

PASSENGER RAIL: OPPORTUNITIES AND CHALLENGES FOR THE NATIONAL NETWORK

HEARING

BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION
AND MERCHANT MARINE INFRASTRUCTURE,
SAFETY AND SECURITY

OF THE

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

FEBRUARY 23, 2016

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ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

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PASSENGER RAIL: OPPORTUNITIES AND CHALLENGES FOR THE NATIONAL NETWORK

TUESDAY, FEBRUARY 23, 2016

U.S. SENATE,
SUBCOMMITTEE ON SURFACE TRANSPORTATION AND
MERCHANT MARINE INFRASTRUCTURE, SAFETY AND SECURITY,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Subcommittee met, pursuant to notice, at 9:50 a.m. in room SR-253, Russell Senate Office Building, Hon. Deb Fischer, Chairwoman of the Subcommittee, presiding.

Present: Senators Fischer [presiding], Wicker, Ayotte, Moran, Daines, Gardner, Booker, Klobuchar, Blumenthal, Nelson, and Peters.

OPENING STATEMENT OF HON. DEB FISCHER, U.S. SENATOR FROM NEBRASKA

Senator FISCHER. Good morning. I am pleased to convene the Senate Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security for this hearing entitled “Passenger Rail: Opportunities and Challenges for the National Network.”

During today’s hearing, members of this subcommittee will examine passenger rail systems in the United States, particularly those outside the Northeast Corridor. I want to thank Senator Wicker for requesting today’s hearing on this important matter.

I am pleased to see that we have a strong panel representing local and national passenger rail experts from across the country. In particular, I want to recognize Mr. Joe Boardman, Amtrak’s President and CEO, who will be retiring on September 30 of this year. Mr. Boardman served as New York’s Commissioner of Transportation, as well as the Federal Railroad Administrator before becoming the CEO of Amtrak. We appreciate his service and commitment to advancing freight and passenger rail policy in this country. Thank you, sir.

Last fall, I had the opportunity to join Mr. Boardman on the Acela train from Washington to Baltimore. Sitting in the front locomotive provided an in-depth look at the operations of our Nation’s passenger rail system. I enjoyed the experience, and it was particularly informative to witness an engineer in action at a time when Amtrak is seeking to implement Positive Train Control in the Northeast Corridor.

Although passenger rail is important to the Northeast Corridor, Amtrak's management of rail networks throughout the Nation deserves our attention as well.

I appreciate that our freight railroads, such as Union Pacific and Burlington Northern Santa Fe, generously work with Amtrak to coordinate and ensure movement of passenger rail service on their rail infrastructure networks throughout the country.

My home state of Nebraska hosts the California Zephyr line, with stops in Hastings, Holdrege, Lincoln, McCook, and Omaha. This line provides service to Chicago, Denver, Salt Lake City, and San Francisco. According to Amtrak, in Fiscal Year 2015, total station usage in Nebraska amounted to over 53,000 people.

Although Amtrak has made progress over the last several years, there are still some serious challenges facing the operation of Amtrak's assets and resources. A January 2016 report from the Government Accountability Office found that Amtrak does not consistently report financial data across its business lines. This is hindering Amtrak's ability to demonstrate performance accurately. For example, the report found that Amtrak's Miami terminal was billed for snow-shoveling costs incurred elsewhere on Amtrak's system. GAO noted that this may lead to a misallocation of resources.

Additionally, Amtrak is looking at cutting its operating costs by nearly 4 percent. Revenue has been lost due to competition from other modes of transportation, lower gas prices, and weather-related incidents. As many here know, Amtrak faced a \$307 million operating loss in Fiscal Year 2015.

Without the adequate data and asset management, it is going to be difficult for Amtrak to address these challenges. I continue to be a strong proponent of performance-based outcomes in regulations and organizational management. I hope that Amtrak will work to implement a performance-based framework, informed by past data, to address financial and operational challenges.

I look forward to hearing more from our witnesses as we discuss how to strengthen our Nation's important passenger rail network during today's hearing.

Senator FISCHER. And now, I would now like to invite my Ranking Member, Senator Booker, to offer his opening remarks.

**STATEMENT OF HON. CORY BOOKER,
U.S. SENATOR FROM NEW JERSEY**

Senator BOOKER. Thank you very much. I am really grateful for Chairman Fischer for hosting this and for Roger Wicker for working to make this possible.

This is an important hearing, and the need for a robust nationwide passenger rail network is critical to our economy.

Like Chairwoman Fischer, I want to take the opportunity to thank Mr. Joe Boardman for all he has done for Amtrak. Mr. Boardman announced that he will retire from his position as CEO in September after nearly 8 years of service. During his tenure, he has worked tirelessly to improve passenger rail service in the United States, and I am personally grateful for his work and contributions.

We saw record-setting growth in Amtrak ridership, improved relationships with Amtrak's workforce, and unmatched passion and

commitment to ensuring nationwide passenger rail service. I applaud your commitment to serving in such an important and demanding role and congratulate you on your retirement. I imagine you may want to go back to New York, but I think that New Jersey will have you if you want to go.

Amtrak connects hundreds of U.S. cities and towns and carries more than 30 million passengers each year. Amtrak provides a critical transportation option for underserved populations at a time when other modes are leaving rural areas. According to the Department of Transportation, an estimated 3.5 million rural residents lost intercity transportation access between 2005 and 2010 due to the contraction of intercity bus and air services in rural areas in recent years.

Amtrak is also an economic generator for many communities, as I understand very intimately living in the Northeast Corridor. Trains on this line carry 750,000 passengers each day and move a workforce that contributes \$50 billion annual to the Nation's GDP.

Despite the importance of the corridor, the age and deteriorating conditions of this infrastructure threatens the sustainability of Amtrak's operating success and the future of the Nation's passenger rail network. Nowhere is the crisis more pressing than in the state of New Jersey where the 105-year-old Hudson River tunnels, badly damaged by Hurricane Sandy, must either be replaced or shut down sometime over the next two decades, which would create an Armageddon of traffic, congestion, and economic problems. In addition to this, we must replace the Portal Bridge, a two-track, 100-plus-year-old bridge that carries 450 trains each day between Newark and New York Penn Station.

Shutting down the tunnels is a risk we just cannot afford. That is why I have worked with Governor Christie, Governor Cuomo, and Senators Schumer and Menendez to jumpstart this project and establish a new development corporation to oversee the Gateway Project.

Through this committee's hard work on the FAST Act last year, we have begun to take on the challenge of bringing the Northeast Corridor toward a state of good repair and make important reforms and investments in that national network. And I really want to thank Senator Wicker for his leadership in this. He and I came together last year to introduce and pass a comprehensive passenger rail reauthorization as part of the FAST Act that balances these needs.

Despite being from very different parts of the country, even though people look at Senator Wicker and me and think we are the same person we look so much alike, we both recognize the importance of rail service to our states and the benefits of nationwide service. If he shaved his head, we would be twins. We worked hard to ensure that both the Northeast Corridor and the national network can prosper, but this requires funding.

I look forward to hearing from our witnesses and these and other issues that the Committee should consider as we work to improve passenger rail service in the United States. Thank you.

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

Senator WICKER. Thank you, Senator Booker, and I appreciate your remarks. And it was a pleasure and an honor to work with you on the FAST Act.

Here is the agenda as I would propose it. Senator Peters will introduce a guest. Senator Gardner will then introduce a guest. And then Senator Nelson will be recognized for some opening remarks, and then we will hear from the panel.

Senator Peters?

**STATEMENT OF HON. GARY PETERS,
U.S. SENATOR FROM MICHIGAN**

Senator PETERS. Thank you, Senator Wicker.

I would like to thank Senator Fischer and Senator Booker for inviting me here today to welcome Mr. Tim Hoeffner, the Director of the Michigan Department of Transportation Office of Rail and the Chairman of the Midwest Interstate Passenger Rail Commission.

Mr. Hoeffner, I want to start, first off, by just thanking you for more than 35 years of service to the State of Michigan. I know the State and the Midwest region has benefited significantly from your wealth of knowledge and experience. And I am glad you could be here today to share your wisdom and highlight the important complementary work of current State, regional, and Federal efforts to advance intercity high-speed rail.

I was pleased to read in your prepared testimony about the work of the nine-State Midwest Regional Rail Initiative and particularly the soon-to-be-completed Chicago-Detroit/Pontiac Passenger Rail Corridor Program, which will provide FRA with the information it needs to eventually support a future decision to fund and implement a major investment of this route.

Personally, I just cannot wait until the day comes when Michiganders will be able to travel from Chicago at 110 miles per hour, which will cut the current five hour and thirty-eight minute trip by nearly two hours and have about 10 daily trips do that as well. That is going to be an exciting time and will be transformative for our region when that occurs.

High-speed rail can do wonders, we know, for our local, State, and regional economic competitiveness, and I for one am committed to make sure that the Federal Government continues to make sustained and reliable capital investments in passenger rail.

Thank you again, Mr. Hoeffner, for your testimony today, and more importantly, for your tireless and valuable work that you do for us each and every day.

Senator WICKER. Thank you, Senator Peters.

Senator Gardner?

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

Senator GARDNER. Thank you, Mr. Chairman. And to Senator Booker I would just point out the great book placement at DIA in terms of the bookstore with United right there. The picture of you is much better than Wicker would be on the cover of that, so I mean, I am just going to say that.

I want to thank Rick Klein and all of the witnesses today for joining us on this panel to discuss the importance of rail, passenger rail, high-speed rail, and many other significant issues before us.

To Rick Klein from Colorado, City Manager for the City of La Junta, welcome to the Committee, welcome to the Senate, and it is great to have you here, served as City Manager for more than 16 years, La Junta City Manager. And of course the alma mater you and I share together, Colorado State University, the best school in the State of Colorado.

Rick's leadership in La Junta has shown great gains. If you look at the job growth in La Junta, it is about 2.6 percent, which surpasses the national average of job growth in La Junta compared to the rest of the country. According to the La Junta Economic Development Office, manufacturers in this small rural southeastern Colorado town has added about 16 percent to the workforce in the past 12 months. So we have seen a manufacturing renaissance revitalization that we need to continue to work on in La Junta.

But part of that, of course, is the instrumental role that you have played in the Southwest Chief in southeastern Colorado. And so we hope those passengers from Chicago will find their way down from Michigan, Chicago, over to southeastern Colorado through the southwestern part of the United States and making sure that we keep the southwest rail vibrant and vital through southeast Colorado.

Running from Chicago to Los Angeles with three Colorado stops, the line is essential to keeping those rural communities on the map. And when a proposal to reroute the line out of Colorado was brought forward due to rising track repair costs, small communities in Colorado, Kansas, and New Mexico began diligently working together, thanks to Rick and his colleagues from across all three States, to find a solution.

They faced the daunting prospect of \$200 million for the necessary repairs involved, and everyone knew it would be a very difficult, uphill climb, but the efforts from Rick so far in the city have been rewarded. Over the past 2 years, more than \$25 million has been awarded to the project by the Department of Transportation, and I have been proud to work along with my colleagues from Colorado in the Congressional Delegation to support those grant efforts.

You know, one of the most compelling parts of Mr. Klein's testimony today will be the part where he talks about how there are three stops in Colorado, the Southwest Chief, and yet communities with no Amtrak stop provided grant-matching dollars to make sure that this service was still provided. And I think that is testament to the strength and the vitality of the region and the need that they recognize a healthy Southwest Chief.

So thanks, Rick. Welcome to the Committee. And to all of you, thank you for being here.

Senator WICKER. Thank you very much, Senator Gardner.

Of course, it is my pleasure to introduce a fellow Mississippian. Knox Ross is an experienced and knowledgeable public servant who has worked on behalf of our state for a number of years in a number of capacities. I had the chance to spend some time with Mayor Ross last week during the inspection trip evaluating the restoration of passenger rail along the gulf coast. In a few moments, I am

going to ask unanimous consent to show a short video from this event.

As Secretary-Treasurer of the Southern Rail Commission, Knox Ross understands the potential for rail to transform an area. The Southern Rail Commission works to promote public safety, economic growth, and emergency preparedness along our rail corridors.

Knox is also the Mayor of Pelahatchie, Mississippi. For those of you who have not heard of Pelahatchie or been there, it is near our State capital of Mississippi in Rankin County. It has a population of roughly 1,400. Pelahatchie is the birthplace of blues performer Rubin Lacey and is part of the famous Mississippi Blues Trail. The town also draws thousands of people every year for its Muscadine Jubilee. During Knox Ross's 15 years as Mayor, the town has undergone substantial economic growth and been recognized with numerous State and regional awards.

In addition to serving as mayor, Knox has more than two decades of accounting experience. We are going to need that in this capacity, Mayor Ross, and most of that time spent running his own firm. He has received a Public Service Award from the Mississippi Society of CPAs, served as president of the Central Mississippi Planning and Development District, and served as president of the Mississippi Municipal League. So we are grateful to have Knox Ross sharing his expertise with us.

And then also it is a pleasure to introduce Joseph Boardman, President and Chief Executive Officer of Amtrak. He served with distinction and we are sorry to see him retire early this fall. All panel members are familiar with his credentials, and Senator Fischer has already pointed out a great deal of them. So we are happy to have all four of these witnesses.

I am going to now ask Senator Nelson to give us some opening remarks, and then without objection, we will see the short video.

**STATEMENT OF HON. BILL NELSON,
U.S. SENATOR FROM FLORIDA**

Senator NELSON. I just wanted to point out that Joe Boardman's public service started in 1966 in the Air Force in Vietnam, and he has been a public servant ever since at all levels of government. So we commend you for your service.

The passenger railroad service has obviously played a critical role, and it should even play a more critical role in moving people from point A to point B in the future. This national network of routes, of which many have very low ridership, has connected rural areas, as well as big cities, and has been safe and has been efficient in 46 states. Today's ridership is stronger than it has been with 19 million passengers using the long-distance and state routes. As we urbanize, that ought to increase all the more because it becomes the preferable mode of transportation.

We see that in Florida. For example, one of your most successful routes is the Auto Train. And some of the old names that you remember, the Palmetto, the Silver Service, the Orange Blossom Special, they are legendary.

So I am very happy that the full committee included Amtrak's 5-year authorization in the broader transportation surface bill that

we passed last year. As part of that law, we are also taking a close look at the options to restore and expand service in other parts of the country, including the gulf coast passenger rail service that was disrupted years ago by Hurricane Katrina. That is the route that would connect New Orleans to Tallahassee to Jacksonville and Orlando. Just last week you had one of those trains travel that route for the first time since 2005 to assess the rail line and gauge the interest in restoring passenger traffic.

So thank you, Mr. Boardman. Thank you, Mr. Chairman.

Senator WICKER. Well, thank you, Senator Nelson.

I was on that train ride—

Senator NELSON. Oh, you were?

Senator WICKER.—along with—I went from New Orleans to Pascagoula, and Corrine Brown began with us and I think she went all the way to Jacksonville.

Senator NELSON. Well, I tried to get on it, but Amtrak is so precise on the time. If I flew from Orlando to Pensacola, I could get to the train station in downtown Pensacola at 9:31, but the train departed at 9:30. And so that is commendations to Amtrak.

Mr. BOARDMAN. We would have waited for you, Senator.

Mr. ROSS. Well, we left Congresswoman Brown in Pensacola.

[Laughter.]

Senator WICKER. OK. Well, without objection, let us see the video about this famous train ride. So if our technicians could do that, then we will hear testimony.

[Video presentation.]

Senator WICKER. Now, let us hear from our distinguished panel. And we will begin with Mayor Ross.

**STATEMENT OF KNOX W. ROSS, SECRETARY-TREASURER,
SOUTHERN RAIL COMMISSION; AND MAYOR
OF PELAHATCHIE, MISSISSIPPI**

Mr. ROSS. Thank you.

Senator WICKER. Thank you very much, sir.

Mr. ROSS. Well, let us see here. Here we go. No, here we go.

Thank you, Senator. Thank you, Senator Booker. I want to thank Senator Booker for Wicker-Booker on behalf of the cities of Mississippi. We appreciate you very much. You have a fine reputation there because of that.

Senator BOOKER. Thank you very much.

Mr. ROSS. Thank you.

Senator WICKER. Thank you.

Mr. ROSS. Thank you for the opportunity to discuss the state of passenger rail in the South and the work you did to make this possible through the FAST Act. The provisions you put in the FAST Act allowed us to do this, allowed us to do the Gulf Coast Working Group, and we do appreciate that very much.

I represent the Southern Rail Commission. The commission was formed by your colleagues in 1982 to be your eyes and ears for passenger rail in Mississippi, Alabama, and Louisiana. Myself and my fellow commissioners are appointed by our Governors, and it is our duty to come back and report to you on what we have found.

The success of our states is tied to a comprehensive transportation system that serves all our citizens. The opportunity for our

local communities to succeed depends on our ability as citizens to be able to move. As our commission has visited communities across the gulf south, we have found that the transportation options available to our citizens are becoming more limited and costly, especially outside the megacities such as Dallas and Atlanta. It is like they say, if you are going to go to Heaven, you have got to go through Atlanta.

And this is not limited to our part of the country. We have it all over the country. You have all over small and medium-sized cities are losing transportation options, losing flight service, losing bus service. We talk to mayors in places such as Tallahassee and Shreveport, and they told us their struggle is to compete because of limited and expensive air travel and no alternative options.

Out of this issue came the Gulf Coast Working Group that you all put together. I want to thank you all for doing that. We have been asked to determine the best way to reestablish the passenger service on the coast, and we are working with local leaders, the leadership of the FRA, and the host railroad CSX. And we have begun our work and we are well on our way to giving you a report within the 9-month timeframe.

As you saw, we recently completed the inspection train. I now know what it feels like to be a rock star with Senator Wicker. We went from New Orleans to Jacksonville, and I want to thank Mr. Boardman, the CSX for all the work they did to get that done.

We saw an amazing outpouring of support in every city, even in Live Oak, Florida, where they want a stop. They do not have a stop. They had more people there in that little town than most of the larger cities. It was amazing. They just want an opportunity. That is what this was all about. Every city turned out. They want an opportunity, and that is what they are looking for. They are looking for handout, they are looking for a hand up, and they see Amtrak service as that opportunity.

We will continue our work on the gulf coast. We are also looking at train service on the I-20 corridor from Meridian, Mississippi, to Fort Worth, Texas, and we are also working on multi-departure service between New Orleans and Baton Rouge in Louisiana. And we are gearing toward connecting our small cities to our larger ones, again, giving these cities the opportunity to compete.

As we continue our work, the support of the national rail passenger system is critical. You saw on our video the public support that is there. And that is why Amtrak was formed, to support the national rail system. And this support that you saw along this rail line cannot only be leveraged for support of the national system, but can be leveraged for support of the issues you have, the Hudson tunnels, the things that have to be done on the Northeast Corridor. Those people can encourage their Senators like Senator Wicker to support you. And they can be your party. You can use them to leverage issues of national importance.

We also need you to support an Amtrak board that reflects our country, that not just the Northeast Corridor but everywhere, people that understand that all of our system is a part of a national system that is willing to back your issues in New Jersey and New York and also our issues in the gulf south and in the west.

We also need a President of Amtrak that is willing to do that. Mr. Boardman has stepped forward and has helped us, but he is soon to leave, as you pointed out. We need your support in making sure that the next President of Amtrak understands that there is a national system.

We also appreciate the provisions you put in the FAST Act, and we ask that you support the appropriation of money to CRISI and to the restoration and enhancement grants and the other provisions that can help us get these trains started.

I think all the cities along this route see the economic development potential of the train. We invested in the national interstate system years ago and saw tremendous economic development from that. Now, we are having to put more money than ever into it with a diminishing return as we add lanes. A very modest investment in passenger trains across this country can create large economic development opportunities to all these cities on a scale of that. And it is very important to these people. And they just want to compete. They just want to prosper.

But one thing I hope you saw on that film, that film you saw, black, white, young, old, Republican, Democratic, this is a bipartisan issue that we can all back and we all can agree on. And it is an issue that can bring our country together in a time that we need to.

And I thank you all so much for your time and your invitation, and I look forward to working with you to get these things done. [The prepared statement of Mr. Ross follows:]

PREPARED STATEMENT OF HON. KNOX W. ROSS, SECRETARY-TREASURER, SOUTHERN RAIL COMMISSION AND MAYOR, CITY OF PELAHATCHIE, MISSISSIPPI

Chairman Fischer, Ranking Member Booker, Senator Wicker and members of the Surface Transportation and Merchant Marine Infrastructure, Safety and Security Subcommittee, thank you for the opportunity to appear before you today to discuss issues important to the Nation's passenger rail system.

The people of the South also owe this committee a huge thank you for your efforts to include a great passenger rail title in the FAST Act for the first time in our history!

I am Knox Ross, the Mayor of the City of Pelahatchie, MS. More important, I'm here today as an appointed commissioner to the Southern Rail Commission—a tri-state interstate rail compact established by the U.S. Congress in 1982 for the states of Alabama, Mississippi and Louisiana.

I didn't get appointed by the Mississippi Governor to the Southern Rail Commission so I could get a station for my town; I don't have service today and I'm not going to get a station. We are 20 miles to the east of Jackson Union Station and I wholeheartedly support my colleague Mayor Tony Yarber in his efforts to redevelop that station and its surrounding area.

I am a commissioner because I understand that the success of our town is directly tied to the prosperity of the region. And for my region to prosper, we must have a transportation system that provides options for residents to connect to opportunity in our region and beyond. Sadly, because of the loss of essential air service for some and the imminent threat of loss of service for others, our options are getting increasingly limited. But that doesn't have to be. Passenger rail service is an option that help us grow our economy by attracting and retaining talent, bringing new tourists in to visit, and connecting our residents to jobs and opportunity.

What I just highlighted is not all too different than the conditions facing my colleagues in Colorado, Michigan, Missouri, Wisconsin, Kansas, Montana, Nebraska, Minnesota, West Virginia, and many other states.

When you created the Southern Rail Commission 30 years ago, you charged us to be your eyes and ears for the needs of the South. Well, I'm here to report back that the needs are real in the South and we are ready for your help.

Last week, thanks to the leadership of Senators Wicker, Cochran, Nelson, and Representative Corrine Brown, we kicked off the Gulf the Coast Passenger Rail Working Group to develop the best, most efficient, most fiscally responsible solution for restoring passenger rail service to the Gulf Coast—service that was lost more than a decade ago because of Hurricane Katrina. I want to let you know that, with the leadership from FRA Administrator Feinberg and her team, and cooperation of members from the states of Florida, Alabama, Mississippi and Louisiana, and CSX, we are going to deliver a report in September that I am confident you will be proud of.

Last week, with the support of our good friend President Boardman and his amazing team at Amtrak and CSX, we hosted an inspection train along the Gulf Coast from New Orleans to Jacksonville. I wish you all could have been on the train with us to see the genuine, patriotic excitement for passenger rail service on this route in communities all along the coast—some of which were devastated by Hurricane Katrina and still fighting hard to bounce back. Each stop had hundreds, if not thousands of people cheering and asking when they will get to board the train.

Unfortunately, we still have work to do to secure the funding through appropriations, but the experience witnessed by our commission, the mayors, and the governors of these states showed us that failure is not an option.

The region is set to grow by 10 million people over the coming years and we need options to connect our people to opportunity, increase economic prosperity and support our thriving and culturally rich communities. And we need ways to bring more tourists to our beautiful coast and spend their money.

We also need to think bigger than just restoring service to the Gulf.

We are also committed to starting service connecting Baton Rouge to New Orleans, providing access to the New Orleans airport, and connecting the two largest cities in the Pelican State with another travel option to the congested I—10 corridor.

Another corridor that needs a similar option is Interstate 20. We are also dedicated to connecting the mega regions of Atlanta and Dallas-Ft Worth through Meridian, Jackson, and Vicksburg, Mississippi, and Northern Louisiana. I would like to submit for the record a letter of support sent by 20 mayors and civic leaders in that corridor to the governors of Alabama, Mississippi, Louisiana, and Texas asking for their commitment to this project as well.

The Southern Rail Commission is doing your bidding as asked. And now I'm here to ask for your help so we can make this vision a reality.

First, and most important, we must never lose sight of the importance of the national passenger railroad system. The passenger rail title arbitrarily separates the Northeast Corridor's appropriations from the rest of the country. The Northeast Corridor is indeed incredibly important, and our commission will work with anyone in the Northeast to improve this economic engine. However, prioritizing the Northeast over the rest of the country is not fair to our states that have subsidized the Northeast system, and sends the wrong signal to the thousands of southern citizens—young and old—that came out last week on a work day to support restoring passenger rail service in the Gulf.

Second, we must ensure that this fact is well understood by the Amtrak Board of Directors. Joe Boardman is set to retire this fall. Joe has been a great friend for the national passenger rail system, including in the South, and we're grateful to him for his dedication and support. It's vitally important that the Amtrak Board of Directors find a qualified successor able to continue Joe's efforts. A criterion must include a deep understanding of and support for all three of Amtrak's lines of service—state—supported, long—distance, and the Northeast Corridor.

Third, Amtrak's Board of Directors should be diverse in geographic representation. The current Board's makeup is heavily weighted to favor the Northeast. I call upon you to provide the South due representation on the Board of Directors with the additional position made available by the FAST Act.

Fourth, our states, local governments, and businesses are ready to do their part and invest in our passenger rail system. However, we need your help to ensure the Federal government is a partner in this effort. This means we need to support dedicated passenger rail funding for Amtrak, and fund the two discretionary grant programs created by this Committee in the FAST Act.

The Consolidated Rail Infrastructure and Safety Improvements program is the most diverse and geographically accessible program we can fund. This program funds everything from positive train control to capital construction to planning and research, and it's available to all states. Congress has not made dedicated passenger rail capital funding available to our states since 2010. We are past due for Congress to partner with us to implement the state rail plans that are required by this legislative body.

The Restoration and Enhancement Grants program is a prudent investment as well. This program provides operating assistance for up to six new, reestablished or expanded passenger rail services.

No transportation system in America is self-sustaining. Let us look no farther than the highway and transit programs to highlight this fact. Prior to the FAST Act, the Highway Trust Fund needed nearly \$75 billion from 2008 to 2015 to stave off insolvency. The FAST Act transferred another \$70 billion from 2016 to 2020.

In 2008, Congress required all services under 750 miles to pay 100 percent of its cost. We don't require this for highways or transit, and I don't think we should require that for passenger rail either. The Restoration and Enhancement Grants program provides fiscally responsible operating assistance: up to 80 percent operating assistance in year one, 60 percent in year two, and 40 percent in year three. The service will have to pay 100 percent of its cost in year four, but this program provides new and reestablished service training wheels per se to help it build ridership and farebox receipts before its left to its own devices.

Conclusion

Thank you for the opportunity to testify and answer your questions today. I need to once again thank my Senator, Senator Wicker. He is a true leader and partner for our commission, and we wouldn't be where we are today in terms of serious progress for our rail vision without his support. This thank you extends to his staff, and to the bipartisan work of the Commerce Committee staff.

We look forward to working with this Subcommittee to achieve our vision and support your efforts to provide a passenger rail system that improves our economies and provides the necessary options for us to compete for jobs and attract talent. I will be happy to respond to your questions.

Senator WICKER. Thank you, Mayor Ross.

Mr. Hoeffner, are we pronouncing that correctly?

Mr. HOFFNER. Yes, you are.

Senator WICKER. You are welcome, and proceed in your own fashion. Thank you, sir.

STATEMENT OF TIMOTHY H. HOFFNER, CHAIR, MIDWEST INTERSTATE PASSENGER RAIL COMMISSION; AND DIRECTOR, OFFICE OF RAIL, MICHIGAN DEPARTMENT OF TRANSPORTATION

Mr. HOFFNER. Thank you, Chairman and members of the Committee. I really appreciate this opportunity. And I would like to thank Senator Peters for his graceful words.

I am the Chair of the Midwest Interstate Passenger Rail Commission. It is a compact. We have nine State members that was created in 2000. We have Indiana, Illinois, Michigan, Missouri, Minnesota, North Dakota, and Wisconsin. And basically, what we do is we are appointed by the Governor or the Governor's designee and legislators.

So our sister companion to that is the technical folks from the DOT, the MWRRI, where we have worked on a 3,000 mile system starting 1996.

I really want to thank the Subcommittee and the Committee for all their work on the rail title in the FAST Act. I mean, that is absolutely critical for the states working in these passenger rail activities because for once we—you know, having a title in the transportation authorization is in our minds a game-changer.

I would like to talk a little bit about Michigan service for a minute. We have three Amtrak services in Michigan: the *Pere Marquette* between Grand Rapids and Chicago; the *Blue Water* between Port Huron and Chicago; and the *Wolverine*, which is the spine of our system, between Pontiac, Detroit, and Chicago. All of these systems are sponsored by the State of Michigan. But for the State of

Michigan paying Amtrak for this service, the State of Michigan would have no intercity passenger rail.

With the implementation of section 209 of PRIIA, we lost our basic system service. The *Wolverine* was previously a basic system service. Our operating payments to Amtrak were \$8 million prior to that, and they went to \$25 million after the implementation of that.

What we have been doing is working with Amtrak and the Federal Railroad Administration and local communities to take and try and reduce the cost and increase the ridership and revenue. We have the largest ownership of Amtrak outside the Northeast Corridor in Michigan and northern Indiana. They own 97 miles between Kalamazoo, Michigan, and Porter, Indiana. The State of Michigan, with a grant from the FRA, purchased 135 miles east of that, and we are in the process of upgrading it similarly to what Amtrak and MDOT have done on Amtrak's ownership where trains are currently operating at 110 miles an hour since February 15, 2012.

Moving on now to more of the regional perspective, we have a long history in the Midwest of working together not only through MIPRC and the MWRRI but on projects, as Senator Peters mentioned, the programmatic EIS service development for the corridor. But that is not just to benefit Michigan. Indiana and Illinois are our partners, and in fact, most of the major construction will actually occur in Indiana and Illinois and what we call the South of the Lake.

That is consistent with the CREATE project that has been looking at improving congestion, eliminating congestion in Chicago, and it is consistent with Mr. Boardman's Blue Ribbon Panel recommendation. And the CREATE flyover, Englewood flyover is a critical piece on that.

The states are working together in the Midwest on an equipment procurement to replace the Amtrak fleet. And we are also looking forward to kicking off the FRA-led Midwest planning.

Now, I would like to step out a little bit more from a larger State perspective. There is a synergy between the long-distance trains and the regional trains that the states sponsor. The intercity trains we see kind of interconnecting the regions where we have the higher level of regional service, but there are some things that need to be added to this. We would love to have a direct connection, as an example, from Michigan to the Northeast Corridor without having to go west through Chicago. That could be done by rerouting a long-distance train or making a connection.

Canada is our largest trading partner. One-third of all the trade with Canada comes across a Michigan border. We cooperate with the province of Ontario as closely if not closer than we actually do Wisconsin, Indiana, and Illinois. So international connections as well as the regional connections are important.

One key issue is, though, that since the introduction of section 209 of the PRIIA Act, there are 30 State-sponsored services of Amtrak today serving over 300 communities and nearly 15 million riders. Roughly half of every rider on Amtrak is on a State-sponsored train, a train which the state is paying for. What does that really mean? That means about \$500 million in ticket revenue and about

another \$250 million in State payments to Amtrak to operate these. The states take and provide Amtrak about \$750 million.

And I would like to follow up on what the Honorable Mr. Ross said earlier about the representation on the Board because it really is important to have a broad makeup on that and one that would represent everyone, including the states.

So again, I would like to thank you for your work on the FAST Act and also furthering that and looking at the funding. Thank you very much.

[The prepared statement of Mr. Hoeffner follows:]

PREPARED STATEMENT OF TIMOTHY H. HOEFFNER, CHAIR, MIDWEST INTERSTATE PASSENGER RAIL COMMISSION; AND DIRECTOR, OFFICE OF RAIL, MICHIGAN DEPARTMENT OF TRANSPORTATION

Mr. Chairman and members of the Committee, thank you for the opportunity to testify at this hearing.

My name is Tim Hoeffner and I am the Director of the Office of Rail for the Michigan Department of Transportation (MDOT). I have been at MDOT for more than 35 years, with nearly 25 years of experience in rail. For 22 of those years, I have been involved in MDOT's relationship with Amtrak. In addition, I serve as Governor Snyder's designee to the *Midwest Interstate Passenger Rail Commission (MIPRC)*, where I am in my third term as Chairman. MIPRC is comprised of state legislators, governors or their designees, and private sector representatives selected by governors. We represent nine Midwestern states—Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, and Wisconsin—to promote, coordinate, and support regional improvements to passenger rail service. I have also served on the *Midwest Regional Rail Initiative (MWRRI)* since its inception. The MWRRI is a technical effort led by the state DOTs to develop and implement a nine-state, 3,000-mile intercity passenger rail network with Chicago as its hub. I am also a member of the State for Passenger Rail Committee (SPRC) and the Next Generation Equipment Committee (NGEC).

First, I would like to thank the members of this subcommittee and the Committee on Commerce, Science, and Transportation for including a rail title for the first time in a transportation funding authorization. The Fixing America's Surface Transportation (FAST) Act programs that address safety, capital and operations are critical for the states, as well as funding for the State-Supported Route Advisory Committee. These all have laid the groundwork for the development of a truly multi-modal transportation system in our Nation. We must now take steps to ensure the programs outlined in the FAST Act are funded.

Since 1996, the Midwestern states have worked together to plan and implement a 3,000-mile Chicago-hub system to connect the region with fast, frequent passenger rail service through the MWRRI. When completed, approximately 90 percent of the Midwest's population will be within a one-hour car ride to a Midwest Regional Rail System station and/or within 30 minutes of a feeder bus station. Please see Exhibit A for a map of the Midwest Regional Rail System.

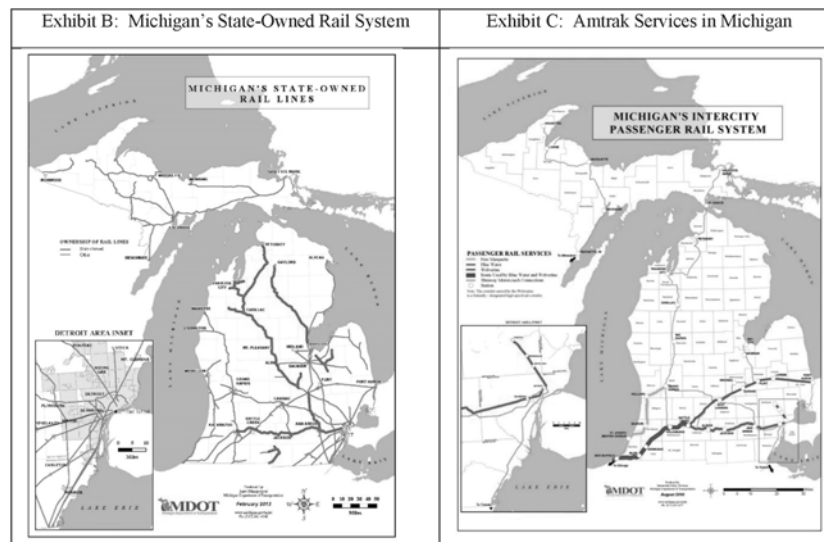
Exhibit A: Midwest Regional Rail Initiative System Map



*Indiana DOT is evaluating additional passenger rail service to South Bend and to Louisville.
 **In Missouri, current restrictions limit train speeds to 79 mph.

Michigan's rail system is comprised of more than 3,600 miles of track, of which 665 miles are state-owned rail lines. This includes 135 miles of the federally designated Chicago-Detroit/Pontiac high-speed rail corridor. In addition, Amtrak owns approximately 97 miles of this same corridor in Indiana and Michigan. This is largest area of Amtrak ownership not associated with the Northeast Corridor. This combined 232 miles of public ownership represents nearly 80 percent of the entire Chicago-Detroit/Pontiac corridor.

Please see Exhibit B for a map of the state-owned rail lines and Exhibit C for a map of Michigan's intercity passenger rail system, as operated by Amtrak.



In partnership with MDOT, the Indiana Department of Transportation (INDOT), the Illinois Department of Transportation (IDOT), and the Federal Railroad Administration (FRA) have initiated a program to evaluate passenger rail improvements

for the Chicago-Detroit/Pontiac passenger rail corridor. The program includes three components:

- An evaluation of potential route and service alternatives for the corridor.
- A Tier 1 Environmental Impact Statement that reviews the impacts and benefits of the rail service.
- A Service Development Plan that will serve as a business plan for future implementation decisions.

The program's purpose is to improve intercity mobility by providing an improved passenger rail service that would be a competitive transportation alternative to automobile, bus, and air service between Chicago and Detroit/Pontiac. The vision for the corridor includes safe and reliable passenger rail service that offers frequent, daily round trips at speeds up to 110 miles per hour. The program will provide sufficient information for FRA to potentially support future decisions to fund and implement a major investment in the Chicago-Detroit/Pontiac passenger rail corridor.

Being developed in concert with the Chicago Regional Environmental and Transportation Efficiency (CREATE) program, the Englewood Flyover and other proposed projects, this program will increase efficiency in the region's rail network and reduce rail corridor congestion in and around the Chicago area. Michigan has been working very closely with Indiana and Illinois to develop plans in the south of the lake region key to both CREATE and the Detroit/Pontiac Rail Corridor Program.

Preparation of the Final Environmental Impact Statement and Service Development Plan are under way and expected to be complete in 2016. Please see Exhibit D for a map of the study area.

Exhibit D: Chicago-Detroit/Pontiac Passenger Rail Corridor Program



Exhibit E portrays the ownership of rail along the Chicago-Detroit/Pontiac corridor. Since 1995, FRA, Amtrak and MDOT have tested, developed and implemented Incremental Train Control System (ITCS), which is a communications-based Positive Train Control (PTC) system to allow trains to travel at speeds more than 90 mph, between Porter, Indiana, and Kalamazoo, Michigan. Trains have been traveling at 110 mph on this segment since February 2012. This was the first place not connected to the Northeast Corridor to operate at 110 mph.

Track improvements are under way between Kalamazoo and Dearborn to allow trains to travel at speeds of up to 110 mph, which will extend higher speeds from Porter, Indiana, to Dearborn. This will allow travel time by train to be competitive with travel on the highway in the region.

Exhibit E: Ownership of Rail, Chicago-Detroit/Pontiac



MDOT has contracted with Amtrak for intercity passenger rail service since 1973. Michigan has continued (Chicago-Detroit/Pontiac) this relationship over the years, even as the financial burden to the state has greatly increased. There are three Amtrak-operated services in Michigan: the *Pere Marquette* service (Grand Rapids—Chicago), the *Blue Water* service (Port Huron—Chicago), and the *Wolverine* service (Pontiac—Detroit—Chicago). These services are summarized below:

- *Pere Marquette* service (Grand Rapids—Chicago)
 - 176 Miles
 - One round trip daily
 - Serving 4 station communities in Michigan
- *Blue Water* service (Port Huron—Chicago)
 - 319 Miles
 - One round trip daily
 - Serving nine station communities in Michigan
- *Wolverine* service (Pontiac—Detroit—Chicago)
 - 304 miles
 - Three round trips daily
 - Serving 12 station communities in Michigan

The *Pere Marquette* and *Blue Water* have always been state-supported services. The *Wolverine* was part of Amtrak's basic system of service, but became state-supported with the implementation of Section 209 under the Passenger Rail Investment and Improvement Act (PRIIA) of 2008. Michigan is now one of only a few states that has no benefit from Amtrak long distance service, or the basic system of service.

Without state support for Amtrak services, there would be no intercity passenger rail service in Michigan. With the implementation of PRIIA, Michigan's operating support went from \$8 million in 2013 to upwards of \$25 million in 2014. In addition, the State of Michigan has made more than \$1.1 billion in capital investments in the Amtrak-operated rail corridors over the last 40 years. More than \$129 million of these capital investments have come from state dollars, as well as more than \$18 million from local or private funds with the remaining \$956 million from Federal dollars.

The following are Exhibits F and G, which summarize the annual ridership and revenue for the three Amtrak services in Michigan from 2008 to 2015. While Michigan's revenue numbers are maintaining steady levels, fuel prices have impacted Michigan's ridership, which is consistent with Amtrak services nationwide.

Exhibit F: Michigan Statewide Intercity Passenger Rail Service - Ridership

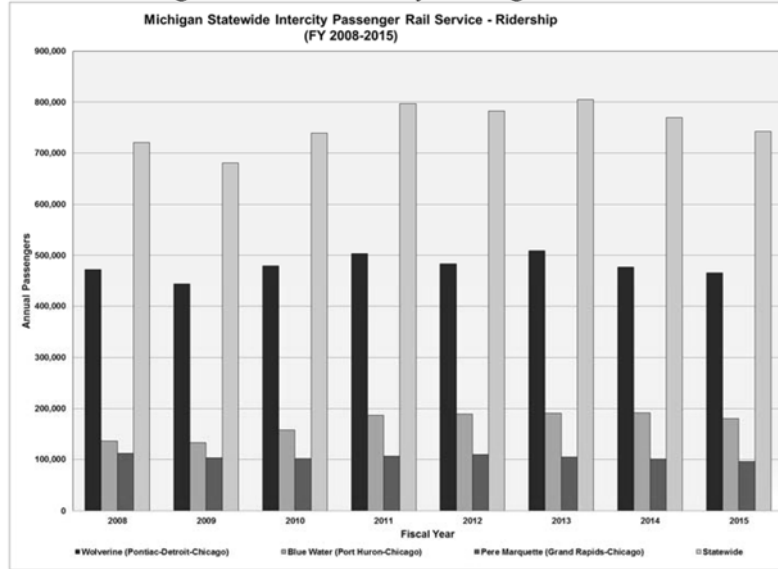
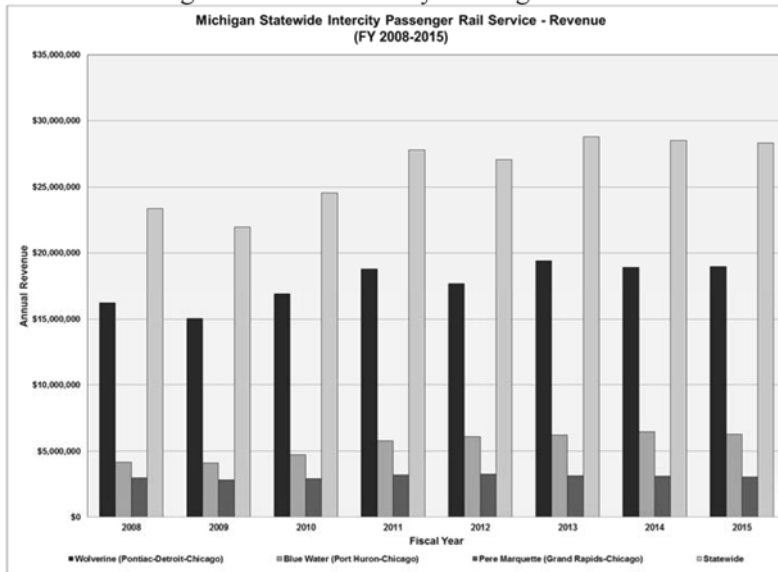


Exhibit G: Michigan Statewide Intercity Passenger Rail Service – Revenue



In July 2015, the Midwest was chosen as one of two regions that FRA will partner with to develop a long-term (20–40 years) vision for a high-performance regional rail network. The Midwest’s FRA-led planning project will determine the priorities, studies and investment needs to advance projects within the multi-state network context and also will identify the potential institutional arrangements, financial requirements, phasing, planning, and development activities needed to achieve the vision.

During Fiscal Year (FY) 2015, more than 2.8 million people traveled on corridor services within the Midwest, capping off 10 years of impressive growth on these regional, state-supported routes. During the past 10 years, ridership on Midwestern corridor routes has increased 58 percent, while ridership on long-distance routes that serve the Midwest has grown by 14 percent. Eight long-distances routes serve the Midwest, all originating out of Chicago, which is the Nation's largest rail hub. Altogether, these routes have 80 station stops across the Midwest, many of them in rural communities not served by other forms of intercity transportation.

Economic development nationwide will benefit if transportation is developed as an integrated system of all modes. Passenger rail is generally the best option for transporting people who are traveling between 100 and 600 miles. It is also often the best transportation mode in certain types of weather and under emergency situations. A weak intercity passenger rail "leg" results in congestion, lost travel time, and decreased fuel-efficiency.

Between FY 2009 and FY 2011, Congress appropriated more than \$10 billion in Federal funding to states for passenger rail capital improvements and planning. Under the High Speed Intercity Passenger Rail (HSIPR) program, the Midwest was awarded \$2.5 billion. The majority of funding will help improve or develop four key interstate passenger rail corridors:

- Chicago-St. Louis-Kansas City
- Chicago-Minneapolis/St. Paul
- Chicago-Quad Cities
- Chicago-Detroit/Pontiac

A group of Midwestern states also has received \$268 million to buy "next generation" rail cars and locomotives that will modernize the Midwest's fleet, help accommodate increased ridership, improve service reliability, and reduce operating costs on eight interstate corridors. While this funding is allowing our states to strengthen and expand passenger rail service significantly in our region, Midwestern states need continued assurance of adequate Federal capital assistance in order to continue this valuable development.

Connectivity between the regional services and national network also is important. Regional services offer more frequencies on shorter corridors, while the national network of long distance services offers less daily frequencies. Both regional and long distance services are mutually beneficial, as they provide vital connectivity to many areas of the country. This is similar to how regional airlines connect to major airports, or local roads connect to the interstate freeways, which then connect to the important national highway system. Not only do long distance services provide end-to-end connections, but they also provide connections to rural communities along the routes that may not be served by other modes of intercity transportation.

It is important to Michigan to implement a direct connection to the east coast and Northeast Corridor. This will eliminate the need for Michigan travelers to go west to Chicago and then east. This could be accomplished by rerouting one of the long distance trains through Michigan, which may reduce the costs of these trains. Another option would be to provide a direct connection from Michigan routes to the long distance trains. Michigan has requested Amtrak to consider rerouting one of the long distance trains to the east coast through Michigan over their ownership and Michigan ownership.

It is also important to consider international connectivity, for which Michigan and the Midwest are at the center of the Great Lakes international economic mega-region. The United States and Canada are one another's largest trading partners, with more than \$575 billion in annual trade last year, of which more than 35 percent passed through Michigan's borders. Also in this region, more than one-third of the populations of both the United States and Canada live within an approximately 600-mile radius. This presents great opportunity for success of an international passenger train service between Chicago and Toronto/Montreal by connecting these major population centers.

- Chicago urban area population: 9.5 million
- Detroit urban area population: 3.75 million
- Toronto urban area population: more than 6 million
- Montreal urban area population: 3.8 million

Michigan is actively supporting and working toward restoring cross-border passenger rail service on the Detroit-Windsor rail corridor. Establishing this service is a priority for MDOT as part of an expanded seamless rail corridor providing passenger service between Chicago and Toronto or Montreal. Michigan has been work-

ing closely with the government of Ontario to plan for and implement this corridor. The Chicago-Toronto/Montreal corridor is the most obvious “missing link” in the North American rail passenger system.

Providing cross-border passenger rail service will increase the attractiveness of passenger rail travel within the region, allowing us to capture travelers who may be currently choosing other modes of transportation. This improved and expanded service along the corridor will also enhance our economic competitiveness—at the local, state, and regional levels—through increased ridership and will promote cross-border tourism and travel. It will promote energy and environmental efficiency by reducing vehicle emissions, as well as alleviate bridge, tunnel, and road congestion. Intercity mobility along the Chicago-Toronto/Montreal corridor also will be enhanced and will support interconnected communities by providing a more reliable passenger rail service.

In FY 2015, the 30 state-supported services nationwide carried approximately 15 million passengers, which represented nearly 50 percent of Amtrak’s ridership, to nearly 300 communities throughout America. These trains have generated more than \$486 million in ticket sales for Amtrak. The states have paid Amtrak another \$223 million to operate these services, all with no direct involvement in Amtrak’s oversight or governance.

In closing, I want to stress the importance of continued and reliable capital investments, which are key to the success of all transportation modes—including passenger rail. While funding received in recent years is allowing the Midwest to strengthen and expand passenger rail service significantly, we need to maintain our momentum and continue strengthening the performance of our regional rail system. Michigan and our partner Midwestern states need continued assurance of adequate Federal capital assistance.

Thank you for your consideration and the opportunity to submit testimony.

Senator WICKER. Thank you, Mr. Hoeffner.
Mr. Klein?

**STATEMENT OF RICK KLEIN, CITY MANAGER,
CITY OF LA JUNTA, COLORADO**

Mr. KLEIN. Thank you very much for your invitation to come here. I feel very proud to represent our area.

Thank you for your great service to this great nation. The old adage “this nation was built by trains” is as important today as it was back when our Nation was being built.

Everybody knows that we will see a lot of changes over the next few decades. America will need a better passenger rail system. Everybody knows that times are not as good as they used to. Money is hard to come by and we need to cut back on Federal spending.

When this great nation was being built, we had fewer resources and less technology than we enjoy today. And our forefathers put together a rail system that served both freight and passengers. Amtrak connects towns, employs residents, serves as an engine for economic development in La Junta, Colorado, and in the West.

Five years ago when Amtrak’s contract with Burlington Northern Santa Fe was due to expire in 2016, and we could lose Amtrak’s Southwest Chief from Newton, Kansas, west to Albuquerque, New Mexico, if \$100 million of rail infrastructure was not brought back up to passenger rail standards and another \$100 million for continued maintenance. The train would be relocated or discontinued.

The City of La Junta initiated a three-state coalition to help save Amtrak through our region. We formed a Southwest Chief Coalition along with communities and counties in Kansas, Colorado, and New Mexico. Our first attempt was to secure funds from Title 5, which we did not get, but we learned a lot of lessons. You know, so we have been successful working along with the Colorado delegation, along with the Kansas and New Mexico delegation. Then,

we have been successful with TIGERs VI and VII, and they are currently ongoing right now.

With the TIGER grants and working with Burlington Northern Santa Fe and Amtrak, we have reduced this amount to about \$38 million left of rail to be replaced. After TIGER VII, we will have completed 127 contiguous miles of new infrastructure helping Amtrak achieve the speeds needed to stay on schedule in Kansas, Colorado, and New Mexico, and in New Mexico a critical section by Lamy where train speeds will increase from 30 miles an hour to 79 miles per hour improving service.

We are working with the State of Colorado, Burlington Northern Santa Fe, Amtrak, bus companies to develop a multimodal facility. This is an effort to create tourism in our area. There are similar efforts going on throughout our region. Even in New Mexico, what I found is there is one called La Castaneda that is being rebuilt and it is a historical Amtrak station, and it is by the same people that have the La Posada in Winslow, Arizona. And it is a beautiful train structure that serves as the station.

So we have found, I have found that we have dedicated people working hard across this Nation on partnership work. The Federal Railroad Administration has been great to work with, as so has been the three States' Departments of Transportation.

When asking for matches for TIGER VII, we have communities that did not have an Amtrak stop in their communities but they provided matches for the grant. The message was loud and clear. We need to save this route so we could have access to this great nation.

We see a movement where more people are using mass transit and want to be connected to this network. They would rather be on their cell phones, their iPads and stuff as they are traveling versus driving.

Thank you for the FAST Act. The grant opportunities for the 25 percent set-aside in rural areas, for consolidated rail infrastructure and safety improvements is deeply appreciated. We feel that partnerships are the way to get these improvements done.

Long-distance trains provide our intercity travel. Whether I am going to Dodge City, Kansas, or down to Santa Fe, New Mexico, that is our mode of travel. And I have run into just everyday people just from your Amish to your working families to travelers from all over the world, and they say this is the way we travel. I feel like the Little Engine going up to big mountain saying I think we can, I think we can. Then, I think about how important it is to us as a community for our economic development, tourism, and mobility. So I know that we can make it up this mountain with you guys as our partners. As you know, passenger rail is a very important part of our nation's future and our region's future.

[The prepared statement of Mr. Klein follows:]

PREPARED STATEMENT OF RICK KLEIN, CITY MANAGER,
CITY OF LA JUNTA, COLORADO

Thank you for your service to our great nation.

The old adage "This nation was built by trains" is as important today as it was back when our Nation was being built. The nation is still being built and with the changes that we will see over the next few decades, America will need a better passenger rail system. Everyone knows that times are not as good as they use to be.

Money is hard to come by and we need to cut back on Federal spending. When this great nation was built, we had fewer resources and less technology than we enjoy today and our forefathers put together a system of rail that served our communities for both freight and passengers.

Amtrak connects towns, employs residents, and serves as an engine for economic development in La Junta and the West.

Five years ago, Amtrak's contract with the BNSF was due to expire in 2016 and we could lose Amtrak's Southwest Chief from Newton, Kansas west to Albuquerque, New Mexico, if \$100 million of rail infrastructure wasn't bought back up to passenger rail standards. The train would be relocated along the Transcom line to the south.

The City of La Junta initiated a three State coalition to help save Amtrak through our region. We formed the Southwest Chief coalition along with communities and counties in Kansas, Colorado, and New Mexico. Our first attempt was to secure funds form TIGER V, but failed. We did learned how the process worked and with the help of the Colorado delegation along with the Kansas and New Mexico's delegation, we have been successful with our TIGER VI and VII applications.

With the TIGER Grants and working with BNSF and Amtrak we have reduced this amount to about \$38 million dollars left to be replaced. After the TIGER VII is complete we will have 127 contiguous miles of new infrastructure helping Amtrak achieve the speeds needed to stay on their schedule in Kansas and Colorado. And in New Mexico a critical section by Lamy, trains speeds will increase from 30 mph to 79mph improving service.

We also are working with the State of Colorado, BNSF, Amtrak, and bus companies to develop a multi-modal facility. This is an effort to create tourism in our area. There are similar efforts going on throughout the region.

The City of La Junta is currently working on TIGER VII with all three states, communities and counties and the FRA to complete this task. I have found that we have dedicated people working hard together to complete this partnership work. The FRA has been great to work with as has been the three States Departments of Transportation.

When asking for matches for TIGER VII, we have communities that didn't have an Amtrak stop in their communities, but provided matches for the grant. The message was consistent that we needed to save this route in our area, so we can have access to this great nation. We see a movement, where more people in the Cities are using Mass Transit and we want to be connected to this network.

Thank you for the FAST Act. The grant opportunities for the 25 percent set aside for rural areas in the Consolidated Rail Infrastructure and Safety Improvements is deeply appreciated. We feel that partnerships are the way to get these improvements done. Long distance trains provide our intercity travel. Whether I'm going to Santa Fe, New Mexico or to Dodge City, Kansas, this is the way to travel. When traveling, I meet tourist from all over the world. From young working families to the Amish, they tell me how this is how they travel.

I feel like the little engine going up the big mountain saying "I think we can, I think we can". Then, I think about how important passenger trains are to us as a community for Economic Development, Tourism, and mobility. So, I know we have to make it up that mountain with you as our partner. Passenger Rail is an important part of our Nation's and region's future.

Mr. KLEIN. And to Mr. Boardman and to your retirement, well earned.

Mr. BOARDMAN. Thanks, Rick.

Senator WICKER. Thank you, Mr. Klein. You make an excellent point. Of course, you have all made excellent points. But I think when they are on their cell phones and smartphones and iPads, we would like for them not to have their hands on the steering wheel so—

Mr. KLEIN. Yes.

Senator WICKER. It appears to me that passenger rail is one of the solutions to distracted driving.

Now, Mr. Boardman, you can wrap things up for our testimony. We are delighted to have you back here before the Subcommittee.

**STATEMENT OF JOSEPH H. BOARDMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER, AMTRAK**

Mr. BOARDMAN. Thank you, Chairman Wicker. And thank you for your kind words, and yours, too, Mr. Booker, and also Mr. Nelson and Ms. Fischer.

I am pleased to have the opportunity this morning to be with you and with the rest of the panelists. I really regret missing the trip that you took last week because initially I intended to go, and I would have had a chance to see what you saw. And I understood, as you went along, the energy for everybody just kept growing and growing along the way.

Senator WICKER. Chairman Carper was with us and represented Amtrak capably, so tell him thank you.

Mr. BOARDMAN. Thank you. I will.

I saw the videos and I saw the articles and I heard what our folks had to say about the trip and the tremendous outpouring of support. The work you and your colleagues did in creating a mechanism for service restoration under the FAST Act will be a critical part of how the regions in this country like the gulf coast go about restoring Amtrak service.

We are America's railroad because we were created by Congress and serve over 500 communities in 46 of the 48 states. We do not just leap from city to city. We connect smaller towns like La Junta and communities with one another and with the Nation's major urban centers. These communities pay taxes, too, and we provide them a service they use and depend on. I think the excitement you saw last week is the dramatic evidence of just how much we can bring to those towns and how deeply they appreciate it.

The past decade has seen some major increases in ridership and revenue, and I am happy about that, but we have started to encounter some headwinds. The pending Surface Transportation Board on-time performance rulemaking is a major one. We need to be on time. It could seriously impact both the long-distance and the State-supported trains and raise cost to the states because of that.

We are also facing some revenue challenges. As you may have heard, I recently wrote to our employees and our stakeholders in a letter—a couple letters now actually—about some of the other challenges we face as ridership and revenues are affected by a drop in oil prices, some recent bad weather, and even the strong dollar for international sales. This will be a challenging fiscal year for us and the rail industry in general. I think these challenges will come and continue in the coming year, and it is going to be important that all of us who believe in intercity passenger rail work together to support its development.

The recent FAST Act acknowledges this by including Amtrak in the Nation's surface transportation policy for the first time. It restates Congress's intention that Amtrak operate a national system of service. The act further requires Amtrak and the Department of Transportation to work together to create a separate Northeast Corridor in the national network and those accounts by December 2016.

The national network account will combine long-distance and State-supported services just for accounting purposes, and future Amtrak funding will be requested on that basis. The FRA will play

a significant role in organizing these financial accounts and will, when it is over, be responsible for overseeing how we allocate the funds.

The long-distance trains are the only Amtrak service on 70 percent of our route mileage at half of our stations and in half of the states we serve. People often see these trains through the prism of their own experience and imagine a point-to-point operation that resembled an airline between major endpoints. As has already been testified, that does not necessarily exist. As a matter of fact, 90 percent of our ridership on some of our longest routes is starting or ending somewhere along the route rather than going end point to end point.

Most people depend on these trains for short distance trips, and you saw one of the senior citizens talk about senior citizens depending on it for a safe vacation in the video film. Getting from a rural community to a major city or traveling between cities along the route when alternatives—it has already been talked about—are shrinking like bus services, airline services. The majority of annual funding needed for long-distance trains is therefore for operating support to help cover the cost of these trips for passengers who need to make them.

And Gateway program, which preserves and expands rail service between New York and New Jersey, took on an increased urgency in 2012.

May I pass my time, Chairman?

Senator WICKER. Yes, proceed.

Mr. BOARDMAN. When Super Storm Sandy sent the saltwater into the tunnels connecting to Penn Station compromising critical electrical and safety systems, that threatened the reliability of operations day in and day out. Mr. Booker already talked about that.

The important part here is to remember it is about the people. It is about their real estate values. It is about their ability to get the work. It is about their ability to get home and take care of their kids. And once that was understood, we had a political synergy that you talked about, Senator, to move things forward. We need to build a new two-track Hudson River tunnel that will allow Amtrak to rebuild the existing tunnel without disruption for those 450-plus trains every day that operate on those two tracks.

I came to Amtrak and I knew I was leading a very special company, but my time has proven to me over and over again that Amtrak is a national treasure, its network, its Northeast Corridor, and it is staffed by some of the best and most talented people in the rail business. And that is something this Nation cannot afford to lose. During my tenure, I sought a Federal commitment for all of Amtrak's needs. The FAST Act has taken a critical first step, and I thank you for it in adding Amtrak and the intercity passenger program to surface reauthorization.

We must be careful—and this is a caution—not to lose the economies of scale of a unified operation. One of the things I have learned in my 8 years of service is that a unified system brings not just economies of scale but a greater understanding of the value that Amtrak delivers for the Nation, and the people along the gulf coast now know the value that they lost in 2005 when Hurricane Katrina came along. I was the FRA Administrator at that time.

So the respective needs, wherever you are in this national network, for State corridors, long-distance services and the Northeast Corridor and unifying those interests here in Congress and across the country is critically important. I know you gentlemen understand that, and I thank you for it and this committee for it.

[The prepared statement of Mr. Boardman follows:]

PREPARED STATEMENT OF JOSEPH H. BOARDMAN, PRESIDENT
AND CHIEF EXECUTIVE OFFICER, AMTRAK

Madam Chairman, and members of the Committee, good morning.

I'm pleased to have the opportunity to be here with you this morning. I regret that I missed the chance to accompany you, Senator Wicker, on last week's inspection trip across the Gulf Coast states. I saw the videos and the articles, and I heard what our folks had to say about the trip, and the outpouring of support was simply tremendous. The work you and your colleagues did in creating a mechanism for service restoration in the FAST Act will be a critical part of how regions of the country like the Gulf Coast go about restoring Amtrak service.

We are "America's Railroad" because we were created by Congress, and serve over 500 communities in 46 of the 48 contiguous states. We don't just leap from city to city—we connect smaller towns and communities with one another, and with the Nation's major urban centers. These communities pay taxes too, and we provide them a service they use and depend on. I think the excitement you saw last week is dramatic evidence of just how much we can bring to those towns—and how deeply they appreciate it.

The past decade has seen major increases in ridership and revenue. But, we've started to encounter some headwinds. The pending Surface Transportation Board on-time performance rulemaking is one major issue. It could seriously impact both the long distance and state supported trains, and raise costs to states. We are also facing some revenue challenges. As you may have heard, I recently wrote our employees and our stakeholders a letter about some other challenges we face, as ridership and revenues are affected by the drop in oil prices, recent bad weather—and even a strong dollar, which hurt international sales. This will be a challenging Fiscal Year for us and the rail industry. I think these challenges will continue in the years to come, and it's going to be important that all of us who believe in intercity passenger rail work together to support its development.

The recent FAST Act acknowledges this by including Amtrak in the Nation's surface policy for the first time, and as with previous reauthorizations, it restates Congress's intention that Amtrak operate a national system of service. The Act further requires Amtrak and the Department of Transportation to work together to create separate "Northeast Corridor" and "National Network" accounts by December, 2016. The National Network account will combine Long Distance and State Supported networks for accounting purposes, and future Amtrak funding will be requested on that basis. The FRA will play a significant role in the organizing of these financial accounts and will, when it's over, be responsible for overseeing how we allocate these funds.

The long distance trains are the only Amtrak service on 70 percent of our route mileage, at half of our stations, and in half of the states we serve. People often see these trains through the prism of their own experience, and imagine a point-to-point operation that resembles an airline between the major endpoints, such as Chicago and Seattle. But while these trains operate between distant endpoints, that is not how they're typically used by our riders. As much as 90 percent of the ridership on some of our longest routes is starting or ending somewhere along the route, rather than going endpoint to endpoint. People mostly depend on these trains for short-distance trips—getting from a rural community to a major city or traveling between cities along the route, when alternatives like bus service, commercial flights or private auto use aren't available or practical. The majority of the annual funding need for the long distance trains is therefore for operating support to help cover the costs of these trips for passengers who need to make them.

On the other hand, the needs of the Northeast Corridor are essentially all capital-related. This committee has heard testimony in the past from numerous officials, including recently our Board Chairman, Tony Coscia, and the NEC Commission, about the urgent need for capital investment in the infrastructure. Our top priority among a long list of major priorities is the Gateway Program.

The Gateway Program—which preserves and expands rail service between New York and New Jersey—took on increased urgency in 2012, when Super Storm Sandy

sent salt water into the tunnels connecting to Penn Station, compromising critical electrical and signal systems and threatening the reliability of operations day-in and day-out. The first element of the Gateway Program is to build a new, two-track Hudson River rail tunnel that will allow Amtrak to rebuild the existing tunnel without disruption to the 450 daily NJ TRANSIT and Amtrak trains that operate over these two tracks.

In light of this imperative, steps have been taken in that last year to move critical elements forward. The FAST Act makes key changes to Federal loan and grant programs that will benefit both Gateway and other programs. The announcement of a Federal/State 50–50 funding and financing split and creation of the “Gateway Development Corporation” to deliver the program has been a significant step, as is the planned launch in April of the environmental process for the crucial Hudson Tunnel Project. Important those steps are, major Federal funding is needed to advance the program, particularly ready-to-go projects such as the Portal Bridge replacement.

Let me say in closing that we want to continue the trend of recent years, both by becoming more efficient and transparent, and continuing to reduce debt levels and improve ridership and revenue, while exploiting all opportunities to expand the reach of our service. As you saw just last week, there’s a pent-up demand for rail passenger services. The inclusion of Amtrak in the surface transportation reauthorization creates an opportunity to address the great outstanding need for a dedicated and predictable source of funding.

I say this because we all have an interest in ensuring that Amtrak continues to be as effective as possible, and that the American people in all regions of the country receive the passenger service they deserve. We are committed to embracing innovation that can help drive greater value for the American public and have started considering ways to respond to both the changing markets and needs of the nation, while taking the Committee’s expectations into account. In doing so, we must make sure we don’t compromise our ability to offer service efficiently. When I came to Amtrak, I knew I was leading a very special company—but my time there has proven to me, over and over again, that Amtrak is a national treasure, staffed by some of the best and most talented people in the rail business. That is something this Nation cannot afford to lose.

During my tenure, I sought a Federal commitment for all of Amtrak’s needs. The FAST Act has taken the critical first step by adding Amtrak and the intercity passenger rail program to surface reauthorization. But the key will be whether appropriations levels can grow over time to meet the major capital needs we have in the Northeast Corridor and across the company. While the realignment of the company into specified accounts has benefits, we also see risks, particularly in a constrained funding environment. We must be careful not to lose the economies of scale of a unified operation. One of the things I have learned in my eight years of service is that a unified system brings not just economies of scale, but a greater understanding of the value that Amtrak delivers for the Nation. We hope the FAST Act can help to build an even stronger network of support for intercity passenger rail service around the respective needs of our national network of state corridors and long distance services and the Northeast Corridor infrastructure and unifying those interested here in the Congress and across the country.

Senator WICKER. Well, thank you very much. And thank you to all of our panelists.

We are very pleased to note that 10 Senators have attended all or a portion of this subcommittee hearing. We are going to take questions, and at this point the order—I will go last, so at this point the order is going to be Senator Gardner, then Senator Booker, then Senator Ayotte. And others may be coming and going.

But, Senator Gardner, you are recognized.

Senator GARDNER. Thank you, Mr. Chairman, and thank you for that order as well. I appreciate it. A lot of hearings today, so thank you.

Mr. Klein—thank you to all of you for your testimony today—and you talked about the \$25 million in grants-matching dollars that have been in support of the track repairs necessary to keep the Southwest Chief running. In order to secure the necessary funding, which could amount to the \$200 million that you talked about,

more than just Federal funding is going to be needed and has been put forward. So could you talk a little bit more specifically about some of the contributions made from states and local governments in support of track repairs for the Southwest Chief?

Mr. KLEIN. Yes, sir. Thank you. The first time when we started, you know, it was more of an effort between the State of Kansas and the State of Colorado, and that was with TIGER VI. And Garden City stepped up to the plate to be the applicant for it. And during that time, you know, we were learning about, you know, what were the needs and everything, but we were working along with Amtrak and Burlington Northern Santa Fe on how to reduce those dollar amounts.

And during that time, you know, between TIGER VI and TIGER VII, Burlington Northern Santa Fe has come to the table tremendously because, you know, some of the freight has come up on their lines where they are going to cover a lot of those costs. And also within the state of Colorado the same thing except for a little short segment, you know, Raton Pass.

New Mexico, you know, they are a different situation because they only have like one train that hits on a portion of that track, but when I was going through—when I see that video and I see what was going on there, that is train day every year in our area. I mean, people show up and just because it is a small town, you know, I am usually the guy that is up there speaking in my town. But they all show up. They love that train, you know. And it is for medical needs, it is for, you know, to go see their parents, to take their parents places. It is our lifeline.

And I see a true partnership that, you know, I was real shocked. And I am a civil engineer. I was a highway guy. And when I first started this I thought, you know, wow, this is—but they have changed me over, you know. I see it and I see the evolution. You know, like when my family and I went out to Chicago and we were able to leave union station and go a block over to hit the Brown line and get to our hotel. When I went to Kansas City and was able to get off and then walk up to that Power & Light or to get off at the train, you know, in Lamy and just a short commute over to the Santa Fe, and—it connects us all. And it has been a tremendous ride so far.

Senator GARDNER. And Kansas put in \$1 million and New Mexico as well and Colorado from the states?

Mr. KLEIN. Yes, sir, great point. You know, when we first started, you know, all three DOTs, you know, they came and said, hey, you know, great idea, do not have any money. Now, with TIGER VII, you know, TIGER VI, the State of Kansas did put out \$2 million, between TIGER VI, TIGER VII, the State of Colorado. We started a Southwest Chief Tourism Infrastructure Mobility Commission, State commission, and we did get \$1 million out of them and also \$1 million out of the State of New Mexico Department of Transportation.

You know, as they get more educated in what the needs are, everybody comes to the table. Mora, New Mexico, has like 2,500 people, and they put up \$5,000, and they did not even have a stop but it was that important to them. And when I was at a meeting and I see how important that is to rural America, it made me continue

on. And once we get this rail infrastructure done, it does not end. This is a lifelong journey now.

Senator GARDNER. It is pretty incredible to see the list of contributors, and like you said, there are three stops in Colorado but a number of communities contributed to this matching grant. I mean, when you see the city of Las Vegas right next to the City of Lamar, Colorado, contributing to the grant, that says something about the importance of this funding. So thank you, Mr. Klein, for being here and the passion which you have fought for the Southwest Chief and all of southeastern Colorado.

Mr. Boardman, talk a little bit about some of the work we have been doing in Denver as well. The Union Station, last year we had a great sendoff of the Ski Train, kicked off again for the restart of the Ski Train for a weekend, two days. During that weekend it sold out almost immediately when they opened up the Ski Train from Denver to Winter Park ski area. And we have talked about trying to get it started for 2016, but there were some safety concerns that all parties involved with needed to be addressed before that were to be allowed again. Can you talk a little bit about the update on infrastructure improvements that will be needed to allow the Winter Park Ski Train to run again?

Mr. BOARDMAN. Sure. But can I stay on La Junta for just a minute?

Senator GARDNER. Yes.

Mr. BOARDMAN. So one of the things that also happened in La Junta—and now we are here for passenger rail—but it really preserved a freight route through Colorado, and that was good for the economy as well. So it was something that was important. And that is the partnership we do have with the freight railroads as we do have a symbiotic relationship.

We want to get started again on the Ski Train, no question about it. Union Pacific—and I have talked to them directly myself—want that stop rebuilt, and I think that next month or May, April or May, I think DOT is going to make a decision on funding to get that built. And once we get that done, we are going to have a much better service going into Winter Park and we are committed to it.

Senator GARDNER. Thank you.

Senator WICKER. Thank you, Senator Gardner.

The other Cory, Senator Booker?

Senator BOOKER. Member of the Cory Caucus, proud to be a member of the Cory Caucus in the Senate.

Mr. Boardman, again, you and I have discussed the Gateway Project. I appreciate you mentioning it in your remarks. The project starts with replacement of the 206-year-old tunnels under the Hudson River, as well as the repair and replacement of the portal bridge over the Hackensack River. So I just want to sort of get you to comment for the record on the impact of this infrastructure in the New Jersey/New York economy. But that is actually the real heart of it. I would like to know what you think the impact is beyond New York and New Jersey. Why is this project important to the United States of America as a whole in terms of our overall economy?

Mr. BOARDMAN. Well, I think one of the things—thank you, Senator. One of the things that needs to be understood right away is

what we really have in the Metropolitan area of New York City. It is the financial capital of the world. It does not have to stay as the financial capital of the world. There are others that would like that in London or Tokyo or some of the other places across the world. And the support and necessity to support that really comes from the ability to move people in and out in an efficient, effective manner. We are talking about 350,000 people or more that we need to move back and forth across the Hudson River every day.

The Northeast Corridor, we handle over 750,000 people a day because it is not just Amtrak service. This is all the commuter railroads up and down the corridor. That corridor was 2 percent of the land in this country and is nearly 20 or 25 percent of the GDP in this Nation.

The problem that occurred in July—and July was a turning point for me and for others—we could not operate the service because of power failures. And those power failures came from two cables, one in the south tube, one in the north tube, that provided the power necessary to operate the trains in and out of New York City. So people could not get to their jobs.

And those jobs, whether they be in the financial services industry or insurance or just the need to operate a community like New York City are critical for this country and New York and New Jersey to maintain their tax base, to maintain their services, and to make sure that this country is globally competitive in the world.

Senator BOOKER. And so the FAST Act, again, the partnership that I had with the esteemed Roger Wicker, can you describe how that is going to benefit the Northeast Corridor just for a moment?

Mr. BOARDMAN. Yes. Well, we hope it does. What we are really looking for here is a funding mechanism to get started on the improvements that are substantial cost: two new tunnels, two new tracks in addition to the station. We are looking at the private sector; we are looking at the Federal public sector in both states. And all have committed to that at this point in time.

The FAST Act brings that all together in a way that we believe will allow us to create a pathway to financing it and at the same time that FAST Act recognizes across the country—and these folks have been talking about it—the necessity in other places as well so that we can provide the—we as a nation can provide those investments, those capital investments and those operating investments necessary to maintain service across the country. The FAST Act does that.

Senator BOOKER. In the little bit of time I have left let us shift real quickly to safety issues. How is the experience with Positive Train Control on the Northeast Corridor been going now that it is operational? And also, what progress have you made on the rest of the system? And what will it take to finish the job?

Mr. BOARDMAN. It is going very well. I think we have all sections on the main spine of the Northeast Corridor operating at this time with the exception of that which was commuter railroads we are responsible for, Long Island Railroad and Metro North. I believe we will complete the Keystone, which is the corridor from Philadelphia to Harrisburg, by the end of March where all the testing will be done. Everything is installed but the testing has to be finished.

We need a schedule yet for the New Haven to Springfield line because we are reconstructing that into a double track with the State of Connecticut. We need a schedule with the State of New York where we are rebuilding the line between New York City and Albany, and both will be scheduled, I think, to be done in 2017. I just was talking a little bit to Tim early on. We are working with them to rebuild their 127 miles of track up in Michigan. That will be a little bit different, Positive Train Control, ITCS, which is not the same as we operate in the Northeast Corridor, but we are making very good progress.

Senator BOOKER. I appreciate it. Thank you, Chairman.

Senator WICKER. Thank you very much.

Senator Ayotte?

**STATEMENT OF HON. KELLY AYOTTE,
U.S. SENATOR FROM NEW HAMPSHIRE**

Senator AYOTTE. I want to thank the Chairman and the Ranking Member.

I wanted to, Mayor Ross, ask you about essentially in New Hampshire we have a project that is under consideration right now, and perhaps Mr. Klein could give us some advice as well on this. This is to extend commuter rail line from Lowell, Massachusetts, up to Nashua where I live and then on to Manchester. And so this is something that has been discussed in our state for a number of years by various leaders in the state.

And I understand your role on the gulf coast rail service working group that you have been working with Federal partners to initiate a route for state-supported service from New Orleans, Louisiana, to Mobile, Alabama, and then as well as a route for long-distance service between New Orleans and Orlando, Florida.

And so also when I heard Mr. Klein talking about the experience of getting the communities to support what you have done in La Junta along the way, if I could have you speak to what are the challenges and opportunities as you are expanding passenger rail service? What are some lessons that you learned? And what are the key factors that communities exploring these options should learn from the experience? Because you have got more than one state involved, you have got localities, you have got hopefully some Federal dollars that you can leverage, but then also there are State dollars that are needed and local dollars. So I wanted to get your thoughts on some lessons learned as our state looks at this kind of issue.

Mr. ROSS. I think the initial thing is having a group like our Southern Rail Commission—that is a three-state compact—that we have people who represent each State's interests—

Senator AYOTTE. Yes.

Mr. ROSS.—because the three states that we work with have varying levels of support for what we do, and you run into that in each group of States. Louisiana has had very little support until their new Governor was elected, and now they are very supportive of what we do. Mississippi with Senator Wicker and Governor Bryant have been extremely supportive of us of late. And Alabama has been a challenge.

And so we begin to work each one of those, and we use our commissioners to figure out who the partners are. And those partners

can be the mayors, as Mr. Klein talked about. As you find those mayors, then they can easily call you and they can bring the parties to the table.

We have also reached out to business leaders, and along that route in Mississippi, Alabama, and soon to be in Florida there is a lot of casino gaming that need to move their customers back and forth, and they are a very big partner and going to be a very big financial partner in what we do.

So we begin to try to find the different sources of funding to be able to do that. So you put together a plan and you start to present it. So what we did is we had a feasibility study that we paid Amtrak to do, and so we found that the service was feasible. It is possible. And then we began to work with Senator Wicker and the others to put together the Gulf Coast Working Group or you put together—

Senator AYOTTE. When you say the services feasible—

Mr. ROSS. Yes.

Senator AYOTTE.—how much do you think you will have to subsidize?

Mr. ROSS. Well, the long-distance train came up with an initial subsidy of about \$5 million. We could run both the long-distance train into Mobile and New Orleans for about \$9.5 million according to the—and those numbers were very conservative. I mean, they spent a lot of time trying to come up with and make sure that they were not really undershooting what they thought it would be.

And so when we put those out there, people said, OK, we can work with that. We can work with our partners. They can begin to try to help make up the subsidy. And we educated our leaders on the benefits of it. And we really used the mayors because they see—they want opportunity. And it is just like what you are talking about. They want the connection.

I was able to ride the *Downeaster*. I have ridden the *Vermont*. I have seen the connection that your state has to have with Boston and New York. It just has to have it to bring the people out there and to bring the people back and for you to prosper and grow, for those people to have that opportunity. Not everybody is going to drive, not everybody in Boston has a car, and so they are going to get on at North Station and come to you.

Senator AYOTTE. Not everyone wants to sit in the traffic either.

Mr. ROSS. Absolutely correct. Absolutely correct. But it is starting with a large picture with like a Commission and then moving it down to the mayors and finding advocates. You find individual advocates like in Bay St. Louis you saw on the—you did not get a chance to see the film, but the first stop is a little town called Bay St. Louis.

I called a lady named Nikki Moon there who owns a bed-and-breakfast, and I said we need to have a party for this train for people to know that people support it. She said I am on it. She said why I am on this is I have a bed-and-breakfast that people from New Orleans will get on the train and they will come to my bed-and-breakfast and stay here. And she understood economics. You find those people and they work for you.

Mr. KLEIN. And out in the West what I have found out everything is grassroots, right? And so I turned to Colorado rail to kind

of see, OK, you know, what is out there and educated myself on it. And then we just took a map and we invited everybody in. That first meeting, everybody showed, all three states, county commissioners, mayors, city people. I was really pleased. By the end of the meeting we had chairmen within each of the three states, and then we started working as far as within each state to build out, you know, who are the users, you know, what groups need this train, why do they need this train. And what we found out was there was just a core group of people out there that was really concerned about the train leaving and what it meant to their qualities of life, you know, whether medical or whatever or just travel.

Then you look for your champions. You know, in the State of Colorado there was a County Commissioner out of Pueblo County, Sal Pace. He was an ex-legislator and he opened up some doors and helped us create the State Commission. And same thing down in New Mexico, Bill Sabo from Colfax County, and a gentleman that passed on, Ford Robbins out of Santa Fe. And even as Ford was dying of cancer and he was waiting for the TIGER VII application to be accepted and approved, you know, and he did not see that, but you know, I know that up to his end that is what he was fighting for. And it is those type people that will make a difference, you know, in your efforts.

Senator AYOTTE. Thank you.

Mr. KLEIN. And a guy named David Tenent from Seneca, I got to tell you, because he has educated me a lot as far as on the way rails and stuff has worked—

Senator AYOTTE. So like a lot of things, leadership really matters.

Mr. ROSS. Yes. Yes, absolutely. Absolutely.

Senator AYOTTE. Yes.

Mr. ROSS. You will see our Commission over the years I have been on it, depending on the leadership, depending on the state, it has everything to do with its effectiveness.

Senator AYOTTE. OK. Thank you.

Mr. ROSS. Absolutely.

Senator AYOTTE. I appreciate it.

Senator WICKER. Thank you, Senator Ayotte.

Senator Klobuchar?

**STATEMENT OF HON. AMY KLOBUCHAR,
U.S. SENATOR FROM MINNESOTA**

Senator KLOBUCHAR. Thank you very much, Mr. Chairman. Thanks for holding this important hearing.

So I thought I would start with a few questions here for you, Mr. Boardman. We have had some huge issues in the past, as you know, with on-time service of the *Empire Builder*, which is the big train that goes across the empire of Minnesota into some other places as well. And I remember in 2014 you said that the Empire Builder or Amtrak at least said was arriving on time under 20 percent of the time, which was really unfortunate for ridership. I know it has improved. And do you know what the current on-time performance of—

Mr. BOARDMAN. I think—excuse me—but the last time I looked it was 55 to 60 percent. Is it better than that now, do you know?

UNIDENTIFIED SPEAKER. For the first quarter, yes.

Mr. BOARDMAN. OK.

Senator KLOBUCHAR. OK. And how did it improve?

Mr. BOARDMAN. Well, because we are not hauling as much oil up there—

Senator KLOBUCHAR. Right.

Mr. BOARDMAN.—or the NSF is not hauling as much oil, it was really running into a real capacity problem—

Senator KLOBUCHAR. Right.

Mr. BOARDMAN.—for the NSF.

Senator KLOBUCHAR. Do you think there is a way, if they start hauling oil more, which would be great for them and—

Mr. BOARDMAN. Well, they have—

Senator KLOBUCHAR.—but if they start doing that, do we have a better plan? Now, I know they built some more tracks and things.

Mr. BOARDMAN. Yes, they made a lot of investments up there, and we believe we will not have that kind of a problem—

Senator KLOBUCHAR. OK.

Mr. BOARDMAN.—existing again.

Senator KLOBUCHAR. OK. Well, that is great to hear.

I wrote to you last fall about some concerns about the decision to eliminate the full-time station agent position in Winona, Minnesota, and it is the second busiest in our state only behind the St. Paul-Minneapolis station. And it serves as a critical access point to the Mayo Clinic. And I know you moved forward with the decision to staff the station with a part-time employee, which we really appreciate. Can you assure me that the staffing change will not negatively impact services at the station? And are we going to continue with this at least partial staffing?

Mr. BOARDMAN. So we have really run into some headwinds at Amtrak. We are down from revenue now over \$120 million that we expect this year, maybe as much as \$130 million. So we are looking everywhere we can—

Senator WICKER. Why is that? Why is that?

Mr. BOARDMAN. Well, I think there are several reasons, Chairman. I think part of it is a real drop in oil price and people have moved back to their cars. I think that there is a general slowdown in every mode. I see it in the bus systems at this point in time. A recent article came out saying mega buses actually hit the top of where they really were and they started down. We are even wondering on aviation, and aviation right now within the big airlines that you have today are globally spread.

So I have been looking at what are the costs on the Northeast Corridor and what is—we are seeing a drop in ridership and revenue, and we are trying to compare that because we compare very favorably to competing with the airlines. We have about 77 percent of the service between New York and Washington.

And what I found was something interesting with airlines, what they can do. And I do not know if it is happening yet, but since they have their commercial accounts with business, they can provide a discount globally across the sea for the business and yet tell the business that they need to continue to provide a certain number of seats that they buy in a different market, which might be the Northeast Corridor. So I am trying to see whether that is af-

fecting us as well. But those are basically the things that are happening to us in terms of revenue.

Senator WICKER. OK. Well, thank you, Senator Klobuchar, for letting me interject there. And that certainly will not be taken from your time.

Senator KLOBUCHAR. Oh, no, that is OK. I just had one more question, Mr. Chairman.

Mr. Hoeffner, speaking of funding that we were just talking about with Mr. Boardman, the FAST Act authorized \$997 million from Fiscal Year 2016 through 2024 Federal-State partnership for what we call the State of Good Repair Grant Program designed to improve critical rail assets with a backlog of maintenance. This is not quite the issue Mr. Boardman was getting into about use but this is about maintenance. Can you talk about the importance of this funding?

Mr. HOEFFNER. Yes, this is actually very critical to the operation of the system because what it does is, you know, getting to a state of good repair, getting to a state where the equipment and the infrastructure has the capacity, has the ability, that you are not on the track structure side constantly battling slow orders because of tie conditions on the train control system, like Joe mentioned earlier, on the power into the tunnels for the Northeast Corridor, you are not dealing with power outages. Therefore, the operation of the trains, but for the train control system, you are not dealing with pipes freezing on the coaches in the winter, you are not dealing with traction motors blowing because of the ingestion of snow in northern climates.

So, you know, there is a whole factor. When you talk about on-time performance, most of the time we talk about it relevant to the freight rails and the dispatching and everything of the train, but there is a huge component of that goes along with the infrastructure and the equipment. So we see this as critically important at being able to improve the reliability.

You know, it is deplorable when we talk about on-time performance of 20 percent, 50 percent, you know, so these are all things that help move that bar up in addition to the capacity issues.

Senator KLOBUCHAR. OK. Thank you very much.

Senator WICKER. Thank you, Senator Klobuchar.

Senator Moran?

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

Senator MORAN. Mr. Chairman, thank you very much. Gentlemen, thank you for being here.

I want to visit just briefly with Mr. Klein and Mr. Boardman about the Southwest Chief. Let me first of all thank you for your efforts in support of what I consider a useful, valuable route to Kansans and folks in Colorado and New Mexico.

Mr. Klein, you indicated in your testimony a few years ago that the future of the Southwest Chief was in doubt.

Mr. KLEIN. Yes, sir.

Senator MORAN. And I hoped that you would soon tell me that something is more optimistic than what you thought a couple years ago. Part of that, I would assume, is that we have been successful

in two rounds of TIGER grants in support of the Southwest Chief. My understanding its efficiency is beginning to improve, safety concerns are being reduced, and presumably good things are happening. And so I just would like you to give me an update on your thoughts, and maybe you did this in some of your testimony.

And then, Mr. Boardman, my only question for you is what is the plan for implementing PTC, Positive Train Control, in regard to the Southwest Chief in that line?

Mr. Klein, Mr. Boardman?

Mr. BOARDMAN. Go ahead, Rick.

Mr. KLEIN. Yes, Senator Moran, we could not have done it without your support. And thank you because, you know, it takes that type of leadership to get everybody on board. And dealing with Matt Allen out of Garden City—and he respects you very much.

Senator MORAN. Mr. Klein, I do not know you, but thank you very much. I was not expecting the complement.

Mr. KLEIN. Yes. You know, I was hoping to meet you.

And, you know, with the TIGER VI and TIGER VII and, you know, we have reduced \$100 million needed of rail improvements down to \$38 million, but that is also working with Burlington Northern Santa Fe to increase that.

Now, the other \$100 million, that was needed for the continuing maintenance, Burlington Northern Santa Fe has stepped up, you know, the State of Kansas. They do not want any money from them because of the freight that pays for the maintenance of it. And a lot of that in Colorado, too, except for a real small sector.

And as we move forward, you know, we will need a TIGER VIII, you know, and then just a little bit of a TIGER VII, you know, but it depends on, you know, what happens with the gas prices and everything, you know, because, you know, one of the things that I will start next week is going down into New Mexico and starting to get an applicant for TIGER VIII and to finish off this endeavor. And, yes, sir, I—

Senator MORAN. Do you expect it to be a problem?

Mr. KLEIN. No, sir.

Senator MORAN. OK.

Mr. KLEIN. Because, you know, what I have found is dedicated people in all three states, and they want to get this job done. And they have given me the hope that it will be done, and I feel real confident now. And just like when we are talking with the Federal Railroad Administration or any of Amtrak, Burlington Northern, or any of the communities, failure is not an option. We will get this done. And that way we are part of this great nation and connected to this national network not only long-distance trains but also the subways and the bus systems within the cities across this Nation.

Senator MORAN. Thank you for your leadership, sir.

Mr. KLEIN. Thank you.

Senator MORAN. Thank you, Mr. Chairman.

Mr. BOARDMAN. Senator?

Senator MORAN. Sir, Mr. Boardman?

Mr. BOARDMAN. Senator, I was just checking myself here, but the host railroads are responsible for Positive Train Control on track that we do not either own or control, and that is one of them. As a matter fact, I am not sure that particular section requires it

under the regulations right this minute. We will get you a written answer back on that.

Senator MORAN. And we will raise that question then with the NSF as well. Thank you, sir.

Mr. Chairman, thank you.

Senator WICKER. Mr. Klein, Senator Moran will be available afterwards for autographs and pictures.

Mr. KLEIN. Thank you very much.

Senator WICKER. Without objection. Senator Blumenthal followed by Senator Daines.

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

Senator BLUMENTHAL. Thank you, Mr. Chairman. And thank you to all of the witnesses here today for your work on this supremely important issue. Thanks to Mr. Boardman for your service to Amtrak over many years and your service to the cause of transportation.

I agree with you completely about fixing the Hudson, making sure that tunnel is workable, important not only to New York and its financial district but really to the whole Northeast Corridor. And so I agree completely that it is an urgent project.

The State of Connecticut, as you know, is working closely with Amtrak to complete the Hartford line, which is an expanded and dramatically rebuilt railroad facility between New Haven, Springfield, and other parts. This line will create a huge number of jobs and make it easier for commuters to get across Connecticut and travel through New England. It will nearly triple the rail traffic and reduce trip times. It is a project that needs to be completed. It needs to be completed as soon as possible. There is simply no question about it.

Amtrak has a unique and outsized role in this project, and you own the rail line and exercise enormous control in construction management. So Connecticut, with very limited control, is depending on Amtrak to do its job here. Connecticut taxpayers will largely pay for the line and will use it.

So what we have is a massive undertaking with a budget of nearly \$574 million, and of course that number reflects some cost overruns, as you are well aware. Many will be borne by Connecticut residents well beyond the initial cost of \$365 million. And the deadline for completion has slipped from 2016 to 2018.

I know that we have engaged in many discussions. They have been productive and important, and your team is certainly receptive to suggestions made by our delegation and our Governor. I want to thank you and Secretary Foxx for meeting with us earlier this year and your continuing dialogue with us.

It seems like such a simple, basic solution to complete a project like this on budget by a certain date, which Amtrak has now agreed to do. Should this not be standard practice for all Amtrak projects in all states, and can you assure us that this budget and this timetable in Connecticut will be met?

Mr. BOARDMAN. Yes, it should be standard practice, Senator. It has not always been standard practice, and do not ask Tim any of that right now either with Michigan. So we have had our chal-

lenges there as well. We have improved the way that we are handling that. I believe our new chief engineer is very different in his focus and his effort to get this delivered, so I am confident that we will get it delivered.

And actually, I am confident that things are going pretty well because I was at a speaking engagement last week with Jim Redeker and he was cordial, so I think we are OK right this minute.

Senator BLUMENTHAL. We will know it is really working when he is more than just cordial, when he actually gives you a slap on the back and——

Mr. BOARDMAN. Well, he was smiling, yes. Yes, sir.

Senator BLUMENTHAL. Well, but very seriously, I hope we can have your continuing oversight here——

Mr. BOARDMAN. Yes, sir.

Senator BLUMENTHAL.—in the time that you have remaining because it is so critical that this project remain on track, and I assume that you believe that there is every indication that it will be moving forward on the timetable and budget that has been set?

Mr. BOARDMAN. Yes.

Senator BLUMENTHAL. And that you will continue to make your voice heard in this project?

Mr. BOARDMAN. Yes.

Senator BLUMENTHAL. Thank you very much.

Thank you, Mr. Chairman.

Senator WICKER. Thank you, Senator Blumenthal.

Senator Daines?

**STATEMENT OF HON. STEVE DAINES,
U.S. SENATOR FROM MONTANA**

Senator DAINES. Thank you, Mr. Chairman. And thank you all for testifying today. I am truly grateful, as a guy from Montana, to hear your rural perspectives.

And as mentioned in the testimonies, Amtrak does not just leap from one urban area to the next. Rather, it connects communities in between urban centers. Connecting Chicago to Seattle and Portland, the *Empire Builder* runs approximately 660 miles across Montana. In fact, that was the stop in Shelby, Montana, that my ancestors went back and forth when they came out to Montana from Minnesota, on the *Empire Builder*. And they connect to 12 rural Montana communities. In fact, last year, the equivalency of 1 in 10 Montanans boarded and alighted the *Empire Builder*. So I think it is imperative that we continue to move these passengers in a safe and efficient manner.

Mr. Boardman, the recent FAST Act is the longest surface transportation bill that Congress has produced in 17 years, and it finally provided some certainty to the people of Montana. It required Amtrak to report on station development, and Amtrak has previously completed a feasibility study that indicated reinstating the *Empire Builder* stop in Culbertson, Montana, and that would have a net positive financial impact overall on the financials. And in light of that rural state set-aside, what efforts has Amtrak made to work with the Culbertson stakeholders?

Mr. BOARDMAN. Specific efforts I cannot testify to right now, Mr. Daines. However, I understand your interest, and we will work

with you and with them to make sure this gets done. And maybe the Chairman can even tell you that we worked with him on a stop as well on his route. It is just going to take a little longer to connect all the dots.

Senator DAINES. Yes, well, thank you. And I know somebody who takes the responsibility very seriously to manage the taxpayer dollars and be a steward of such. We have looked at the numbers as actually financially attractive to consider that. It is a net positive. They already have the infrastructure, and the train passes through it already at ideal times. And so my request would be if we could get the Amtrak staff to visit local leaders so they could really hear directly from the leaders there to modernize the existing station or perhaps a new building as you complete the study. So at least we can have that commitment to have a face-to-face meeting. That would be, I think, a positive step forward.

Mr. BOARDMAN. May I ask a question back?

Senator DAINES. Yes.

Mr. BOARDMAN. Have you been told that my folks have not met face-to-face with them?

Senator DAINES. We know they are working on it. We would just like to get an update and get that face-to-face meeting there in Culbertson.

Mr. BOARDMAN. Well, if they have not, they will.

Senator DAINES. That would be helpful. Again, the nature of rural communities, sometimes we are a long way away from airports. That is why the rail is so important to us.

Mr. BOARDMAN. Yes, sir.

Senator DAINES. And we would just like to have that face-to-face with you if we could. So thanks for that commitment to that. I really appreciate it.

One more question, Mr. Boardman. The recent FAST Act also established a 25 percent rural set-aside for rural infrastructure and safety improvements, and many communities already have these shovel-ready projects. Can you give me some thoughts around how Amtrak is working as a facilitator between these rural communities, rural Montana communities, and the FRA to ensure successful grant application, as well as project execution?

Mr. BOARDMAN. I am not aware of them, but we will check into it and I will give you a written response.

Senator DAINES. OK. That would be appreciated as a follow up on that. Thank you.

For Mr. Hoeffner, the Midwest Interstate Passenger Rail Commission, which you chair, includes half the states the *Empire Builder* passes through. We all benefit when the *Empire Builder* runs efficiently. How has the commission engaged the other states?

Mr. HOEFFNER. We have not directly engaged all the states that are involved in the *Empire Builder*. We have been focusing on the states that are a part of the Commission. We would be more than happy to reach out and talk with the additional states. One of the things we have right now going on is the FRA has a regionally led planning study that they have selected the Midwest as one. It is meant to be kind of a test case on how to put together, how to develop and implement things. So we would be more than happy to

talk with additional states on how they can support. And, you know, we are focused on the Midwest——

Senator DAINES. Right.

Mr. HOFFNER.—but we would be more than happy—we have, you know, involvement from other states on an ad hoc basis so——

Senator DAINES. Well, that would be great. We would appreciate, you know, a Northwest kind of discussion, too, given that it is a bit Midwest-centric, and we welcome that kind of dialogue as well.

So for the whole panel, you have all had successful experiences with interstate working groups. What advice might you have for other states who want to see similar developments? I am about out of time here, maybe get a comment from somebody on the panel.

Mr. ROSS. Ours has worked very well because it comes from the Governors of each state, and they appoint them. And we have some congressionally led power. We are an animal of the Congress, and we were established by Congress. It gives us some additional standing. And I think that is very important, and so it pushes us to work within all of our states to make sure that everybody is represented and everybody does, and also gives us additional leverage when we talk to our Senators and Representatives in Congress because we can take TIGER grants, we can do things ourselves. We can go above the individual State Departments of Transportation and those sorts of things, and it makes it much easier for us to work and to do things and to work directly with Amtrak, work directly with different people because we are not an animal of our individual states. And that makes it a lot easier for us to work.

Mr. HOFFNER. MIPRC is also the same. We are a nine-state compact. But it is also important, as we are hearing here today, that we not only have the state-level government but we also have that local commitment. The stations are the gateways to these communities, to and from these communities, and it is important for the community to have ownership in that so——

Senator DAINES. Yes.

Mr. HOFFNER.—it has to work at all levels.

Senator DAINES. Well, I appreciate it. And just for perspective, Montana is a state, and we are not as big as Texas and Alaska, but you can put Chicago in one corner of our state and Washington, D.C., in the other. So that is when I think about the coverage and what I appreciate about Amtrak is that we have a lot of Montanans, first, who live a long way away from an airport but live close to a rail station. Second, they can afford a rail ticket and cannot afford a plane ticket. And so thank you for bringing that connectivity for rural America.

Yes?

Mr. KLEIN. Senator Daines, you are exactly right. You know, same thing in our area. You know, we have to travel a long distance to get to an airport, and a lot of them do not have the ability to get out of the region to do that.

Senator DAINES. Right.

Mr. KLEIN. Get your champions, you know, make sure you have everybody, educate yourself, and once you get, you know, everybody and respect where they are coming from, you know, whether that is at Federal, State, local levels, but educate them and talk with them and be open and honest.

You know, I thanked Mr. Boardman for one of the first times—well, the first time I met him and his honest dialogue about the endeavor that the City of La Junta was about ready to embark on, and he gave me the confidence to move forward.

But I have run into great champions in all three states, and, boy, I wish I could list them all because they are just great people, and they are rural people, and they are the heart of this Nation and they deserve to be a part of it.

Senator DAINES. You said it well. Thank you.

Mr. ROSS. May I make one additional comment that I think is very important?

We also make sure that our policy advisers are transportation for America, and once we hired them to help us craft our message and figure out where things are and to work with individual Members of Congress has made a huge difference for us is having someone who is knowledgeable.

Senator DAINES. Thank you.

Senator WICKER. Thank you, Senator Daines.

I think it is remarkable that we have had 10 Senators participate in this subcommittee hearing. And I have waited until last to say my piece.

I think we should probably note the presence of Mayor John Robert Smith in the hearing today. Mayor Smith served as mayor of Meridian for a number of years before retiring. He has been a tremendous advocate for passenger rail over time and is president of transportation for America. So, John Robert, nice to have you here.

And then I would not want this hearing to pass without acknowledging the great contribution over time of Gil Carmichael to the issue of passenger rail. Gil is a longtime friend of mine also from Meridian, Mississippi, and served as Federal Rail Administrator, among many other capacities. He passed away in just the last few weeks, and we miss him in the passenger rail advocacy community and we miss him in Mississippi.

He was a Coast Guard hero back as a youth. They made a movie about a rescue that he was part of called *The Finest Hours*, and he was supposed to join me and others at the premiere of this movie but was too ill to come, so we want to acknowledge Gil Carmichael also.

Briefly, Mayor Ross, what is the relationship between the Southern Rail Commission and the Gulf Coast Working Group?

Mr. ROSS. We are a member of the Gulf Coast Working Group. We are—

Senator WICKER. How many members are there in the working group?

Mr. ROSS. There is probably about 20. I do not remember the exact number because there was not any limit set. We have members from all the states from Florida to Louisiana.

Senator WICKER. OK. And what is your charge and when are you supposed to get back to us?

Mr. ROSS. Our charge is to bring back to you a plan to restart service on the gulf coast, and we are supposed to do that within 9 months. And I think that ends up being in September.

Senator WICKER. And I think you told me the other day that you feel you are off to a good start?

Mr. ROSS. Yes, very good. We have——

Senator WICKER. You had one meeting——

Mr. ROSS. We had our opening meeting——

Senator WICKER.—and that was in New Orleans?

Mr. ROSS. Yes.

Senator WICKER. How did that go?

Mr. ROSS. It went very well. CSX was in attendance. Most of our members were able to come either in person or by phone. We selected the routes that we wanted to study, which was a long-distance train, extending the City of New Orleans from New Orleans to Orlando and then also looking at what the additional capital costs would be to be able to run a second train between New Orleans and Mobile.

Senator WICKER. And so the figures that you were giving in testimony earlier——

Mr. ROSS. Right.

Senator WICKER.—are the capital costs?

Mr. ROSS. No, those are the operating costs.

Senator WICKER. Those are the annual?

Mr. ROSS. Right.

Senator WICKER. So remind us again of that.

Mr. ROSS. The estimate for the extension of long-distance train would be \$5.5 million, and then to add the additional State-supported train between Mobile and New Orleans would be an additional about \$3.5 million.

Senator WICKER. And, Mr. Boardman, what do you think about those numbers? Have you had a chance to look at those?

Mr. BOARDMAN. I have not. I have not, but they sound reasonable at this point in time.

Senator WICKER. OK. Mr. Boardman, would you agree that our previous experiment with Amtrak across the gulf coast, though desirable, was not an overwhelming success? Would you acknowledge that?

Mr. BOARDMAN. Well, because of the time that it took in comparison to the automobiles, I think that had something to do with it, but yes.

Senator WICKER. OK. Well, so what should make us optimistic about our endeavor now?

Mr. BOARDMAN. Well, one thing, the outpouring of interest, but I have to tell you that the demographics of our country is changing and for a lot of reasons. Some of it came up today that people are willing to be on trains today and have Wi-Fi and be entertained differently than they did in the past. We have a lot more folks that are getting to be my age and older that look at this as a way that they do want to travel for the future. I think there are people now today that begin to understand the necessity to maintain the connection, the mobility necessary for us to have that mobility for the future. And once it is gone, it is gone.

So I do not think until you came along, Senator, and the Southern Rail Commission and Governor Brandt, I do not think anybody had hoped that this would ever return. And it is returning. It is something that is going to happen, I believe. And people will be positive about that.

We will need to be on time of what we say we are going to do. If we cannot be on time—and a large part of that is with the relationship we have with CSX. If we cannot be on time, it probably will not work. We have to keep it on time.

And we today have a couple of things in front of the STB to ensure that we continue to have preference as a passenger service as opposed to freight. That has always been the case. We have not liked the definition that the STB came up with, a new definition that really needs to be going back to the definition that has always existed, and that is passenger railroad has preference. And so we are looking for that decision from the STB.

Senator WICKER. And when might you get that decision?

Mr. BOARDMAN. I do not have a date in front of me, but also I do not have a date that they will actually decide it. We just put in our last submission the 22nd, I think, Monday.

Senator WICKER. But the question is currently pending?

Mr. BOARDMAN. It is pending.

Senator WICKER. Well, what advice do you give Federal leaders and State leaders in determining, based on the information we are going to get from this working group and the Commission, determining whether this is going to work or not?

Mr. BOARDMAN. Well, my advice has been for a considerable period of time is something you have already done, which is put this in the Surface Transportation Bill. So we talk about the needs for whether it is highways or whether it is buses or whether it is transit systems or whether it is intercity rail all in the same bill for the future. And while we would like to see higher levels of authorization—and one of the things I failed to do and would like to put into the record if I can is a thank you to Senator Booker for the work he did just on the RRIF loans where he really hung out there to make some changes on that, and that is going to make a difference to everybody in this passenger world and in freight railroads to make improvements in the infrastructure.

So my advice to the Federal level is to continue to have authorizations as a transportation trust fund if we could get there so that local communities like those that have really stepped out here can really have an impact on making sure that that mobility and that service continues for the future.

Senator WICKER. Well, when you look at the current population of the gulf coast areas from New Orleans over through the four stops we would have in Mississippi and then Alabama and Florida, have areas with similar density of population been able to make a success of this?

Mr. BOARDMAN. It depends on, Senator, very straight to you what do you define success? And I remember the first time I met you, you were not sure I was going to carry out what you want me to get done, and I committed to you that I would do that as a commitment—

Senator WICKER. Thank you.

Mr. BOARDMAN.—because it was important that our nation said that we should do that. That was a law. Our nation said we should run a national rail system. The people on the gulf coast are just as important as the people that were being talked about here in Montana, and there are more of them down there. Running

through Montana is a success. We provide that service. It is mission-oriented as opposed to efficiency-oriented.

It does not mean it should not be efficient, but today, in the world that we live in, when you run something like a business—and I made that statement a while ago—a business has a responsibility to turn a profit, yes, but if a business is also charged with helping the communities that it operates in, then it is successful if it does that. And part of the business of Amtrak is that it needs to be partly funded by the United States, not just by three states, six states, four states, one state or by the Northeast Corridor.

But the United States of America said in 1971 that they were going to relieve the railroad industry from their money-losing passenger service, but they have continually said that we as a nation want you, Amtrak, to run a national service. That is part of a national service, and it should be connected. It has to be supported. And the people there are going to be supported and are going to have that mobility.

Senator WICKER. You know, Mr. Boardman, I have been looking at transportation issues for a long time. I was a very lowly staffer on Trent Lott's House staff back in the 1980s when the House and Senate were wrestling with the issue of the Tennessee-Tombigbee Waterway. And we insisted as a country that a cost-benefit analysis be done. And I will have to say, as a longtime supporter of the Tenn-Tom, I think the numbers were favorable then and they have turned out to be much better than that.

When we do cost-benefit analyses of passenger rail as opposed to cost-benefit of highways or ports or airports, are we always comparing apples to apples or is there some help you can give us—pardon me—in figuring out whether the cost of what we are thinking about doing on the gulf coast or elsewhere, whether it is a good investment for the taxpayers? Because that is a question we have to ask in these tough times.

Mr. BOARDMAN. I am not the economist or the thinker. I will tell you, if you take your left hand and turn around and look at the kid named Matt behind you, he is somebody who does think about a lot of those things. He worked over at Amtrak. And we do have people that—

Senator WICKER. We are glad to have smart folks behind us, I will tell you.

Mr. BOARDMAN. Yes. And we had smart—and I am glad he is over here, but I was sorry to lose him and still sorry we lost him. Those are the folks that can help answer some of those questions. And yes, we can help you. It might not be me that does that.

Senator WICKER. Mayor Ross, you have the last word.

Mr. ROSS. Well, there are two things. Number one, when you talk about a cost-benefit analysis, you really have to bring in—a lot of times you just look at what happens around the station, for example. I know Mayor Smith makes a great talk that he has given a hundred times about the spinoff investment from the station he built in Meridian. I am sure you have heard it. But you have to look at more than that. And I think I go back to the example I was giving of Bay St. Louis, and I talk about Nikki Moon who has owned her own business and she sees that she can bring additional people to her town. And those are a little bit harder to quantify,

but they make a huge difference to these smaller cities, that people can get there.

And when we went through Live Oak, Florida, we met the government of Live Oak, Florida, in New Orleans. I happened to run into them at breakfast and said who are you people? And they said, well, we are here to ride the train. I said really? Where are you from? Live Oak, Florida. They said we want to stop on this thing. And so we talked to them as they go along, and we go through this very small town that had hundreds and hundreds of people lining the tracks saying we want this train. We want to be a part of the Nation. We want to be a part of things. Those things are little bit harder to quantify, but you can. You can go to those individual places and you can see what the business and the business that that train brings to that town.

It is much like, on another example, you guys put together a package for Katrina, CDBG. I got a good bit of that money outside the coast. And your expectation of me is that I invest that money in my town so that there is a business spinoff effect so there is return for the Federal taxpayer. And we have tried to do that. We invested our money in places where it invested in spinoff private investment. It is going to generate tax dollars that will come back to the State, local, Federal.

I do not think it is any different, any different from passenger rail. If you are investing in a passenger train—let us just take the coast train, for example—your expectation should be that there is a spinoff, private spinoff effect. That is what your expectation should be in Bay St. Louis, in Gulfport, in Biloxi, in Lake City, Florida, in Chipley, Florida. And I think that is the same expectation that these people have.

Senator WICKER. And Pascagoula.

Mr. ROSS. Pascagoula, Biloxi, let me hit them all, you know, Pagosa Springs. And that is the expectation. And I thought that was what was so interesting about every place we went through is that it was not just the business leaders, it was not just the government guys. It was your everyday people that came out there.

And you cannot pay them. I joked with the president of Hancock Bank. I said, what did you do, get all the people that were 60 days overdue and tell them you would give them an extra 30 if they would come out to the train? He said, no, I do not have that many people that are behind. And these people understand the benefit that it brings them.

And some of it is not quantifiable. Some of it is just that my grandmother can get on the train—an example. I rode the City of New Orleans from Jackson to New Orleans for a meeting. Well, when we started our trek across north Florida to meet with all these mayors, I got off the train with this grandmother from Fulton, Kentucky, who was meeting her granddaughter in New Orleans. That is the only way she could get there. I mean, she cannot ride a bus. She can ride a train.

Senator WICKER. And that happens all over the system.

Mr. ROSS. Yes. Right. And I think, yes, we can quantify some of this. I mean, I can do that. I mean, people can do it. But then you have the other unquantifiable part is that you have people that this is the only way they can get there. It is the only way.

Senator WICKER. Well——

Mr. ROSS. And they deserve a way to do that.

Mr. KLEIN. Senator Wicker?

Senator WICKER. They are going to get the hook out in a minute——

Mr. KLEIN. OK.

Senator WICKER.—and jerk me out of here.

Mr. KLEIN. The first hard structure in our community when it was built was the railroad station, and it fueled the economic development of the City of La Junta and the communities in the West, as it does today, and that is what you would find in your communities is the history and that dedication, you know, because the railroads followed the Santa Fe Trail and they are just as important today as it was when the City of La Junta was first started. And I bet you all the other towns will say the same thing.

Senator WICKER. Well, look, thank you all for your testimony. We will allow members of our panel to supplement their testimony and you will be given that opportunity. There are certainly intangibles that you mentioned, but let me just say to you, we need to make the numbers work to give our colleagues and give the taxpayers and voters of this Nation a comfort level that our money is being spent and that the cost does bring a valuable benefit.

So thank you very much, a remarkable hearing and good participation, a wonderful panel. Thank you all.

[Whereupon, at 11:37 a.m., the hearing was adjourned.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DEAN HELLER TO
JOSEPH H. BOARDMAN

Question 1. It is my understanding that the Las Vegas Railway Express Inc. submitted a proposal in January of 2015 which would authorize charter type passenger service from Los Angeles Union Station, California to Las Vegas, NV. This proposed service, called "X Train" would run roughly eight specialty charter runs per year scheduled around special events in Las Vegas such as the major sporting events, holidays, and trade shows.

What is the status of that application?

Answer. This application was originally submitted in January of 2015, was modified in August 2015, and resubmitted again in January of 2016. It is my understanding that that Las Vegas Railway Express has not received any written response from Amtrak regarding when the review process would commence.

Question 2. What has prohibited Amtrak from beginning the review process?

Answer. Amtrak has been reviewing the various proposals from Las Vegas Railway Express (LVRE) and currently is working with LVRE on the latest application for a round-trip pilot train. The process was delayed by incomplete and changing information on the original and subsequent movement requests. As of March 2016, we have sufficient information to process the LVRE request for the pilot train. Since then, in addition to working with LVRE, we have been working with the host railroads (Union Pacific and BNSF) involved to develop an operating plan. Pending the approvals from Union Pacific and BNSF railroads and the completion and execution of a contract with LVRE, Amtrak anticipates operating the pilot train by late July. The pilot train will enable both Amtrak and LVRE to evaluate the operational issues which will be useful for any discussions about future trips.

