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House Committee on Transportation and Infrastructure
DEMOCRATS

For Immediate Release
Thursday, April 21, 2005

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T&I Leadership Introduces Administration's Amtrak Bankruptcy Bill by Request

Introduction does not indicate support , says Oberstar

WASHINGTON—The Democratic and Republican leadership of the House Transportation and Infrastructure Committee on Wednesday introduced the Passenger Rail Investment Reform Act, the Administration's plan to break up and reorganize Amtrak. Rep. James L. Oberstar (Minn.), Ranking Democratic Member of the Committee, released the following statement:

Administration's Amtrak Reform Legislation

Hon. James L. Oberstar
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
April 20, 2005

I join Chairman Young in introducing, by request, the Administration's Amtrak "reform" legislation. It is a common practice for the Chairman and Ranking Member of a Committee to jointly introduce an Administration's bill, regardless of which political party controls the White House or Congress or the specifics of proposed legislation, and I do this as a courtesy to the Administration. However, introducing a bill "by request" should not be interpreted to imply endorsement. In fact, in this instance, I am strongly opposed to the Administration's legislative proposal for Amtrak and the direction this Administration has chosen for intercity passenger rail service in our Nation.

The Administration's proposal is nothing new. It is the same flawed bill that the Administration sent to Congress in 2003. The bill establishes two private for-profit corporations to separately manage and maintain infrastructure and operations, eliminates our

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Nation's intercity passenger rail network and shifts the cost burden of continuing rail service to the States, separates the Northeast Corridor from the rest of the rail network, divides Amtrak into three separate entities, and eliminates Federal operating support for all intercity passenger trains over a four-year period. As a practical matter, within three years, all long-distance train service is likely to be eliminated. Soon thereafter, the United States entire intercity passenger system could consist of skeletal service along the East and West coasts.

The Administration's trust in the magic of privatization and decentralization to solve Amtrak's problems is astonishing. It shows this Administration's ignorance of the disastrous consequences of privatization and under-investment in rail. Great Britain's experience with privatization is a perfect example. In 1994, government-owned British Rail was dissolved and the British government separated intercity passenger rail infrastructure from operations. A private corporation called Railtrack took over ownership of all track, signaling, and stations. Passenger train operators competed with each other to provide service. Unfortunately, the new approach assumed that private sector innovation and discipline would drive down the railway's public funding requirement and drive up quality of service, overcoming recent trends of falling demand. It didn't work, and it led to tragic consequences.

The safety of operations and the quality of service declined steadily. More than 30 people were killed in an accident at Ladbroke Grove in 1999 and four more were killed in an accident at Hatfield in 2000. In 2001, another fatal accident occurred at Potters, just north of London. These accidents were directly traceable to privatization and Britain's long history of under-investment in rail.

Today, the British government is reeling from the legacy left behind by privatization. The government has almost doubled funding for rail, and has taken steps to improve performance and tackle the backlog of maintenance and renewal needs that exploded under privatization. British government officials have described their rail privatization as "an absolute disaster".

Despite the British experience, the Bush Administration's blind faith in the ideology of privatization leads it down the same wrong path. Let us not repeat Britain's mistake. The solution to Amtrak's problems is not privatization. Amtrak's problems have one root cause: money. Lack of adequate investment and the annual threat of elimination have conditioned Amtrak to focus on survival.

Amtrak's opponents are quick to point fingers at Amtrak management, and claim that private corporations could dramatically improve intercity passenger rail service. The truth is that a succession of hardworking and dedicated management teams at Amtrak could not do the impossible – that is, operate our Nation's intercity rail passenger service without a substantial level of investment from the Federal Government. Railroads throughout the world receive some government support to supplement the revenues paid by passengers. But the Administration continues to insist on the impossible.

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Yet despite Amtrak's starvation budget, Amtrak has had its successes. Under David Gunn's leadership, Amtrak has improved operations and increased ridership to more than 25 million passengers in 2004: an increase of one million passengers from 2003 and an Amtrak record. In Southern California, Amtrak's Pacific Surfliner has had a 26.3 percent increase in ridership in the past year. In Southern California, Amtrak's Pacific Surfliner has had a 26.3 percent increase in ridership in the past year. Similarly, several Midwest trains, the Pere Marquette (up 22.1 percent), the State House (up 13 percent) and the Illini (up 11.4 percent), experienced the next largest increases in passengers. In the East, regional trains carried more passengers than any other Amtrak service in the country, increasing from 5,760,499 last year to 5,974,806 - an increase of 3.7 percent.

Amtrak has also made significant progress in rebuilding infrastructure and rolling stock after years of deferred maintenance. In fiscal years 2003 and 2004, 256,000 concrete ties were laid; 2,755 bridge ties were replaced; 266 miles of continuous welded rail were installed; 34 miles of signal cable were replaced; and 19 stations and 37 substations were improved.

Amtrak's mechanical department plowed full steam ahead. In 2004, it remanufactured 180 passenger cars, rebuilt 51 wrecked cars and locomotives, and made seven Superliner baggage modifications in passenger cars.

Amtrak sold excess equipment, eliminated unprofitable services, lowered fares on long-distance routes to increase ridership, and, in partnership with the State of California, opened a $71 million maintenance facility.

In short, Amtrak is making great progress. All of this progress will halt under the Administration's radical Amtrak reform plan.

Therefore, while I join in introducing this bill as a traditional courtesy to the Administration, I want to be clear that I do not support its initiatives. Together with Chairman Young, Subcommittee Chairman LaTourette, Subcommittee Ranking Member Brown, and the other Members of the Committee on Transportation and Infrastructure, I strongly support both H.R. 1630, the Amtrak Reauthorization Act of 2005, and H.R. 1631, the Rail Infrastructure Development and Expansion Act for the 21st Century (RIDE 21). In the 108th Congress, the Committee on Transportation and Infrastructure reported similar bills with near unanimous bipartisan support. I am very hopeful that the Committee on Transportation and Infrastructure will again soon consider this bipartisan legislation and begin to provide the necessary investment for our Nation's intercity passenger rail system – that is the "reform" that Amtrak so direly needs.

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