



U.S. House of Representatives
Committee on Transportation and Infrastructure

Don Young
Chairman

Washington, DC 20515
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James L. Oberstar
Ranking Democratic Member

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**Support the LaTourette-Oberstar
Amendment to Increase Funding for Amtrak**

Dear Colleague:

We urge you to support the LaTourette-Oberstar amendment to H.R. 5576, the FY2007 Transportation-Treasury-HUD (TTHUD) Appropriations bill, to increase funding for Amtrak.

The FY2007 TTHUD Appropriations bill provides \$900 million for Amtrak -- \$415 million less than the FY2006 enacted level of \$1.3 billion and \$698 million less than Amtrak requested to continue operations and invest in capital.

According to the Department of Transportation's Office of Inspector General (DOT IG):

To maintain the currently configured system in a steady state of repair and after accounting for the reform efforts already underway, the FY 2007 appropriation for Amtrak would need to be about \$1.4 billion. This includes \$485 million for cash operating losses, \$600 million for capital spending, and \$295 million for debt service. Despite this being almost a 7 percent increase over the FY 2006 enacted level, it is a tight budget that would leave little or no margin for error in neither operations nor investment.

Yet the TTHUD Appropriations bill provides zero funding for operations, \$220 million for capital investment, \$280 million for debt service, and \$400 million of so-called efficiency incentive grants. This level of funding does not come close to meeting Amtrak's FY 2007 needs.

The LaTourette-Oberstar amendment increases funding for Amtrak to \$1.114 billion, an increase of \$214 million.

The effects of an Amtrak shutdown would ripple through our national transportation system and the U.S. economy:

- **An Amtrak shutdown will strand millions of passengers.** Millions of travelers would be added to already congested roads and airports. In addition, residents of 106 U.S. cities currently served by Amtrak and without air service would be forced to find new transportation alternatives.

- **An Amtrak shutdown will hurt the economy.** Amtrak's 19,000 workers would lose their jobs. Local economies and businesses that have benefited from Amtrak's service would suffer. The Railroad Retirement and Unemployment programs, which cover employees of both freight and passenger railroads, would eventually be depleted.
- **An Amtrak shutdown will disrupt commuter operations serving millions of passengers.** According to a recent Government Accountability Office report: "Given the dependence of most commuter rail agencies on Amtrak for services and infrastructure, an abrupt Amtrak cessation would likely result in major disruptions or shutdowns of commuter rail services throughout the country. This could strain regional transportation systems, as hundreds of thousands of regular commuter rail passengers would be forced to seek alternative forms of transportation."
- **An Amtrak shutdown would increase costs for freight railroads.** If Amtrak shutdown, the freight rail industry would lose an estimated \$5.3 billion over a period of six years, including the loss of \$57 million annually in compensation that Amtrak pays the four Class I railroads for access to infrastructure and increased Tier II taxes to keep the Railroad Retirement system solvent. A shutdown would also impact the freight railroads operating on the Northeast Corridor. For example, Norfolk Southern relies on Amtrak dispatching and infrastructure to provide freight service to several major mid-Atlantic markets in the Northeast Corridor. Without Amtrak, the costs to the freight railroads to maintain operations over these lines could be substantial.

From its creation in the 1970's, Amtrak has been on a starvation diet. Lack of adequate funding and the annual threat of elimination have conditioned Amtrak to focus on survival. Yet, despite chronic underfunding, Amtrak has made substantial progress. In FY 2005, Amtrak's ridership reached a record level of 25.4 million, a 29 percent increase over the past 10 years.

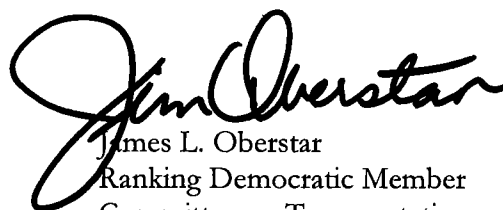
Amtrak has also achieved significant performance improvements including reducing costs, increasing passenger revenues (which were \$31 million higher in first quarter of FY 2006 compared to the same quarter in 2005), implementing reasonable, operational reforms, rebuilding key infrastructure throughout its 730-route miles, overhauling and remanufacturing old equipment, and encouraging a higher level of state and local investment. In addition, Amtrak has been aggressive in carrying out many of the recommendations outlined in recent Government Accountability Office and Inspector General reports.

In short, Amtrak continues to make great progress, even under a starvation diet. All of this progress will halt under the FY2007 TTHUD Appropriations bill. The LaTourette-Oberstar amendment will ensure Amtrak continues to operate in a safe, reliable manner and that this country will continue to have a national passenger rail system.

Sincerely,



Steven C. LaTourette
Chairman
Subcommittee on Railroads



James L. Oberstar
Ranking Democratic Member
Committee on Transportation and
Infrastructure