



U.S. Senate Committee on Appropriations

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Contact: Tom Gavin, 202-224-3904

U.S. Senate Appropriations Transportation and Housing and Urban Development Subcommittee Opening Statement of Subcommittee Chairman Patty Murray

WASHINGTON, D.C. — The U.S. Senate Appropriations Transportation and Housing and Urban Development Subcommittee on Wednesday held a hearing to examine the proposed Fiscal 2008 budget for Amtrak. As part of that hearing, Subcommittee Chairman Patty Murray of Washington delivered the following opening statement.

This morning, the Subcommittee will hear testimony on the nation's intercity passenger railroad — Amtrak. This past year, like the year before it, Amtrak posted a new record for ridership — 24.3 million passengers. The reasons behind Amtrak's recent success go right to the heart of the debate over whether we need a national intercity railroad. People boarded Amtrak in record numbers: Because gas prices were too high; Because highways were too congested; Because runways were too congested; Because weather eliminated other travel options; and because airlines abandoned air service to rural communities. Amtrak certainly isn't the perfect solution to all these problems. But it is certainly one part of the solution.

Many of my Congressional colleagues have cited Amtrak's service problems and subsidy needs and have called for dramatic reforms. I agree that there are opportunities for reform at Amtrak. But we would all do well to remember some things about Amtrak's history before we launch into wholesale reforms with unknown outcomes. Amtrak was created several years ago by combining the money-losing passenger operations of several different railroads.

The government didn't have the luxury of designing a national passenger railroad from scratch. To the contrary, with several railroads heading rapidly into bankruptcy, Amtrak was created to take over these financial liabilities and link together all these money-losing passenger lines.

Today, Amtrak — as we know it — is still a hodgepodge. Amtrak owns its track in one region of the country but not in other regions. Some states like mine pay for both the operating costs and some capital costs of their trains; Some states pay just a portion of the operating costs, and still other states pay absolutely nothing for their Amtrak service. Some Amtrak services run with equipment that is just a few years old. Some services run with equipment that is several decades old. Even today, some of Amtrak's

equipment dates back from before the railroad was founded. Some of it even dates back to before World War II.

When you are dealing with a hodgepodge system, you need to be very suspicious of reforms where one-size is expected to fit all. I believe that reforms are needed at Amtrak. But I also believe that these reforms should not just be about cutting employees, cutting wages, and cutting communities off of the national rail map.

When it comes to cutting employees, Amtrak has already dropped its employee headcount by almost 6,250. That is a cut of more than 25 percent in the last six years. When it comes to wages, most Amtrak employees haven't seen a real wage increase in almost eight years.

Last year, in the name of "reform," Amtrak's Board of Directors proposed to send some Amtrak jobs overseas. That's right -- a company that receives over a billion dollars in taxpayer money each year, would be using those tax dollars to send jobs overseas. Senator Byrd and I included an amendment on last year's Appropriations bill to prohibit that. As a result, the Amtrak Board abandoned its plan. My point here is that not everything that is proposed in the name of "reform" makes sense for the American people, for the taxpayers, or for Amtrak's passengers.

I can think of a number of "reforms" at Amtrak that do make sense and are long overdue. They include:

- Reforming the way the nation's freight railroads dispatch Amtrak trains, so that the passengers have a fighting chance to arrive on time;
- Reforming the way Amtrak compensates its employees, so they can attract and retain the skilled personnel they need; and
- Reforming the way the Bush Administration budgets for Amtrak's needs, so that the Administration and the Congress can focus together on truly modernizing the railroad rather than battling annually over whether the railroad will be allowed to limp into the next year.

When you look at the recent record, Amtrak has been able to increase riders and revenue -- not just on the Northeast Corridor -- but on its state-supported and long-distance trains as well.

That fact is all the more impressive when you look at the abysmal on-time performance on some of these trains outside the Northeast Corridor. Outside the Corridor, Amtrak travels over track that is owned, maintained, and dispatched by the freight railroads.

But, as a matter of Federal law, those freight railroads are required to give Amtrak trains preference over freight traffic when dispatching traffic over their rails. When you look at the on-time performance of many of these Amtrak trains, you have to question whether the law is being ignored.

There is no question that we need our freight railroads to move cargo. Freight mobility is essential to our economy . especially in an agricultural and trade state like mine. It is simply not realistic to expect our freight railroads to put every coal and container train on a siding so passenger trains can breeze through.

But right now, more than half of Amtrak's long distance trains arrive late -- many of them extremely late. When you review the data as to why these trains are late . there is one factor that out-weighs all the others . interference with freight trains. More than 76 percent of the delay time that these trains endure is associated with problems at the host freight railroad. It is either interference with freight traffic, slow orders due to deferred maintenance, signal delays or other problems.

When you look at some of the Amtrak trains that are supported by state subsidies, the record isn't much better. Let me just discuss the examples of two states that get a lot of attention by this Subcommittee . Washington State and Missouri. My home state doesn't only finance the operating losses of the Cascades trains, it has even purchased some of the rail cars for that service. But last year, these trains still arrived late almost half the time.

In Missouri, the state puts up millions of dollars each year to operate twice daily trains between Kansas City and St. Louis. But last year, those trains were allowed to arrive on time less than one-third of the time. The on-time performance of these trains in December was no better. It is a deplorable record.

Given this record, it is amazing indeed that Amtrak can sell any tickets on this train. Yet, here too, ridership has increased because people want to use the service.

When you look at the Bush Administration's budget for Amtrak and the separate budget request submitted by Amtrak's Board of Directors, there is one notable area where they are in agreement. Both budgets want this subcommittee to set aside \$100 million in matching funds for the states to launch new passenger corridors. When both Amtrak and the Bush Administration agree on a budget proposal, you have to take notice.

But given the problem with the on-time performance of these State-supported trains, I am left here asking .

- What is the point in providing additional funds for new state-supported rail services if those trains are just going to suffer the same congestion and dispatching problems that befall Amtrak's current trains?
- If we are going to put federal tax dollars into capital improvements over privately-owned freight track, shouldn't we be focusing those dollars on improving the current services before we start paying for new services?
- Why should states like mine . states that already make substantial cash contributions for their Amtrak service . have to put up even more state dollars just so that their existing trains don't arrive consistently late?

So one Amtrak "reform" this subcommittee must look at is how we can better ensure that Amtrak trains have a fighting chance of arriving on time. No one should expect Amtrak to dramatically improve their ridership and financial performance off the Northeast Corridor when it is more likely than not that those trains won't arrive on time.

Another Amtrak "reform" we should look at is seeing to it that Amtrak has the resources that it needs to recruit and retain the employees they need. Amtrak and its labor unions have not been able to reach agreements on a new contract for seven years. It is time for this impasse to end. Many crafts have not experienced a meaningful pay increase in all that time. The result has not just depressed employee morale.

Amtrak is now facing serious shortages in a number of skill areas because trained and experienced employees are taking better paying jobs with the commuter railroads, freight railroads, or outside the railroad industry. Amtrak will not be able to improve its efficiency, safety, and service quality if it is the lowest-paying competitor in the industry.

Finally, it is my hope that we can start having a meaningful fact-based dialogue with the Bush Administration about Amtrak's real financial needs. President Bush's Federal Railroad Administrator will testify to us today that, if we cut overall funding for Amtrak by almost 40 percent, Amtrak can still stay out of bankruptcy next year. I am not sure that any other witness will agree with that observation.

The DOT Inspector General has performed a valuable service for this subcommittee by being an impartial monitor of Amtrak's financial condition. Today's witness from the Inspector General's office will testify that what Amtrak really needs is to be reauthorized.

I totally agree that Amtrak desperately needs comprehensive legislation that addresses each of the challenges that I have cited and many others.

I sincerely hope that such legislation is signed into law this year. This subcommittee's practice of providing incremental reforms through appropriations legislation each year is not the ideal way to do business.

But, absent the enactment of a comprehensive Amtrak reform bill, we will continue to do what needs to be done to address these areas and keep Amtrak alive for the steadily growing number of citizens that demand the service.

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