

TESTIMONY

OF

**ALEX KUMMANT
PRESIDENT AND CHIEF EXECUTIVE OFFICER
AMTRAK**

BEFORE THE

RAILROADS SUBCOMMITTEE

OF THE

**HOUSE COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE**

10:00 A.M.

**THURSDAY, SEPTEMBER 28, 2006
2167 RAYBURN HOUSE OFFICE BUILDING**

Good morning, my name is Alex Kummant, and I have been Amtrak's President and Chief Executive Officer since September 12. I appreciate the opportunity to appear before the Subcommittee today.

I intend to keep my statement short to allow you as much time as possible to ask me questions. But, let me start by telling you a little bit about myself. I was born in Ohio and was raised both there and in western Pennsylvania because my father worked as an engineer and later an engineering manager for U.S. Steel. My Dad's work in the steel mills was one of the reasons why I chose engineering as a vocation and why most of my professional life has been spent in industrial settings or in the manufacturing of equipment to support heavy industry.

From 1999 to 2003, I worked for the Union Pacific Railroad (UP) and at the time of my departure was Regional Vice President of the Central Division overseeing 6,000 transportation, engineering, construction mechanical and other employees supporting an 8,000 mile-rail network. I was responsible for customer service, on-time delivery, and the overall financial and operational performance of the region. My time at the UP left an indelible and abiding interest in the railroad industry. Even today, I believe that the operations of a railroad represents some of the most engrossing and challenging opportunities in terms of a professional career. Therefore, the opportunity to join Amtrak is more than just another job to me; it is a chance to get back into an industry that has kept its hold on me and to advance something I believe in, passenger railroading.

Amtrak is both a business and public enterprise. Amtrak was created by Congress, it relies on funding from Congress, and in many ways you are the company's primary shareholders. In my view, there are very few large and complex operations that are so challenging both from a business point of view, as well as a public or political point of view.

Also, I believe we are at a pivotal point in the history of rail passenger service. I am committed to operating a national system of trains. I believe long-distance trains are an

important part of the nation's transportation network, and I believe it is our challenge to run them in the most efficient and effective way. That said, I understand how important these trains are as a form of basic transportation to many small communities across the nation. My challenge, and that of our management team, will be to find the most efficient and effective way to run them.

I also know that the fastest growing service we have is in rail corridors. Those states that have the vision to develop their state rail systems are beginning to see the benefits of that service. In the past few years, the only new services that Amtrak has added are those that are supported by the states. Developing these corridors, and by that I mean providing regular and reliable service between city pairs of 300-500 miles, is going to be a major part and the driving force of our future. I hope that in my time at Amtrak we will continue to see more corridor growth and the realization of a federal and state funding partnership for these corridors.

I am just beginning to understand how much work Amtrak has done in the last few years in bringing the Northeast Corridor (NEC) and some of its branch lines to a much higher level of utility. The NEC still requires a significant amount of investment including large projects such as bridge and tunnel replacement, but in terms of basic investment (tracks, ties, signals) the company has used the capital money you have appropriated to them wisely and strategically to update the NEC. In the coming years, I think we will have to do a better job of explaining the importance of these capital investments to you because this valuable work has durability and demonstrable benefit. In fact, the work we have done has allowed us to reduce slightly the Acela service travel time between New York and Washington by 5 minutes in our new timetables.

To me, having been on the outside, I have always wondered why the Amtrak debate is so emotional and at times acrimonious. It really needn't be, especially now. At a time of high oil prices, growing highway and airport congestion and record rail freight volumes, problems which beset and constrain our transportation system, we should be embracing rail and developing it as quickly and as responsibly as we can. We should get beyond the

debate of a few hundred million dollars of operating costs and begin to realize the potential rail passenger service has to offer with the right level of investment and a clearly defined federal policy.

I know many of you travel back to your district every weekend because you feel it is the most effective way to keep in touch with the views of the people you have been elected to represent. Just like you, I intend to roam about the system. I will be on the trains, in the shops, on the platforms and at the stations. I find the best ideas, often times, are the ones given to you by those that are out there doing their jobs every day. This is something my Dad learned when he worked large engineering projects in steel mills and something he instilled in me.

In closing, let me assure you that I believe in rail passenger service, and believe in Amtrak. I have a lot to learn, but I learn quickly. In the coming weeks, I intend to shape and hone my immediate and near-term goals and objectives, as well as get around and meet with many of you personally, and I encourage you to offer me your counsel and advice. In that vein, it is my hope that today begins a long and constructive relationship.