

**TESTIMONY**

**OF**

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**BEFORE THE**

**SUBCOMMITTEE ON TRANSPORTATION,  
HOUSING AND URBAN DEVELOPMENT**

**OF THE**

**HOUSE COMMITTEE ON APPROPRIATIONS**

**TUESDAY, MARCH 23, 2010**

**10:00 A.M.**

**2358A RAYBURN HOUSE OFFICE BUILDING**

Good morning, Mr. Chairman and ranking member, and thank you for the opportunity to testify on Amtrak's FY 2011 operating and capital needs. This has been a landmark year for intercity passenger rail, and in the wake of the Administration's decisions to fund the high speed and intercity passenger rail program, Amtrak stands ready to fulfill the mission assigned us by the Passenger Rail Investment and Improvement Act of developing high speed passenger rail service on the national system. To meet this mandate, we need to have the tools in place to accomplish the job, and we are moving to create them. We are working with states and the FRA on the High Speed and Intercity Passenger Rail grant program, and the corridor equipment planning and procurement process. We have just completed the first phase of our Northeast Corridor Master Planning Process and we are beginning to plan for the next generation of high speed equipment for the Northeast Corridor. Amtrak is creating a department to oversee high speed rail development. We have created a plan to replace our aging and hard-run fleet with the modern equipment we need to provide these services, and we provided it to the Committee on February 1. The Administration has laid out a strong and clear plan with significant initial funding for the development of high speed and intercity passenger rail, and we working to make that plan a reality.

For FY 2011, Amtrak initially requested a total of \$2.1 billion, consistent with the PRIIA authorizations. About \$592 million of that total is intended for operating support, and \$1.02 billion will cover capital needs, while a total of \$305 million will go for debt and debt retirement opportunities. About \$281 million will be needed for ADA compliance requirements. On Monday, we submitted a supplemental request to Congress

for an additional \$446 million to address our most urgent unfunded need, replacement of our aging fleet. This will raise our total FY 2011 request to about \$2.5 billion.

Our plan calls for replacement of the entire fleet between now and 2040. It is on this issue that I want to focus the remainder of my statement, because it is that important. This plan, which is the product of nearly a year of concentrated work, is a well thought out and comprehensive statement of our total need. It is designed to accomplish the replacement of equipment not in large blocks, but in regular annual purchases, which will allow us to break in new equipment gradually, correcting issues early in the run before they simply become large and insoluble permanent conditions that we must learn to live with. As you will see on this first slide, our plan provides the enduring demand that will develop and support a domestic manufacturing base. This supports the Administration's stated intent to develop a domestic rail manufacturing capability, and we do so by projecting long-term large scale procurement streams that will nurture and sustain suppliers. It also provides an affordable means for states to add their purchases to our own, with unit cost savings for everyone. We are currently partnering with fifteen states to provide service, and demand on the existing routes will continue to grow. There's also an opportunity for us to work with the FRA and the states to implement the latest standards and practices to ensure this equipment has long-term utility. We will do this through the corridor equipment pool committee process. It is, however, vitally important that we begin the process of seeding the industry and replacing obsolescent equipment now, and the best way to start that process and to advance the vision for high speed and intercity passenger rail is to fund our plan.

Between 2002 and 2008, Amtrak increased its ridership by 32% without buying a single piece of new rolling stock. That's a remarkable accomplishment, but one that cannot be sustained indefinitely. A new round of procurement is an absolute necessity, since the average age of our passenger cars is at an all-time high – 24 years, and it will continue to rise in the time it will take us to order and build new equipment. As you will see on the next slide, the Amtrak car fleet is the hardest-run passenger fleet in the country. To get some idea of the mileage and the work we get out of these cars, I would point you to the backbone of our Northeast Regional service, the Amfleet I cars. They were built in the late 1970s. Now, imagine that you bought a Chevy El Camino back in 1977, and proceeded to drive it from DC to New York and back again, *every single day* since then, with a day and a half off every month for maintenance. That's how hard we run the Amfleets, and they are neither the oldest nor the hardest-run equipment in the fleet. As you will see on the next slide, the situation for our locomotive fleet is similar. As a preliminary step, we initiated the bidding process last year to buy new equipment to address our most critical needs – the Heritage cars, some of which have been in service for sixty years, and the hard-run electric locomotives that power our Northeast Corridor services. The \$400 million will fund the procurement of American-made equipment that will replace these obsolete cars and worn-out locomotives. On this last slide, you can see a perfect picture of our need – the very first round of purchases will replace the AEM-7 electrics and the Heritage baggage and dining cars that are still in daily service on our trains.

These are major needs, but this is also a moment of real opportunity. The future is bright. We had eight years of steady growth, and in spite of the recession, 2009 was

the second-best ridership year we have ever had; the first quarter of FY10 was the best first quarter in our history. The Administration has announced an \$8 billion program of investment in passenger rail, and we are working closely with the states, the FRA, and the freight railroads to implement the projects they will fund. Investment in the equipment and infrastructure of the existing system builds the essential foundation of ridership and connectivity that will support the investments in dedicated high speed systems. There are going to be some real opportunities to move regions to the next level of service, but we must make the supporting investments in our fleet that will make this possible. I would urge you to do this by fully funding our request. All of us are working hard to make sure the \$8 billion is spent in a manner that gets the best possible return on our investment, so we can provide the trip time and frequency improvements the public demands. We have some very real needs, but we are moving ahead confidently and we hope to have your support during this important growth period, and I look forward to working with the Committee in coming months as you complete your work on the FY 2011 budget.