

Statement of Jim Mathews

President & CEO

Rail Passengers Association

On

“Amtrak Operations: Examining the Challenges and Opportunities for Improving
Efficiency and Service”

Before the House Transportation & Infrastructure Subcommittee on Railroads,
Pipelines, and Hazardous Materials

June 6, 2023



Rail Passengers Association
1200 G Street NW, Suite 240
Washington, D.C. 20005
202-408-8362

Introduction

We are pleased to submit this statement on behalf of the Rail Passengers Association, a nonprofit organization established in 1967 to preserve, improve, and expand intercity and regional passenger train services, support higher speed rail initiatives, increase connectivity among all forms of transportation and advocate for the safety of train passengers. On behalf of our tens of thousands of members from all across the United States, we would like to thank Chairman Nehls, Ranking Member Payne, and the entire Subcommittee on Railroads, Pipelines, and Hazardous Materials for holding this hearing at such a crucial time, and for allowing us the opportunity to share the views of America's passengers.

In many ways, the state of the American passenger is the same as it was the last time I was asked to appear before this panel in 2019. Fare-paying taxpayers face unprecedented challenges at the level of our National Network of trains, but also see the promising early stages of a passenger rail renaissance—the first since the ascendancy of the federal highway program more than a half-century ago.

Rail Passengers Association strongly supports Amtrak's FY22-23 applications to the Federal - State Partnership for Intercity Passenger Rail and Corridor Identification Programs. Amtrak's applications include 16 proposed National Network projects worth \$716 million and 14 proposed Northeast Corridor projects worth \$7.3 billion. These projects are vital and long-overdue investments in a connected America that would produce immediate and noticeable benefits for passengers across the U.S.

“National or Nothing”

When facing down cuts to Amtrak's National Network, former Senator Kay Bailey Hutchison of Texas famously rallied her Republican colleagues with the motto “National or Nothing”. Thanks to strong Congressional leadership and the long-term policy and financial commitment expressed in the Investment in Infrastructure and Jobs Act (IIJA), leaders from both sides of the aisle have outlined a vision for growing our passenger rail

network and ensuring this growth does not require one American getting better service at the expense of another American's train.

Congress has finally provided enough funds to do more than simply study improvements. They wisely structured those rail investments to ensure that the Federal Railroad Administration (FRA) and the states are able to partner with Amtrak to meet locally identified needs. We believe this will also ensure that Amtrak is focused on improving efficiency and service in ways that states and localities believe is best.

The need for more robust rail infrastructure is real. We have seen an unprecedented response from local governments to the FRA's request for submissions to the Corridor Identification Program — from coast to coast, from America's Heartland, from Red States and Blue States. We are particularly heartened by the response from the Southeastern U.S. and Sunbelt, which has seen a disproportionate level of population growth over the past 50 years. Texas, Oklahoma, Georgia, Florida, North Carolina, and the Commonwealth of Virginia have all been active participants in the IJJA's passenger rail programs, to name just a few. Passenger trains have an important role to play in helping these metropolitan regions accommodate economic and population growth, while simultaneously ensuring that rural Americans continue to have access to essential services.

Amtrak was conceived as a service to the nation, not just a train in one part of the country. This is why Amtrak's National Network, with its 15 long-distance routes connecting a series of state-supported services, is such an essential transportation service to the 40 percent of the nation's small and rural communities that it serves, establishing a vital link between Small Town and Big City America.

Essential Economic Connection

Over 62 million Americans live in what many derogatorily refer to as "flyover country," a quarter of whom are veterans, while another quarter are senior citizens over the age 65. With few alternatives, driving plays an outsized role, and it does so at a cost: despite

making up only 19% of the population, accidents on rural road networks account for 49% of the total number of traffic fatalities nationwide.

Intercity rail plays an important role in these rural communities; almost one-fifth of Amtrak's passengers travel to or from a rural station with no access to air service, and private-sector airlines are abandoning huge parts of the U.S. that include those communities, making these citizens even more reliant on the service that Amtrak provides.

That reliance makes Amtrak essential, not optional. Passenger rail service is an economic engine in the communities it serves, returning many multiples of what is spent on it back to the cities, counties, and states where the trains run. This "return on taxpayer's equity" represents the true value of our national investment in Amtrak, and that steady stream of returns is tangible to rural communities who rely on not just the train but on the wealth it creates.

Just one example of a relatively simple improvement in the pipeline made possible by the IIJA's vision and commitment: increasing service from the current three times weekly to a daily train on the route of the *Sunset Limited* and *Texas Eagle* between California and Illinois. This simple step is among several Amtrak is proposing in the first round of IIJA-enabled service improvements, and our economic-benefits modeling suggests just including those additional trains could generate as much as \$2.4 billion over 10 years in visitor spending in hotels, restaurants, and retail, avoided road maintenance, and supported jobs — \$144 million each year in Texas alone, and some \$239 million each year to the eight states served. That's at least four times as much as we would spend each year to operate it.

Fig. 1: Annual Economic Benefits of Daily Sunset/Eagle Service

Annual Economic Benefits of Daily Sunset/Eagle Service								
State	Visitor Spending	Reduced Pollution	Reduced Traffic Costs	Saved Road Maintenance	Labor Income	Value Added	Output*	Total Economic Benefit
California	\$ 622,309	\$ 50,415	\$ 100,971	\$ 3,386,781	\$ 3,371,889	\$ 5,170,697	\$ 10,419,338	\$ 14,579,814
Arizona	\$ 365,681	\$ 47,137	\$ 83,027	\$ 2,784,879	\$ 3,662,474	\$ 8,125,673	\$ 13,217,803	\$ 16,498,527
New Mexico	\$ 29,761	\$ 674	\$ 1,181	\$ 39,629	\$ 691,232	\$ 2,420,015	\$ 3,722,988	\$ 3,794,234
Texas	\$ 5,283,547	\$ 967,937	\$ 2,418,165	\$ 81,110,194	\$ 16,774,624	\$ 29,219,182	\$ 54,758,556	\$ 144,538,399
Louisiana	\$ 409,765	\$ 14,839	\$ 34,163	\$ 1,145,886	\$ 2,648,954	\$ 4,796,026	\$ 9,436,642	\$ 11,041,295
Arkansas	\$ 234,158	\$ 26,417	\$ 46,530	\$ 1,560,702	\$ 2,479,613	\$ 4,982,833	\$ 9,958,099	\$ 11,825,906
Missouri	\$ 713,412	\$ 51,765	\$ 108,221	\$ 3,629,964	\$ 1,605,179	\$ 2,955,115	\$ 5,585,744	\$ 10,089,107
Illinois	\$ 3,170,953	\$ 193,541	\$ 372,320	\$ 12,488,388	\$ 3,350,644	\$ 5,591,700	\$ 10,774,321	\$ 26,999,523
TOTAL	\$ 10,829,586	\$ 1,352,724	\$ 3,164,579	\$ 106,146,424	\$ 34,584,610	\$ 63,261,242	\$ 117,873,491	\$ 239,366,804

* - includes Labor Income and Value Added values

Source: Rail Passengers Railway Benefits Calculator, IMPLAN Economic Modeling Tool

Fig. 2: Annual Tax Revenues Created By Daily Sunset/Eagle Service

Annual Tax Revenues Created By Daily Sunset/Eagle Service						
State	Sub County General	Sub County Special Districts	County	State	Federal	Total Tax Revenue
California	\$ (3,831)	\$ (3,658)	\$ (2,175)	\$ 145,341	\$ 677,310	\$ 812,986
Arizona	\$ 71,640	\$ 85,849	\$ 33,681	\$ 280,229	\$ 873,806	\$ 1,345,205
New Mexico	\$ 13,155	\$ 10,060	\$ 11,311	\$ 86,271	\$ 189,323	\$ 310,122
Texas	\$ 237,771	\$ 494,371	\$ 163,853	\$ 846,053	\$ 3,646,893	\$ 5,388,941
Louisiana	\$ 44,006	\$ 61,303	\$ 42,778	\$ 176,112	\$ 545,921	\$ 870,120
Arkansas	\$ 234,158	\$ 26,417	\$ 46,530	\$ 1,560,702	\$ 2,479,613	\$ 4,347,419
Missouri	\$ 28,558	\$ 49,995	\$ 14,228	\$ 87,674	\$ 331,794	\$ 512,249
Illinois	\$ 43,511	\$ 107,498	\$ 16,248	\$ 183,421	\$ 698,961	\$ 1,049,639
TOTAL	\$ 668,967	\$ 831,834	\$ 326,454	\$ 3,365,805	\$ 9,443,621	\$ 14,636,681

Source: Rail Passengers Railway Benefits Calculator, IMPLAN Economic Modeling Tool

The Need for a Growing Rail Network

For the past two decades, the U.S. rail network has been doing more with less. In 2019, the year before the pandemic hit, Amtrak carried 32.5 million passenger trips nationwide, a record ridership year for the railroad. Amtrak was able to do this with minimal public investment and in an operating environment that featured a steadily shrinking freight railroad network combined with longer freight trains.

Railroads are the safest, most energy efficient surface transportation mode. U.S. freight railroads can move one ton of freight nearly 500 miles per gallon of fuel. When looking at freight accidents per 10 billion ton-miles, fatal accidents involving freight rail take place at less than one third the rate of truck accidents. Moving more freight to rail will reduce shipping costs for consumers and help reduce the more than 42,700 deaths that occur on U.S. highways each year.

Rail Passengers Association believes that IIJA investment provides a solution to improve both the passenger and freight rail network in the U.S. By leveraging public dollars to upgrade freight-owned rail corridors, we can create a more productive transportation network for passengers and shippers.

Thank you again for your work on this important issue. We stand ready to work with Congress to advance these exciting programs.