Testimony of
Stephen Gardner
Chief Executive Officer
National Railroad Passenger Corporation

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"Amtrak Operations: Examining the Challenges and Opportunities for Improving Efficiency and Service"

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Amtrak
1 Massachusetts Avenue, N.W.
Washington, DC 20001-1401
(202) 906-2486

Good morning, Chairman Nehls, Ranking Member Payne, and Members of the Subcommittee. My name is Stephen Gardner, and I am the Chief Executive Officer of Amtrak. Thank you for inviting me to appear before you today to discuss Amtrak's operations, and the challenges we face and opportunities we have to improve our efficiency and service.

This hearing is very timely. The train called Amtrak is emerging from the dark tunnel of the COVID-19 pandemic, poised to travel faster than before. We are now just over two thirds of the way into Fiscal Year 2023, the first year since pre-pandemic 2019 in which our operations and demand for our services are finally returning to normal, albeit in some respects a new normal. Our ridership, revenues, service and workforce have recovered in ways that we could only have dreamed of during the darkest hours of the pandemic, when virtually overnight our ridership and revenue plunged by 97%.

Amtrak has come a long way since then. We have restored service to all of our routes, are operating nearly all our pre-pandemic frequencies, have regained most of our ridership and revenues, have attracted many new customers, and have rebuilt our workforce. And for the first time in Amtrak's 52-year history, the Infrastructure Investment and Jobs Act, or IIJA, has provided us with substantial, multi-year funding that will enable us to launch a new era for intercity passenger rail in the United States.

I'd like to begin by talking about Amtrak's current performance during Fiscal Year 2023 to date. I will then describe how we are seizing the opportunities IIJA funding has provided, and finally turn to the challenges we face and the actions we are taking to address them.

THE STATE OF THE COMPANY

I will start with safety, where I am pleased to report that the efforts of our teams across the company are producing extremely strong results. We have experienced zero NTSB accidents in Fiscal Year 2023. Through April, our rate of FRA reportable employee injuries per 200,000 hours was at historically low levels and 24% ahead of our FY23 goal.

I am also pleased to tell you that we have also restored nearly all of the service we suspended or reduced during the COVID-19 pandemic. With the recent resumption of our New York City to Montreal *Adirondack* route and restoration of the second Amtrak Cascades round trip between Seattle and Vancouver, British Columbia, we are back to running our entire pre-pandemic network and have fully restored cross-border service to Canada. All of our long-distance routes have been operating at normal service frequency since October of last year and nearly all *Northeast Regional* service on the Northeast Corridor has been restored. The few remaining routes where service hasn't returned to full levels are our high-speed *Acela* service on the Northeast Corridor, which is still operating a reduced schedule due to equipment challenges, and several state-supported routes where we have not restored all pre-pandemic frequencies, in most cases because of the wishes of our state partners.

Our fiscal-year-to-date total ridership through April was 84% and our ticket revenues 95% of pre-pandemic levels. During April, ridership was 89% and ticket revenues 96% of April 2019. For the week of May 22, we achieved the same level of ridership we had in the same week in FY 2019. On some routes we are carrying more passengers than before the pandemic. We expect to reach a "normal" level of ridership – the 32.3 million passengers we carried in Fiscal Year 2019 – next year.

What is particularly encouraging is that we have achieved this level of ridership return even though:

- Ridership on several state-supported routes that carry large numbers of work commuters remains significantly below pre-pandemic levels;
- Our *Pacific Surfliner* route from San Diego to Los Angeles and San Luis Obispo, our highest ridership route outside of the Northeast Corridor, pre-pandemic, has been severed twice in recent months for extended periods due to erosion impacting tracks along the Pacific Coast it follows; and
- Passenger capacity, as measured by available seat miles, on all three of our service lines is lower than it was pre-pandemic – 15% lower systemwide during April – due to fewer frequencies and a shortage of certain equipment types.

We are also encouraged by the number of new passengers we are seeing. Currently, about 30% of our passengers are new to Amtrak, up from roughly 20% pre-pandemic, indicating that many new customers are interested in trying the train. Changes in the trip purpose of new *Acela* passengers bear this out. Pre-COVID, about half of them were traveling for business. Today, it's only 20%. This illustrates both the reduced demand for business travel, which is continuing to negatively impact average fare per passenger on *Acela*, but also a new market of leisure passengers willing to pay more for an upgraded experience. We are endeavoring to capitalize on that opportunity through new marketing and fare strategies, including our Amtrak BidUp program which invites passenger who have reserved a coach seat to submit bids to upgrade to a premium class of service.

Our Adjusted Operating Loss in Fiscal Year 2023 through April was $433.7 million, $53.5 million better than our plan. When our ridership and revenues evaporated in March 2020 at the onset of the COVID-19 pandemic, Amtrak was ahead of plan for achieving a major accomplishment we had sought for three decades and no other U.S. passenger railroad has accomplished in generations: break-even results, meaning that revenues were set to equal or exceed operating expenses. Achieving break-even results or better again for our passenger operations will take time, because by the time our ridership and revenues return to 2019 levels we will have missed out on four years of typical revenue growth and incurred a dramatic increase in our cost-base because of the pandemic, due to inflation. Additionally, the finances of the company are dramatically different because of the large influx in capital funding we are receiving through the IIJA. The vital capital work that this funding makes possible also comes with new levels of operating expenses to support it and therefore, on a consolidated basis, will add to our losses on top of the normal costs of running today's network for a period of time as we deliver this work. If we exclude these new capital-related operating costs, we believe that we can achieve break-even results for our train operations once again within about five years if Amtrak and the relevant FRA grant programs are funded at IIJA-authorized levels so we can make investments that are necessary to improve efficiency, facilitate growth, and improve our financial performance.

Let me be clear, however, that we do not intend to pursue financial results at the expense of meeting our other obligations under law. Amtrak did that once in the late 1990s in an effort to fulfill an unrealistic Congressional mandate, a course of action that contributed to the company's near bankruptcy in 2002. Among our most important statutory obligations are operating our current long-distance network, a responsibility Congress codified in the IIJA; working with states to expand Amtrak service on corridors throughout the United States, an obligation reinforced by the IIJA; and collaborating with our state and commuter partners to carry out the major capital projects included in the 15-year CONNECT NEC plan the IIJA requires the NEC Commission to develop and update.

Financial performance is not Amtrak's sole objective. If it were, we would do what the Penn Central, the railroad that was the last private owner of the Northeast Corridor, did: declare bankruptcy; get rid of our obligations to maintain the infrastructure and operate passenger trains; and go into the real estate business with the property and assets we own along the corridor. Passenger rail is a service, not a profit center, as every other country in the world acknowledges. The IIJA made that clear by amending Amtrak's goals to clarify that Amtrak was to use the federal funding it receives to maximize public benefits rather than to minimize our need for federal funding at the expense of our mission and goals. The biggest challenge we faced when we came out of the pandemic was rebuilding our most important asset: our workforce. We did everything we could to keep employees on the payroll during the pandemic. We did not furlough a single Mechanical or Engineering employee; we offered incentives to employees already eligible to retire so that we could keep paying our lower seniority workers –

our workforce of the future – and we recalled all furloughed employees, over 90% of whom returned, once we received the funding we needed to pay them. Nonetheless, by the time we were able to begin hiring and offering in-person training classes again, our headcount was well below the level required even for our pre-pandemic operations, to say nothing of what was needed to carry out projects funded by the IIJA.

Rebuilding our workforce during a time of record low unemployment was a major challenge – but we have met it. We hired 4,000 new employees during Fiscal Year 2022 and have hired 2,700 more during the first seven months of Fiscal Year 2023. We will continue our accelerated hiring efforts until we have enough employees to ensure that we can operate all of our trains at required staffing levels, maintain and repair our equipment, perform work on major infrastructure projects and meet our obligations to partners. Of particular importance is having enough Amtrak employees to manage major capital projects so that we don't have to rely on high-priced consultants.

We are also working to improve our customers' experience. We are adding additional agents to minimize wait times for passengers who call our contact center or communicate with us virtually. We are enhancing food service on a number of routes. Coach passengers on our western long-distance trains now have access to the dining car for meal service; traditional dining is being introduced on our *Silver Star* and *Silver Meteor* between New York City and Miami; and we have launched new menus for First Class customers on our *Acela* trains in collaboration with an award-winning restaurant group. The Food and Beverage Working Group created by the IIJA, whose membership included representatives of our employees, state partners, passenger rail users and Amtrak, recently issued its report. We are reviewing its recommendations and will report to you later this year on our response to them, as contemplated by the IIJA.

CAPITALIZING ON THE OPPORTUNITIES PROVIDED BY THE IIJA

The IIJA provides the funding Amtrak, its partners and stakeholders have long sought to make vital, once-in-a-generation investments in our infrastructure along the Northeast Corridor; in Chicago, the hub of our National Network; and on other Amtrak-owned infrastructure. I'm pleased to report that, in the eight months since I last appeared before this Subcommittee, Amtrak and its state and commuter railroad partners have been making significant progress in advancing many major infrastructure projects.

Construction on the Hudson Tunnel Project, the most important component of the New York/New Jersey Gateway Program, is expected to begin next year following execution of a full funding grant agreement. We expect to begin construction this year on section 3 of the Hudson Yards Concrete Casing that will preserve the underground right-of-way for the tunnel, which was awarded a $292 million Mega grant in January. The Portal North Bridge over the Hackensack River is now 25% complete.

We are also moving towards construction of two vital bridge projects, the replacement of the 117-year- old Susquehanna River Bridge in Maryland and the 116-year old Connecticut River Bridge between Old Saybrook and Old Lyme, Connecticut. We recently initiated a procurement for a Construction Manager at Risk for the Susquehanna River Bridge and issued a Request for

Qualifications for a Construction Contractor for the Connecticut River Bridge. We have submitted applications for Federal-State Partnership grants for both projects and expect to begin early work on the Susquehanna River Bridge Project and construction of the Connecticut River Bridge during 2024.

The IIJA will also allow Amtrak to advance projects that will increase speeds and reduce trip times. Amtrak has submitted Federal-State Partnership grant applications for a New Haven to Providence Capacity Planning Study and an Infrastructure Renewal and Speed Improvement Program (IRSIP) Planning Study for the portion of the Northeast Corridor between Northern New Jersey and Washington, D.C. These studies will develop and evaluate alternatives to grow rail capacity and improve performance on both segments of the Northeast Corridor, including the potential creation of new rail alignment segments on which trains could operate at higher speeds.

The biggest improvements in trip time and operational efficiency often come from eliminating bottlenecks through which trains travel at very slow speeds and are frequently delayed due to deteriorated infrastructure condition and capacity limitations. Many of our major NEC projects will do that. For example, the new Frederick Douglass Tunnel in Baltimore, for which we began early construction activities in March, will have triple the capacity of the 150-year-old B&P Tunnel, the biggest bottleneck on the Northeast Corridor that it will replace. Trains traveling through the new tunnel will reach speeds of over 100 miles per hour, more than three times faster than the 30 miles per hour at which they crawl through the B&P Tunnel today. This will reduce trip time between Washington to Baltimore to less than 30 minutes.

Because of the IIJA, Amtrak is no longer just a passenger rail operator and infrastructure maintainer. We are also a major construction company executing one of the largest capital programs in the history of the United States. The investments we are making are every bit as ambitious as the Pennsylvania Railroad's construction during the first third of the 20th Century of the Northeast Corridor stations, tunnels, bridges and electrification system we continue to rely upon 100 years later.

To ensure we deliver on the construction program IIJA funding has jumpstarted, we created a new Capital Delivery department in early 2022 that is responsible for the planning, design and construction of Amtrak's critical infrastructure projects. That department has attracted leading experts in rail infrastructure and transportation project management from around the country who are excited to take part in the most important U.S. railroad infrastructure construction project in many generations. We're also hiring and training hundreds of additional union employees in the electric, signal, and track fields to work on capital projects.

We are not constructing these projects by ourselves. Rather, we are working alongside our state and commuter rail partners and the railroad supply industry to deliver these projects while maintaining Amtrak, commuter and freight rail service on the Northeast Corridor, the busiest and most complex rail corridor in the United States. This requires close collaboration and planning, not only for projects Amtrak is leading but also those led by our partners.

We are also moving forward with procurements for new equipment. The new trainsets we are acquiring for operation in *Northeast Regional* service along the Northeast Corridor and on many state-supported routes, which we recently announced will be called Airo, are under construction at the Siemens plant in Sacramento, California. The first carshell has recently been completed. Last December, Amtrak issued a Request for Information (RFI) to potential suppliers for the long needed reequipping of our long-distance fleet. That procurement, for which we expect to issue a Request for Proposals (RFP) later this year and enter into a contract in 2024, represents the largest U.S. order for long-distance equipment since the New York Central Railroad's purchase of 721 passenger cars in the late 1940s.

We are making investments in stations throughout our network. One of our most important station projects – the Washington Union Station Expansion Project – achieved an important milestone last month with FRA's issuance of a Supplemental Draft Environmental Impact Statement. We are continuing to progress our program to bring into compliance with the Americans with Disabilities Act, or ADA, all stations for which we have ADA responsibility. We expect to spend over $1.3 billion in IIJA funding to complete that task. During the remainder of Fiscal Year 2023 and in Fiscal Year 2024, we plan to complete ADA compliance work at 112 stations, most located on long-distance and state-supported routes.

We are also expanding our service with new state-supported trains. Last November, we reached a tentative agreement with our host railroads that will allow initiation of the two planned daily round trips between New Orleans and Mobile. We are currently working with our state partner, the Southern Rail Commission, and our host railroads on preparations for initiating service and to secure IIJA funding for capital investments. We have begun operating non-revenue trains over the route to qualify engineers and conductors on its physical characteristics.

I am particularly excited by the new New Orleans-to-Mobile service because the only current Amtrak service in the Gulf Coast Region is provided by three long-distance trains, one of which operates only three days a week. We are also collaborating with our state partners to advance plans for other new Amtrak services in that region. Last year, I joined Louisiana's governor on an inspection train between New Orleans and Baton Rouge, a route on which we are working with the Louisiana Department of Transportation and Development to develop service and have reached an agreement with the principal host railroad that will enable us to operate it.

The IIJA also provides, for the first time in decades, opportunities to consider increases to long-distance service and the funding to potentially make them happen. We are participating in the Long Distance Study the IIJA directed FRA to undertake that is examining increases in long-distance service frequency and routes. We recently submitted a joint application with the Southern Rail Commission for a Federal-State Partnership grant to develop plans for a Meridian, Mississippi to Dallas/Fort Worth extension of the New York-to-New Orleans *Crescent.* We have also applied for planning grants under FRA's Corridor ID program for increasing service frequency on our two tri-weekly routes, the *Cardinal* and *Sunset Limited*, to daily.

We are seeking, in some cases jointly with state partners, seven Federal-State Partnership grants to improve our long-distance services. These grants would fund track improvements on the *Empire Builder* route in Montana and the *Silver Meteor, Silver Star* and *Palmetto* routes in South Carolina; a new signal system on the *Southwest Chief's* route in New Mexico; planning and engineering work for track upgrades to increase speeds and reduce trip time on the *Cardinal* route between Chicago and Indianapolis; and planning for station improvements in Florida and the return of Amtrak service to Phoenix.

AMTRAK'S RELEVANCE DEPENDS UPON GROWTH

Amtrak's goal is to double ridership by 2040. It's an ambitious goal because it took us 35 years to double our ridership for the first time, and now we're proposing to do it again in barely half the time. It's also an essential goal if we are to become more relevant and more efficient.

Growth is the key to making Amtrak more relevant. Amtrak is very relevant along the Northeast Corridor. We play an important role in meeting intercity transportation needs in a number of other regions and states, as well as many individual communities. But in most of the country we have barely begun to tap the potential of intercity passenger rail.

Our route map looks little different than it did when we started service in 1971. Where Amtrak service has increased since then, that has been due to the willingness of individual states to provide funding for Amtrak, in most cases without the federal match they would have received had they chosen to invest in highway or transit projects. As a result, Amtrak has little service in the many of the states and regions that have grown fastest since 1971 and will continue to account for most U.S. population growth in the years to come.

Many of the 46 states we serve have minimal Amtrak service. Half of them, including some of our largest states like Florida, Ohio and Arizona and entire regions such as the Mountain West and Gulf Coast, are served only by long distance trains that provide one round trip a day, and on two routes only three round trips a week. The only Amtrak service in many large cities, including Atlanta, Minneapolis/St. Paul, Denver and Houston, is a single Amtrak long-distance train, while others such as Nashville, Columbus, Phoenix and Las Vegas have no Amtrak service at all.

Long-distance trains serve many passengers for whom flying or driving is not an option. They are incredibly important to many communities throughout the United States in which they provide a vital, and in many cases the only, intercity public transportation service. But long-distance trains' overnight schedules, designed to provide daytime arrivals and departures at endpoints and facilitate connections to other Amtrak trains, mean that they serve many intermediate points in the middle of the night. Their once-a-day at best service and often unreliable on-time performance doesn't meet the needs of most passengers, particularly those who are making short trips that account for the vast majority of intercity travel.

Attracting more riders will require providing more service at times when people want to travel, both along the routes we serve today and along new routes in the regions and states where we presently have little or no service. Most of the new riders we need to attract are people who would otherwise drive, since driving accounts for the vast majority of intercity trips under 400 miles for which rail is most competitive with other modes.

The "Amtrak Connects US" report we released in 2021 described our vision for expanding Amtrak service along unserved and underserved corridors throughout the United States. The FRA-led Corridor ID program created by the IIJA, in which Amtrak is actively participating, provides a much-needed process for guiding and shaping an expanded network to bring new and improved service, including high speed rail in appropriate markets, to places where there is unmet demand for intercity passenger rail. We are actively working with many state and local partners throughout the country to help make the vision of expanded and improved Amtrak service a reality.

So far, we are seeing unprecedented interest in developing new Amtrak service in states that do not currently have Amtrak state-supported services such as Colorado, Georgia, Idaho and Ohio, to name just a few. Later this year, we plan to initiate a daily round-trip between Chicago and St. Paul, Minnesota, to be called the *Great River*, thanks to funding support from a current state partner, Wisconsin, and a new state partner, Minnesota. Both houses of the Minnesota legislature recently approved $195 million in state funding for multi-frequency Amtrak service between Minneapolis and Duluth for which they intend to seek IIJA grants.

GROWTH WILL MAKE AMTRAK MORE EFFICIENT

For Amtrak to become more efficient, we must grow ridership and increase service. It's a very simple equation: investments in intercity passenger rail that improve service and increase ridership make the service more efficient and enable it to produce more economic and public benefits for each dollar of public investment.

Let me give you one example. Our state-supported *Piedmon*t service along the Piedmont Corridor between Raleigh and Charlotte, North Carolina began in 1995 with one round trip a day. The trip took three hours and 45 minutes, and during the first full year of service the route carried only 29,000 passengers. Since then, the Piedmont Corridor and the Amtrak service operating over it have been transformed as a result of the investments North Carolina has made and the federal grants the Corridor has received.

- *Piedmont* ridership has increased tenfold to approximately 300,000 passengers annually.

- Track and signal improvements have increased speeds and reduced trip times, while adding capacity and improving reliability for both Amtrak and freight operations.

- *Piedmont* service has been increased to three round trips, and a fourth round trip will be added in July. When that happens there will be departures throughout the day, with one train in each direction making the trip in less than three hours.

- Safety has been enhanced through the creation of a sealed corridor with state-of-the-art grade crossing warning devices.

- Historic stations have been restored, and a new station built in Raleigh that has sparked redevelopment in the surrounding neighborhood. A new station planned in Charlotte will bring trains into the city's downtown where connections with multiple local transit services are available.

- In addition to attracting more passengers, increased train frequency service and shorter trip times have made the service more efficient. Equipment utilization is 33% higher than at the service's start because some trainsets can now make more than one round trip a day. Adding trains also means that infrastructure and station investments benefit more trains carrying many more passengers.

More improvements and more service are planned along the Piedmont Corridor and rail lines not presently served by Amtrak with which it connects.

- North Carolina is using a federal grant to acquire new equipment that will be more energy efficient, increase passenger capacity and provide an enhanced customer experience that will attract new riders.

- North Carolina is also planning new routes that would connect with the Piedmont Corridor, including Wilmington to Raleigh and Salisbury to Asheville, and has submitted applications for their inclusion in FRA's Corridor ID program.

- When the "S Line" – the direct, rail line from Raleigh to Petersburg, Virginia on which trains will operate up to 110 miles per hour – is restored to service, the Piedmont Corridor and Virginia's Petersburg-Richmond-Washington corridor will become part of a continuous, fast, high-capacity passenger rail corridor from Charlotte to Boston.

CAPACITY IS THE BIGGEST CHALLENGE TO AMTRAK GROWTH

Growing Amtrak ridership will require more equipment that will allow us to carry more passengers. Equipment capacity is the biggest challenge we face, both in the near term and in the future as we approach 2040, the target year for our goal of doubling ridership.

Most of our current passenger car fleet – the Amfleet I cars we operate on the Northeast Corridor and on many state-supported routes, and the Amfleet II and Superliner I cars we use on long-distance trains – was built between 1975 and 1983. Like old automobiles, 40- to 50-year-old passenger railcars are more likely to experience mechanical problems as they age and require constant maintenance.

Our ridership grew 45% from 2003 to 2019, during which time we added approximately ten million annual passengers. But our equipment fleet didn't grow to accommodate them. Due to inadequate funding, we acquired virtually no new equipment with passenger capacity during that 16-year period. By 2020, we had a very old equipment fleet with inadequate capacity. And in March of that year, the pandemic hit and made things much worse.

The urgent need to reduce expenses during the first year of the pandemic, when Amtrak was experiencing huge financial losses with no end in sight, had no idea when ridership and revenues would return, and did not know whether it would receive additional COVID relief funding, required us to reduce our headcount and the number of federally-mandated overhauls performed at our maintenance facilities. After we received additional COVID funding, it took time to hire and train new employees.

We have rebuilt our Mechanical workforce: we now have approximately 250 more Mechanical employees than we did before the pandemic. We are taking steps to increase our capacity to perform equipment overhauls and have resumed making major repairs on damaged railcars. Nonetheless, we are still catching up on work we were unable to do during the pandemic. The resulting equipment shortage has meant we are operating some amount of reduced capacity on all three of our service lines.

Our equipment shortage has been exacerbated by delays in delivery and acceptance of the new Venture cars our state partners in the Midwest and California are acquiring for their state-supported services and the 28 high-speed trainsets that will replace the original *Acela* trainsets. The Venture cars are currently entering service on Midwestern routes, which will free up enough Horizon cars to allow us to add two additional Amtrak Cascades frequencies between Seattle and Portland later this year. We now anticipate the new *Acela* trainsets will enter service in 2024, subject to the manufacturer's completion of modeling and testing required by FRA regulations to demonstrate the trainsets' ability to operate safely on the Northeast Corridor.

Delivery and acceptance of all of the Venture cars and the new Acela trainsets will alleviate somewhat the equipment constraints on our Northeast Corridor and State-Supported Services. Restoring equipment capacity on our long-distance trains, particularly those equipped with bi-level Superliner cars that operate primarily on our western trains, will continue to be our biggest equipment challenge. Since 2020, approximately 30 Superliner cars have been taken out of service due to incidents in which they incurred significant damage, including a 2021 derailment in Montana and a 2022 grade crossing collision and derailment in Missouri in which 16 Superliner cars were severely damaged. As I will discuss next, there are no off-the-shelf replacements for this unique fleet of trains that Amtrak can access, so losses like these will impair our capacity until new equipment can be ordered and manufactured domestically.

As I mentioned, construction of new Airo trainsets for our Northeast Regional and state-supported services is underway, and the funding provide by the IIJA has allowed us to finally initiate the procurement for new long-distance cars we began last year. Unfortunately, one difference between old automobiles and old passenger railcars is that you can't just go out and buy new passenger railcars for these types of service from the dealer's lot when they need to be replaced. The U.S. market for passenger rail vehicles is tiny compared to the international market, and the number of passenger railcar manufacturers with U.S. plants where equipment that complies with stringent Buy America and U.S. safety requirements can be built is limited. Designing, procuring and manufacturing passenger railcars, and testing them before they enter revenue service, takes many years.

In the meantime, we are doing everything we can to maximize the number of passengers we carry and attract new riders despite the capacity constraints we face. We are increasing our capacity to perform Superliner overhauls and major repairs at our Beech Grove, Indiana shops by moving overhauls of other equipment previously performed there to other facilities. In order to fill more available seats on off-peak Northeast Corridor trains, we recently introduced "Night Owl Fares" of just $5 to $20 for trips within the Northeast Corridor on trains departing from a passenger's station after 7pm or during very early morning hours. We see this as a way not only to grow ridership but also to encourage cost-conscious travelers to try our service.

The good news is that the new equipment we are acquiring will increase capacity and enhance our efficiency in many respects when it arrives. The new *Acela* trainsets will have about 25% more seats than the trainsets they replace. The Airo trainsets we are buying for Northeast Regional and state-supported services will be double-ended, allowing them to reverse direction on the station platform between trips rather than having to travel to a yard or a "wye" track so that the train can be turned to position the locomotive in front.

Most of the Airo trainsets will also have dual-mode capability that will allow them to utilize electric power while operating over the Northeast Corridor from, for example, Boston to Washington, where they can seamlessly switch to diesel mode for the remainder of their journey to a final destination in Virginia. This will allow us to remove the extra time built into schedules for engine changes, reducing trip time; reduce congestion on the limited number of through tracks on the lower level of Washington Union Station; and eliminate delays that can occur when changing engines.

OPERATING AN EFFICIENT AMTRAK SERVICE DEPENDS UPON OUR HOST RAILROADS

Another major challenge to improving the efficiency of Amtrak operations is the delays we encounter when railroads fail to give preference to Amtrak trains, as required by law. That problem has been compounded by the adoption by many railroads of an operating philosophy called, often euphemistically, "Precision Scheduled Railroading" that has led them to operate very long freight trains on routes that lack the capacity to accommodate them.

Freight railroads have operated long trains, not uncommonly trains of approximately 8,000 feet, for some time. But what has changed in the last few years is that most railroads are now operating very long trains: trains that are over two and in some cases as much as three miles long. These trains are too long to fit in passing sidings on single track lines that that allow trains traveling in opposite directions to pass each other or faster passenger trains to overtake slower freight trains. They often also too long to fit between grade crossings. When they stop to allow another train to pass, or because of congestion ahead or mechanical problems, they block every grade crossing for miles.

Amtrak believes that one possible solution is to require freight railroads operating very long trains to develop long-train operating plans similar to the plans the FRA required railroads to develop during the successful nationwide implementation of Positive Train Control. In these plans, which would be developed with input from affected communities, Amtrak, and other stakeholders and submitted to FRA for approval, railroads would be required to demonstrate that there is adequate infrastructure on the rail lines over which very long trains operate to accommodate them, and that they have a plan for operating those trains without causing delays to Amtrak trains or requiring stopped freight trains to block grade crossings for extended periods.

Last December, we filed a petition with the Surface Transportation Board, or STB, asking it to initiate an investigation into the substandard on-time performance (OTP) of Amtrak's New Orleans-to-Los Angeles *Sunset Limited.* During the 12-month period preceding the filing of Amtrak's petition, more than four out of every five *Sunset Limited* passengers arrived at their destination late, due primarily to freight train interference. On average, each *Sunset Limited* train experienced 15 instances of freight train interference per trip on just the Union Pacific Railroad's portion of the *Sunset Limited's* route, resulting in more than four hours of delay per trip. We hope the STB will initiate an investigation soon as we continue to evaluate other routes that fail to meet FRA's OTP metrics and standards.

For Amtrak to fulfill its statutory obligation to provide high quality, efficient service over the host railroad-owned and dispatched rail lines that account for 95% of our route network, freight railroads must fulfill their statutory obligation to give Amtrak trains priority over freight trains.

When they do not, Amtrak must have available a remedy that provides prompt, effective relief to Amtrak and its passengers, such as the right to bring an action in federal district court to obtain an injunction against a host railroad's unlawful violations of the preference statute.

INTERCITY PASSENGER RAIL NEEDS ADEQUATE, ASSURED, MULTI-YEAR FUNDING

We are very grateful for the $58 billion in advance appropriations for intercity passenger rail and the additional $8 billion for passenger and freight rail the IIJA provided to the FRA, Amtrak and others in our industry. But if the highway folks want to trade that $66 billion for the money the Highway Trust Fund gets every year, including the $118 billion in the IIJA that brought the total the Highway Trust Fund has received in appropriations from general tax revenues since it became insolvent in 2008 to $275 billion, we'll take the deal in a heartbeat. It is only through sustained and adequate Federal funding that our nation – just like every other nation globally – is going to develop the passenger rail network we need to support the mobility needs of the future.

Continuing to advance the new era of passenger rail the IIJA has jumpstarted depends upon two things. The first is adequate annual appropriations, preferably at the full levels authorized in the IIJA. The second is the establishment of a funding mechanism, like the funding sources enjoyed by other transportation modes, that provides adequate, assured, multi-year funding for intercity passenger rail. Both of those things are essential if Amtrak is to maintain, improve and expand service throughout the United States and provide the infrastructure and equipment capacity needed to achieve our goal of doubling ridership by 2040. I look forward to working with you to achieve those objectives, and I will be happy to answer any questions you have.