

NEWS from Congressman John W. Olver (MA-1)

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FOR IMMEDIATE RELEASE: February 26, 2008

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Prepared Remarks of Chairman John Olver
FRA and Amtrak Hearing

Let me welcome FRA Administrator Joseph Boardman and the President and CEO of Amtrak Alexander Kummant to today's hearing on intercity passenger rail and the FRA's fiscal year 2009 budget request.

A number of things have occurred since the last time you both appeared before our Subcommittee:

First, Amtrak's ridership reached almost 26 million passengers in fiscal year 2007, up nearly 10 percent over fiscal year 2006. This represents the fifth straight year that Amtrak has had record ridership.

At the same time, Amtrak continues to make progress in reducing their capital backlog, but the needs of our intercity passenger rail system remain great. Last year, in testimony before the Senate Appropriations Committee, the Inspector General pegged Amtrak's capital backlog at about \$5 billion.

Second, the Presidential Emergency Board, which was solely appointed by President Bush, made a series of recommendations in an effort to resolve the eight year long negotiation between Amtrak management and its labor workforce. I am pleased that an agreement was signed between the two parties nearly a month ago and I am hopeful that the agreement receives final ratification in the weeks ahead.

Finally, the Passenger Rail Working Group, a subset of the National Surface Transportation and Revenue Study Commission, recently issued a report that showed over \$7 billion would be needed each year between 2007 and 2015 to maintain the existing Amtrak system, to continue the development of planned new corridors, and to create new routes to link major urban areas.

These three events: record ridership, but a large capital backlog, the PEB labor settlement recommendations, and the work of the Passenger Rail Working Group should have had some influence on the President's fiscal year 2009 budget for Amtrak.

Instead, we have received a carbon copy of the unrealistic budget for intercity rail that was submitted last year.

Once again, the President's budget request fails to address the short and long-term capital and operating needs of the system and also does not appear to acknowledge the recommendations of the President's own Emergency Board.

The President's budget request would provide a total \$800 million for Amtrak, which consists of \$275 million for operating and \$525 million for capital, plus an additional \$100 million for an intercity rail passenger grant program.

Even with the operational savings that Amtrak has achieved recently –over \$60 million in FY 2006 and another \$53 million in FY 2007- the \$275 million requested in the President's budget for operating will force Amtrak to severely curtail service or shutdown.

The President's capital budget request of \$525 million is also inadequate and will do little to bring the system into a state of good repair.

In contrast, Amtrak's budget request of \$1.785 billion is more than double the request of the President and \$460 million more than what the Congress provided in fiscal year 2008.

While I am confident that the President's request is wholly inadequate to maintain a national intercity passenger rail system, I must also point out that it will be extremely difficult to come up with all of the resources that Amtrak believes it will require from the federal government.

Unfortunately, the President has left us a number of holes to fill not only in passenger rail but also with regard to funding for our airport infrastructure, highway and transit systems, and for a significant number of housing programs that serve our nation's most vulnerable populations.

I look forward to your testimony and our discussion this morning and I am hopeful that the funding priorities of the next Administration will allow intercity passenger rail to experience a renaissance that it so richly deserves.

At this time, I would like to recognize my Ranking Member, Mr. Knollenberg, for any comments he would like to make.

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