trains preference over freight transportation. Following the passage of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), OTP exceeded 75 percent for long-distance trains and 80 percent for state-supported trains, and on certain hosts freight train interference delays—the largest cause of delay to Amtrak passengers on the National Network—dropped by roughly two-thirds in a matter of weeks. We observed similar trends in the reverse when the PRIIA Section 207 metrics and standards regarding OTP were ruled unconstitutional, after which freight train interference delays rapidly increased. Please see our annual Host Railroad Report Card, an On-time Performance Report by Route for FY2018, and our monthly Host Railroad Report provided publicly on our website: https://www.amtrak.com/reports-documents.

Throughout this time, Amtrak has sought to work together with host railroads to improve performance, but the dramatic swings in delays and OTP immediately following major legislation and legal decisions suggests that OTP on host railroads is ultimately driven by the Congressional and judicial appetite to hold freight railroads accountable to existing law. By statute, currently only the U.S. Department of Justice (DOJ) can enforce preference in a civil action before a District Court judge. In Amtrak's entire history, DOJ has initiated only one enforcement action, against the Southern Pacific in 1979. Amtrak supports continued authority for the DOJ to initiate an action, but we request that this authority be supplemented by creating an ability for Amtrak to enforce preference, just as any other company would have a right to resort to the courts if its rights were being violated.

History has proven that the ability to enforce Amtrak's right to preference has the greatest likelihood of resulting in sustained levels of reliable rail service across the country, and we appreciate your leadership on this issue.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. TOM UDALL TO RICHARD ANDERSON

Question. On April 5th, 11 Senators, including myself, wrote to you to, among other things, raise concern regarding the cost allocations for the state-supported and long-distance routes. I am aware how the cost allocation works. However, there is concern that Amtrak uses accounting mechanisms that inflate costs associated with the national network—by charging long-distance and state-supported routes for costs which may be more appropriately charged to Amtrak. This is not the first time Amtrak has been criticized for employing opaque accounting methods. As recently as 2016, the Government Accountability Office identified issues with state supported routes—including states not trusting the allocation and the costs that Amtrak attempted to shift. Given the proposal in your testimony to shift to more state supported lines, how does Amtrak expect to regain the trust of states and other stakeholders and ensure that its cost allocation methods are legitimate?

Answer. Assertions that Amtrak's accounting is misleading or inaccurate are false. Amtrak is audited by Ernst & Young every year in accordance with Generally Accepted Accounting Principles (GAAP) and that audit is then audited by the Amtrak Office of the Inspector General (OIG). The *Trains Magazine* article, cited in your letter to Amtrak, features an often heard and spurious claim that Amtrak's accounting improperly allocates costs to the National Network services in favor of the Northeast Corridor service. This favorite theory of a small and ill-informed subset of the hobbyist "railfan" community is without merit and seems aimed at obfuscating the costs of the long-distance network rather than illuminating the substantial and fairly well-known costs of Northeast Corridor infrastructure, which is the busiest main line railroad in North America.

There are many legitimate questions regarding the equity of Federal support for the Amtrak network. Some passenger rail advocates chafe at the significant funding that goes to support the Northeast Corridor and long for large governmental investments that could greatly expand intercity passenger rail service to other regions of the nation, particularly long-distance trains. Yet, these same advocates often fail to realize that in FY2018, $922 million, or nearly half of our $1.94 billion Federal appropriation, went to support the long-distance network and its 4.5 million annual trips. Only $498 million of this appropriation was available for capital investments that support the over 12 million annual Amtrak passenger trips on the Northeast Corridor and to fund Amtrak's share of joint projects benefitting the 200 million Amtrak and commuter passenger trips on the Northeast Corridor. We generally support such calls for intercity passenger rail expansion but find it essential to do so within the mandate of the laws passed by Congress and with fully transparent and accurate finances.

As you may know, Amtrak uses the Amtrak Performance Tracking System (APT), developed at the behest of Congress by the John A. Volpe National Transportation Center of the U.S. Department of Transportation (Volpe Center), to allocate revenues and costs to service lines. Using Amtrak's audited financial data, APT assigns the majority of the operating expenses Amtrak incurs directly to individual trains, from which those costs then are linked to routes and service lines. For expenses that benefit multiple routes and/or cannot be directly assigned, APT uses formulas that allocate costs to routes as accurately as possible based upon 45 different measures of usage. APT uses a similar approach to assign capital costs, including NEC infrastructure investments which are treated as capital costs, and allocated to routes that benefit from them, in accord with the requirements of Generally Accepted Accounting Principles (GAAP) and the Surface Transportation Board regulations that apply to freight railroads.

Accounting methodologies are not the reason that long-distance trains consume a disproportionate share of Amtrak's Federal funding for both operating and capital expenses. Rather, long-distance trains require large Federal subsidies because their revenues are lower and operating costs are higher than Amtrak's state-supported and NEC services. The Federal government is virtually the only funding source for the capital investments they require. These costs are set to increase significantly in the future as we face host railroad-related poor on-time performance across the network and much of our equipment used in long-distance service reaches the end of its useful life and requires replacement.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TAMMY BALDWIN TO RICHARD ANDERSON

The Milwaukee-Chicago Hiawatha line is one of the most successful Amtrak routes in the country. In 2018, the Hiawatha served an all time-record number of more than 858,000 passengers, a 3.6 percent increase over the previous year. Ridership has more than doubled since 2003 when seven daily round-trips began. Current service is at capacity, and many trains are now standing room only.

Wisconsin would like to increase the seven daily roundtrips to ten. I understand conversations and negotiations over this expansion plan are ongoing between the Wisconsin and Illinois Departments of Transportation, in partnership with Amtrak.

Question 1. What steps has Amtrak taken to add capacity to the current seven daily round-trips?

Answer. Due to Amtrak's severe equipment shortage, adding capacity to those trains is extremely difficult. However, during the summer of 2019, Amtrak identified a Lounge car or "table car," that was not being used in regular service and could thus be placed in service on one of the Hiawatha train sets. While this car is not a regular passenger coach, it does have seats at booths with tables for use by passengers who would otherwise be standing. This "table car" is not available on every train in the Hiawatha's but we have dedicated it to the set of equipment that is used on the two trains most likely to have standees. It should be noted, that by adding this car to the train's consist, Amtrak is bound by its labor agreement to add a third conductor to those trains on which the car is used, which is a factor in the operating costs that states must bear consistent with Section 209. WisDOT received a State of Good Repair grant from the FRA for up to $25.7 million to support equipment acquisition to replace existing equipment and grow seating capacity on the Hiawatha's service.

Question 2. What are the benefits of expanding Amtrak service from seven daily round-trips to ten on the Hiawatha line?

Answer. Expanding Amtrak service from seven to ten daily round trips increases traveler utility by providing service in new time channels, giving consumers more choice. These new trips would generate additional demand and would provide capacity to meet the existing demand on the corridor, thus growing ridership significantly, by over 100,000 trips. WisDOT is seeking an agreement with CP and with Illinois DOT on a set of capacity improvements on the Chicago-Milwaukee corridor that will allow for the additional round trips to begin. The parties have engaged a consulting firm to help with this process. Amtrak is stands ready to work in cooperation with WisDOT, IDOT, and CP to launch the 3 additional round trips as soon as possible.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO IAN JEFFERIES

Highway-Rail Grade Crossings. Amtrak's passenger train service operates on freight tracks in Washington State where 121 million tons of freight were shipped by rail in 2014. And the state expects this freight volume to more than double by 2035.

Delays at grade crossings create congestion on our roads. At the worst 50 grade crossings in Washington State, trains block each crossing for an average of 2 hours every day.

The FAST Act authorizes the Railway-Highway Crossings program, which supports safety improvements to reduce fatalities, injuries, and crashes at public railway-highway grade crossings.

But it will cost $830 million to improve the 50 most congested grade crossings in Washington State and in Fiscal Year 2018 the state received only $4.4 million from the Federal Railway-Highway Crossings program. That is less than half a percent of the total funds needed to improve these crossings.

Question 1. Given the unmet need for funding grade crossing safety improvements, do you support increasing the authorization level of the Federal Railway-Highway Crossings (Section 130) Program?

Answer. Under the Section 130 program, more than $240 million in Federal funds are allocated each year to states for installing new active warning devices, upgrading existing devices, and improving grade crossing surfaces. The program has helped prevent tens of thousands of fatalities and injuries associated with grade crossing accidents.

Without a budgetary set-aside like the Section 130 program, grade crossing needs would fare poorly in competition with more traditional highway needs such as highway construction and maintenance. One of the primary reasons the Section 130 program was created in the first place was that highway safety—and especially grade crossing safety—traditionally received low funding priority. The FAST Act appropriately included continued dedicated funding for this important program for five more years and has meant more injuries averted and more lives saved. Providing additional funding for the Section 130 program would further improve rail-related safety, something railroads always support.

In addition to increased funding, other improvements can be made to the Section 130 program to help ensure the funds are spent in the most efficient manner. Some examples are identified in the answer to Question 2 below.

Question 2. What should Congress change in the next surface transportation reauthorization to fully address safety and efficiency problems for congested grade crossings?

Answer. Everyone associated with railroading wants the number of accidents at highway-rail grade crossings to fall to zero. Because most such grade crossing accidents are preventable, engineering solutions (such as closing unneeded crossings and upgrading warning devices), education, and enforcement are key. Thanks in part to the Section 130 Federal program, grade crossing collisions are down 36 percent since 2000, but much more work remains. In that regard, railroads support the following policy priorities:

- Increase Section 130 incentive payments for grade crossing closures from the current cap of $7,500 to $100,000.
- Expand flexibility in the use of Section 130 funds by eliminating the arbitrary 50 percent cap on spending for hazard elimination projects and by enabling replacement of certain protective warning devices.
- Enable costs by public and private entities incurred for preliminary engineering for grade crossing projects to be counted toward the non-federal share.
- Enable or incentivize states to bundle grade crossing projects into a single grant application under applicable discretionary grant programs, such as Better Utilizing Investments to Leverage Development (BUILD), Infrastructure for Rebuilding America (INFRA) or Consolidated Rail Infrastructure and Safety Improvements CRISI.
- Require or incentivize accelerated deployment of navigational warnings for motorists (*e.g.,* smartphone apps) to warn of grade crossings.
- Require future fleets of automated vehicles to provide grade crossing warnings and/or prevention of incursions into grade crossings where gates or other devices have been activated.
- Require grade crossing safety training in driver education curricula both at FMCSA for truck driver training and at NHTSA through recommendations to states.
- Authorize at least $3 million per year for Operation Lifesaver through FHWA, FRA and FTA.

The rail industry appreciates the Senate Environment and Public Works Committee for its leadership in beginning to address our Nation's transportation infrastructure needs in the America's Transportation Infrastructure Act of 2019. Among other things, the legislation calls for funding of not less than $245 million per year from 2021 to 2025 for the Section 130 program. Railroads also support the legislation's call to further streamline project permitting by codifying the 'one Federal decision' model. Reforming the permitting process will help railroads address critical infrastructure needs in all areas of their operations, including at major grade crossing projects.

Multimodal Freight Investment. Nationally, our country moves over $19 trillion worth of goods every year. That's over $54 billion a day. This number is expected to nearly double by 2045 to $37 trillion worth of freight transported in the United States every year.

Rail is a vital part of our freight transportation. According to the Association of American Railroads weekly traffic reports, intermodal rail traffic has increased by over 40 percent since 2009, and is expected to continue to increase.

However, according to a 2017 report from the Federal Highway Administration, 75 percent of intermodal rail connectors are congested, resulting in a 35 percent decrease in efficiency. This congestion costs the Nation $82 million annually.

Question 3. What more should the U.S. be doing to prepare for this anticipated increase in freight movement—to improve both efficiency and safety?

Answer. Today, there's a tremendous amount of strength and flexibility in America's freight transportation systems. It's also clear, though, that our Nation faces significant challenges in maintaining our existing freight-moving capability and in improving it to meet the needs of tomorrow.

One of the key challenges is financial. Railroads are overwhelmingly privately funded. That said, railroads agree that adequate investments should be made in public infrastructure like ports and highways, which combine with rail to make up the Nation's integrated freight supply chain.

Railroads also support other efforts that will improve freight transportation efficiency and safety and help transportation providers address future freight transportation demand.

First, railroads urge policymakers to reject efforts to upset the existing balanced, reasonable system of regulation of rail rates and services. Unfortunately, some want to give government regulators excessive control over rail rates and service by instituting what in effect would be price controls in one form or another. Policymakers should be taking actions that enhance, rather than impair, railroads' ability and willingness to make the investments a best-in-the-world freight rail system requires.

Second, railroads encourage the use of more partnerships between the public and private sectors. These arrangements under which private freight railroads and government entities both contribute resources to a project, commensurate with the benefits accruing to each party—offer a mutually beneficial way to solve critical transportation problems. Without a partnership, many projects that promise substantial public benefits (such as increased rail capacity for use by passenger trains) in addition to private benefits (such as enabling more efficient freight train operations) are likely to be delayed or never started at all because neither side can justify the full investment needed to complete them. Cooperation makes these projects feasible.

Third, modal inequities should be addressed. America's freight railroads operate overwhelmingly on infrastructure that they own, build, maintain, and pay for themselves. By contrast, trucks, airlines, and barges operate on highways, airways, and waterways that are largely taxpayer funded. Railroads agree that other transportation modes are crucial to our nation, and the infrastructure they use should be world-class—just like U.S. freight railroad infrastructure is world class. That said, public policies relating to the funding of other modes have become misaligned.

With respect to federally funded capacity investments in public road and bridge infrastructure, the United States has historically relied upon a "user pays" system. Until relatively recently, that system worked well. Unfortunately, the user-pays model has been eroded as Highway Trust Fund (HTF) revenues have not kept up with HTF investment needs and so have had to be supplemented with general taxpayer dollars. Including general fund transfers scheduled to be made in the next few years through provisions of the FAST Act, general fund transfers to the HTF since 2008 have totaled almost $144 billion, according to the Congressional Budget Office (CBO). The CBO recently estimated that between 2020 and 2029, the HTF will require $191 billion in additional payments to keep the fund solvent.

Moving away from a user-pays system also distorts the competitive environment by making it appear that truck transportation is less expensive than it really is and puts other modes, especially rail, at a competitive disadvantage.

Congress could help ameliorate this modal inequity by reaffirming the "user pays" requirement. Through application of current technology, the current fundamental imbalance could be rectified by ensuring that commercial users of taxpayer-financed infrastructure pay for their use.

Fourth, enhancing flexibility through regulatory and permitting reform would help all transportation modes. Federal regulations provide a critical safety net to the American public, but rules borne from faulty processes only deter economic growth without any corresponding public benefits. Dictating the means to an end via overly prescriptive policy increases compliance costs, can chill innovation and investment in new technologies and can slow—or defeat entirely—an outcome both industry and government would view as a success.

America today has an opportunity to not only address specific, harmful policies, but also to improve the system that creates rules by incorporating common sense principles. Regulations should be based on a demonstrated need, as reflected in current and complete data and sound science. Regulations should provide benefits outweighing their costs and should take into consideration the big picture view for industries and sectors—including market forces, future offerings, and current regulations in place.

Finally, policymakers should embrace performance-based regulations, where appropriate, to foster and facilitate technological advancement and achieve well-defined policy goals. Defining the end goal, rather than narrow steps, will boost citizen confidence in government, motivate U.S. industry to research and innovate, and create new solutions. Outcome-based measures can better avoid "locking in" existing technologies and processes so that new innovations, including new technologies, that could improve safety and improve efficiency, can flourish.

Question 4. What investments do we need to make to eliminate congestion at intermodal connectors and other choke points to keep freight moving?

Answer. One of the main reasons why America has the world's most efficient total freight transportation system is the willingness and ability of firms associated with various modes to work together in ways that benefit their customers and the economy. Policymakers can help this process by implementing programs that improve "first mile" and "last mile" connections where freight is handed off from one mode to another—for example, at ports from ships to railroads or from ships to trucks, or from railroads to trucks at intermodal terminals. These connections are highly vulnerable to disruptions, and improving them would lead to especially large increases in efficiency and fluidity and forge a stronger, more effective total transportation package.

Some multimodal connection infrastructure projects that are of national and regional significance in terms of freight movement could be too costly for a local government or state to fund. Consequently, Federal funding awarded through a competitive discretionary grant process is an appropriate approach for these needs.

The BUILD Transportation grant program and INFRA grant program are examples of approaches to help fund crucial multimodal projects of national and regional significance.

Attention to first-and last-mile connections is a critical element of both local and state freight planning and policy as well. At the local level, land use planning has been largely inadequate in accommodating the needs of freight. Freight movement—whether in rail yards, intermodal facilities, ports, or regional distribution—must be sufficiently considered when planning land uses such as residential developments, schools, and recreational areas.

Railroads also urge Congress to support a permanent extension of the "Section 45G" short line tax credit program. Section 45G creates a strong incentive for short line railroads to invest private sector dollars on freight railroad track rehabilitation. Short line freight rail connections are critical to preserving the first and last mile of connectivity to factories, grain elevators, power plants, refineries, and mines in rural America and elsewhere.

Finally, railroads urge policymakers to remember that, in the context of ports, railroads offer tremendous potential in safely and efficiently moving freight to and from port facilities, thereby greatly enhancing overall transportation productivity. Investments that support the rail-port interface deserves careful attention as policymakers address our national transportation infrastructure.

○