

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

TRANSPORTATION COMMITTEE HEARING

STATE CAPITOL
HARRISBURG, PA

RYAN OFFICE BUILDING
ROOM 205

WEDNESDAY, APRIL 10, 2013
9:50 A.M.

PRESENTATION ON
MAINTAINING PASSENGER TRAIN SERVICE
IN THE HARRISBURG-PITTSBURGH CORRIDOR

BEFORE:

HONORABLE DICK L. HESS, MAJORITY CHAIRMAN
HONORABLE C. ADAM HARRIS
HONORABLE DOYLE HEFFLEY
HONORABLE DAVID S. HICKERNELL
HONORABLE MARK K. KELLER
HONORABLE JERRY KNOWLES
HONORABLE JIM MARSHALL
HONORABLE RON MARSICO
HONORABLE NICHOLAS A. MICOZZIE
HONORABLE RON MILLER
HONORABLE MARGUERITE QUINN
HONORABLE MICHAEL P. MCGEEHAN, DEMOCRATIC CHAIRMAN
HONORABLE ED GAINNEY
HONORABLE STEPHEN KINSEY
HONORABLE WILLIAM C. KORTZ II
HONORABLE MARK LONGIETTI
HONORABLE MICHAEL H. SCHLOSSBERG

* * * * *

*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

ALSO IN ATTENDANCE:

HONORABLE KERRY A. BENNINGHOFF
HONORABLE MIKE FLECK

COMMITTEE STAFF PRESENT:

ERIC BUGAILE
 MAJORITY EXECUTIVE DIRECTOR
GREGORY GRASA
 MAJORITY RESEARCH ANALYST
ELIZABETH SICKLER
 MAJORITY RESEARCH ASSISTANT
BARBARA RAMSEY
 MAJORITY LEGISLATIVE ADMINISTRATIVE ASSISTANT

MEREDITH BIGGICA
 DEMOCRATIC EXECUTIVE DIRECTOR
LISA KUBEIKA
 DEMOCRATIC LEGISLATIVE ASSISTANT

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P R O C E E D I N G S

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MAJORITY CHAIRMAN HESS: Good morning, ladies and gentlemen. Welcome to the Transportation Committee hearing this morning.

And to begin our meeting, Barb, would you please take roll.

(Roll was taken.)

MAJORITY CHAIRMAN HESS: Thank you very much. A quorum is present.

This meeting will be recorded, for those who wish to know that.

This meeting here this morning is an informational meeting. There will be a number of people testifying on turning the transit service between Amtrak in Harrisburg to the Pittsburgh Corridor.

We're going to have limited time this morning. We're going to see how far we're going to go timewise. So as we go through, I may mention to some people maybe to preface their remarks because of limited time and maybe to get into the Q and A.

The first testifier, the Honorable Mike Fleck from Huntingdon County, would you like to come forward and

1 make your presentation? You may begin when you're ready.

2 REPRESENTATIVE FLECK: Thank you, Chairman Hess,
3 Chairman McGeehan, Members of the Committee.

4 I just want to share briefly my thoughts
5 regarding Amtrak and the continuation of rail service
6 through my legislative district, better known as the
7 *Pennsylvanian*.

8 The 81st District is the ninth largest district.
9 To say that we're rural is an understatement. I think by
10 very definition we are the definition of "rural." As I
11 mentioned, it's the ninth largest, not to be confused with
12 the Chairman's district, which is the eighth largest. It
13 provides for a whole different dynamic when it comes to
14 public transportation in a rural area.

15 Daily passenger rail service has been available
16 in the counties that I serve -- Huntingdon, Blair, and
17 Mifflin -- for well over 160 years, and it is our only form
18 of public transportation at this point, in Huntingdon
19 County anyhow.

20 Of the 200,000-plus passengers during the course
21 of a given year, 5,837 are riding to and from Huntingdon,
22 3,108 from Tyrone, both in my legislative district. But
23 then within a few miles, literally just a couple of miles
24 of my boundary lines, we have 26,978 riding from Altoona
25 and 8,000 from Lewistown, which I'm sure Representative

1 Benninghoff can address later.

2 Two of the largest passenger groups coming out of
3 Huntingdon are students from Juniata College. The college
4 has a huge international student body, more so per capita
5 than any other private school that we have in Pennsylvania
6 for its similar size -- a huge overseas. Their only way to
7 get to and from Huntingdon is rail service.

8 Beyond the international student body, Juniata
9 attracts a large number of students from major northeastern
10 cities -- New York, Boston, Philadelphia, DC. Many times
11 their families as well, because they, living in urban
12 markets, do not have a car and they're reliant on Amtrak to
13 get to and from Huntingdon. Not to mention the freshman
14 class, which oftentimes is prohibited from having a car.
15 And it is Huntingdon, and these are college students, so
16 oftentimes they do want to get away, whether it's to Philly
17 or New York or do something fun for a break, and it's
18 important for them.

19 One of the other largest groups that uses Amtrak
20 is we have two State prisons in Huntingdon, and when you've
21 done your time and you're released, the easiest way to get
22 you out of the area, not that we don't want you to stay, is
23 to rely heavily on the Amtrak system. So the Department of
24 Corrections employees will drop the newly released
25 individuals off at the train station and wish them a merry

1 journey.

2 Oftentimes these individuals are coming from
3 major cities in Pennsylvania -- Pittsburgh, Harrisburg,
4 Philadelphia -- and they many times do not have family that
5 is able to come up and pick them up. So it would be
6 another costly situation for Corrections to then try,
7 instead of just turning them out at the gate with no taxi
8 service or anything in Huntingdon, to try and get them to a
9 bus facility, whether Greyhound or Megabus or one of the
10 others that is available, that's not readily close by.

11 We also have our elderly that, for medical
12 reasons, are really dependent on Amtrak service to get to
13 facilities in Philadelphia or in between. We have some
14 great hospitals, but we are limited with what we can do.
15 This is a very daunting task for many of our elderly to
16 just pick up and drive to a major urban market and try and
17 meander and be hours away and, you know, try and leave in
18 time to make sure that there are no travel difficulties --
19 rush hour, what have you. The train allows them to get
20 there in a timely fashion and as well rest on the way back.

21 Our business community -- another critical link.
22 We waste a lot of employee hours driving to and from being
23 able to pick people up at an airport that isn't all that
24 close. And many of the businessmen and women prefer to
25 ride the Amtrak line to Huntingdon, because from a

1 profitability margin, they can get a whole lot more done on
2 the train than what they can driving the several hours that
3 they would be coming into. So those are just a few of the
4 groups.

5 Also, tourism is huge in Huntingdon County with
6 Raystown Lake. We now have a world-renowned bike track.
7 We have bikers coming in from across the planet, and Amtrak
8 is one of the best ways to do that. If you're on a bike,
9 you're not going to be riding there on the highway system,
10 more often than not. And it's a growing area as well as
11 far as tourism goes with Raystown and some of our other
12 touristic venues.

13 Now, I'm sure you'll hear all sorts of things
14 about, you know, to drive from Harrisburg to Pittsburgh,
15 it's going to take you an hour longer to take the train.
16 Well, that's assuming that you're going from Harrisburg to
17 Pittsburgh. If I were going to Harrisburg from Pittsburgh,
18 I probably wouldn't take the train, but if I live in
19 Huntingdon and I need to get on the train, yeah, it's going
20 to be faster, if I live in Lewistown or Altoona or what
21 have you.

22 I am hopeful that one day we could add an
23 additional line. I think it would be more practical for
24 us, because right now the times are not conducive. With
25 one stop east and one stop west, you can't come to and from

1 unless, you know, you just happen to hit pay dirt that day
2 and your meeting is in between the two.

3 So with that, I will close my remarks, and if
4 anyone has any questions.

5 MAJORITY CHAIRMAN HESS: Thank you,
6 Representative Fleck.

7 Any questions of any of the Members?

8 If not, I might make a comment on one thing you
9 did say with the Juniata College, and it's very, very
10 important to the students and the parents of Juniata
11 College, because although Juniata College is not in my
12 district, I represent a small portion of the western corner
13 of Huntingdon County, which I share with Representative
14 Fleck, and I've had a lot of letters -- I'm sure that
15 they've copied you on it also, Representative -- concerning
16 the importance for them being able to travel to and from
17 Huntingdon to see their children and their children be able
18 to come home. To those who can't afford to have a car and
19 afford to travel back and forth, this is a very valuable
20 service to them, and it would be a very, very disservice if
21 they didn't have this type of transportation, being that
22 there isn't any other type of transportation in Huntingdon
23 County other than the rail service.

24 And I appreciate what all those involved have
25 done to try to help us in the rural community to provide

1 this service to the people of Pennsylvania and the people
2 of our districts, so.

3 REPRESENTATIVE FLECK: Yeah; we had a rally in
4 Huntingdon last month, and I think we had 150, 175 people
5 show up. I was pleasantly surprised to see some of the
6 groups, like the elderly with the medical situations and
7 such that I was surprised to see there, that I never
8 thought of. But, you know, it is vitally important. I
9 know Mifflin County had a rally as well with similar
10 numbers.

11 MAJORITY CHAIRMAN HESS: Being there, I remember
12 that was very cold.

13 REPRESENTATIVE FLECK: Very cold.

14 MAJORITY CHAIRMAN HESS: Very cold, and I picked
15 up a terrible cold sitting on those metal chairs for
16 2 hours with the wind blowing from the river. But it was
17 all worthwhile, being able to get this accomplished, and I
18 just want to commend those people, all who were involved.
19 And there were many people involved in this, the Secretary
20 and the Governor and so forth for making this come about,
21 and I just hope that we can just keep improving upon it
22 over the years.

23 I have one question; I think Representative
24 Marsico has a question.

25 REPRESENTATIVE MARSICO: Yeah; thank you,

1 Mr. Chairman.

2 You mentioned that from Huntingdon there are a
3 lot of international students and business folks that
4 probably travel from the Harrisburg Airport to Huntingdon.

5 REPRESENTATIVE FLECK: Yes.

6 REPRESENTATIVE MARSICO: What is the approximate
7 time and also the cost of that, like one way? Do you know?

8 REPRESENTATIVE FLECK: Oh, you asked me too
9 quick.

10 Usually I ride the train from here in Harrisburg
11 if I'm going someplace, and it's probably to Philadelphia.

12 REPRESENTATIVE MARSICO: Yeah.

13 REPRESENTATIVE FLECK: I want to say 52 bucks
14 roundtrip? I'm sure someone here knows. It's quite---

15 REPRESENTATIVE MARSICO: Okay. It's about an
16 hour, an hour and a half or so? Do you know? Just out of
17 curiosity.

18 REPRESENTATIVE FLECK: Probably a little bit
19 longer. I mean, you're stopping in Lewistown.

20 MAJORITY CHAIRMAN HESS: I think it's \$32.

21 REPRESENTATIVE FLECK: Yeah.

22 REPRESENTATIVE MARSICO: Okay. Thank you.

23 REPRESENTATIVE FLECK: And one other thing that I
24 didn't make mention of. You know, I had a lot of questions
25 whether we should be subsidizing rail service, and quite

1 frankly, we subsidize our airports, our ports, many other
2 things. This literally keeps thousands and thousands of
3 cars off the highway system. I think for the bang for the
4 buck, it's well worth the effort, not that I don't want
5 people buying gas and that comes back in liquid fuels for
6 our roads, but it's the same thing: It's moving people and
7 goods and market, to and from commerce.

8 Thank you.

9 MAJORITY CHAIRMAN HESS: Thank you very much.

10 Representative Benninghoff.

11 REPRESENTATIVE BENNINGHOFF: Good morning,
12 Chairman Hess.

13 MAJORITY CHAIRMAN HESS: Thank you for coming.
14 You may begin when you're ready.

15 REPRESENTATIVE BENNINGHOFF: Chairman Hess,
16 Chairman McGeehan, I also thank you for a couple of moments
17 to say a few words, and I will take your earlier comments
18 about being brief and keep them in mind.

19 I actually came here for two distinctive reasons.
20 I don't consider myself necessarily an expert on
21 transportation, but first of all, I want to thank the
22 Chairman for your efforts. I know this is an issue not
23 only important to you as the Chairman of Transportation but
24 as a Representative of the Commonwealth, and for those of
25 us who live in rural Pennsylvania, it's very important to

1 our constituents. And it's not a simple one. I'm the last
2 one looking for a government subsidy for different issues,
3 but I think Representative Fleck articulated it pretty well
4 that rail service throughout the Commonwealth is part of
5 the matrix of how we move people, move passengers, and move
6 commerce.

7 In my specific legislative district, parts of it
8 in Bellefonte, we happen to move a lot of limestone by
9 rail, and we've often used the analogy that for every
10 railcar, we take about five tractor-trailers off the road.
11 Well, as the Commonwealth continues to struggle to meet its
12 transportation needs, this dialogue is not new; we had this
13 several years ago.

14 In a 6-year time period, we've talked about
15 needing \$1.1 billion for transportation overall in
16 Pennsylvania, and now we're talking about \$2 ½ to
17 \$3 billion. The reality is, those needs and demands are
18 never going to get any less, and I think trying to provide
19 alternatives such as passenger freight, the ability to move
20 people across Pennsylvania, has always been part of that
21 matrix, and I think it serves a significant role.

22 I'm not going to go over some of the things that
23 Mike said, but I think it is important to remember there
24 are sectors of people in our Commonwealth who don't drive
25 for a multitude of reasons. There are older citizens who

1 have chosen, for safety reasons, not to be driving. They
2 may have visual problems. There are younger people who
3 have visual or physical reasons why they can't drive. And
4 we also have the Amish community, those of us who live in
5 very rural parts of the Commonwealth, who rely on this, and
6 I think it's important that we are cognizant of that.

7 Earlier, Representative Fleck talked about the
8 fact that the Commonwealth had been subsidizing this, and I
9 think under the Chairman's comments that I had watched in
10 his own press conference, he talked about the fact that it
11 was actually a pretty profitable proposition in those days
12 and we did a good job with that. And I think there was a
13 commitment made to the riders and a commitment made by
14 Amtrak when that subsidy got changed under a previous
15 Administration that we would try to keep the rail line
16 healthy, even though some of that money was going to other
17 parts of the Commonwealth and no longer to the
18 *Pennsylvanian*.

19 I think we owe it to our constituents -- and
20 that's the second reason I'm here, in addition to thanking
21 the Chairman and your Committee for the work you did
22 preserving this for now -- to think about what commitment
23 we made to those people when that subsidy got moved. They
24 didn't have a choice on that. We did that as policymakers;
25 the previous Administration did that, and my constituents

1 asked us to please take serious consideration that that
2 Pennsylvania line is important to them, important to a
3 multitude of constituents, and we have, I think, a
4 responsibility to continue to preserve that to the best of
5 our magnitude. Frankly, I would like to see it grow,
6 because I think that the long-term benefit and minimizing
7 some of the impact on our overall infrastructure as far as
8 our roads and bridges is significant, and we cannot only
9 look at the cost of the immediate day but the long-term
10 impact of that.

11 I'm going to close with that because I think most
12 of what I wanted to say was already said, both by the
13 Chairman and by Representative Fleck, but I did want to
14 come specifically to thank the Chairman for his work, both
15 Chairmen, but more importantly to say that our constituents
16 wanted a voice, and as the Representative of the
17 Lewistown-Mifflin County area, this is very significant to
18 them.

19 We did have a rally, the Mayor was very directly
20 involved, and these people jumped on it quick because they
21 saw what the negative impact was going to be to us
22 economically in an area that continues to struggle to bring
23 industry in and new jobs. We don't need anything else as a
24 deterrent to that. And the ability to move constituents,
25 whether to educate them in college, get them to work, or

1 get them back home to their families, is really impeded
2 upon by not having this rail line.

3 So, Mr. Chairman, Minority Chairman McGeehan,
4 we're appreciative of this few moments to share with the
5 Committee. If anyone has questions, I'd be glad to take
6 them.

7 MAJORITY CHAIRMAN HESS: Thank you,
8 Representative, for your comments. We really appreciate
9 them and your support.

10 REPRESENTATIVE BENNINGHOFF: Thank you, and thank
11 you for your time.

12 MAJORITY CHAIRMAN HESS: The next testifier is
13 going to be Toby Fauver, Deputy Secretary of the Local and
14 Area Transportation.

15 DEPUTY SECRETARY FAUVER: Good morning. I think
16 it's still morning, right?

17 MAJORITY CHAIRMAN HESS: Welcome. Yes, it is.
18 Thank you for coming.

19 DEPUTY SECRETARY FAUVER: Thank you, Chairman
20 Hess and Chairman McGeehan, for holding this hearing.

21 There's a two-sided information sort of factsheet
22 in your packet. The history of the *Pennsylvanian* is
23 covered on the first page of that, but I want to review a
24 few of the facts on the back side. I'm not going to read
25 them to you, but I'm just going to tell you how we got to

1 the point where we're at, and I'm glad to answer any and
2 all questions to the best of my ability.

3 I'll start with a very brief history, and that's
4 in 1980, Pennsylvania and Amtrak entered into an agreement
5 to start the *Pennsylvanian* service, and the State of
6 Pennsylvania subsidized a small level of that service to
7 get it going and subsidized that service through 1993.

8 And in 1993, Amtrak, the service had grown to the
9 point and revenue had grown to that point on the service
10 that Amtrak said they no longer needed subsidy, and they
11 took over the responsibility to operate, continue operating
12 the service, within their own revenue streams.

13 They also added some freight service, and they
14 changed their business model several times along the way,
15 and various things that they did generated revenue. There
16 also used to be two trains that operated through to
17 Pittsburgh, if you remember when the *Three Rivers* service
18 existed and the *Pennsylvanian* service was operated through
19 to Chicago. And then when the *Three Rivers* service was
20 canceled by Amtrak, which we got a 10-day notice prior to
21 them canceling the train, that they were canceling that
22 train and there really wasn't time to respond, to even deal
23 with it. And at the time Amtrak said -- this was in the
24 mid-2000s -- at the time Amtrak told us, if you come up
25 with 2 million bucks in, you know, less than 10 days, we

1 will continue providing the service. And we were in the
2 middle of the fiscal year and there wasn't money and there
3 wasn't much chance to do anything, so they ended that
4 service, terminated the *Pennsylvanian* in Pittsburgh, and
5 it's really important to look at the length of this service
6 now.

7 When the service was reduced from Chicago to
8 Pittsburgh, it became less than a 750-mile-length service.
9 And then you fast forward a couple of years and Congress
10 passed a piece of legislation on October 16, 2008, called
11 the Passenger Rail Investment and Improvement Act. We
12 refer to it as "PRIIA." It was the Amtrak reauthorization
13 bill. It created a bunch of good things, but it also
14 created some challenges for States, and there are a couple
15 of sections in that bill that create challenges for States.

16 One of them now is known, and that's Section 209,
17 which is the requirement by Congress that if States want
18 services that are less than 750 miles in length, States now
19 have to pay the cost. Any cost over and above what fair
20 revenue covers, States have to pay that cost, and if States
21 don't pay the cost, Amtrak won't receive funding from
22 Congress to pay for it and those services go away.

23 So in essence, Congress established the piece of
24 legislation that drove us to the crisis that we were in
25 with the *Pennsylvanian*. And still are to a certain extent,

1 because the funding is dependent upon getting the
2 transportation funding, you know, the funding necessary to
3 support this service.

4 As a result of that PRIIA legislation in 2009,
5 Amtrak had to revise or come up with a whole new accounting
6 system and make their accounting system more transparent,
7 which is now being, that accounting system, although it has
8 been updated, is just now being audited and reviewed, so
9 there still could be changes to cost.

10 Amtrak started producing summaries to go out to
11 States with various methodologies, and all the States that
12 have services worked together with Amtrak to come up with a
13 cost allocation methodology to allocate out Amtrak's cost
14 to those lines for what it would actually cost to deliver
15 those services, and the first numbers that we received for
16 the *Pennsylvanian* a couple of years ago, coming out of the
17 early process, was roughly \$6 ½ million that the State
18 would've had to pay to maintain that service. Six and
19 a half million dollars, and you may have seen some of
20 these numbers, but \$6 ½ million would have meant about a
21 \$27 per-passenger subsidy the State would have had to put
22 in to maintain that service.

23 So the methodology continued to evolve, and
24 eventually they got to the deadline for the methodology,
25 and if States didn't sign on, it was going to go to the

1 Surface Transportation Board. The Surface Transportation
2 Board would have told us, "Here's the methodology."

3 The State of Pennsylvania, we signed a letter
4 that said that -- we didn't sign on to the methodology on
5 their formal letterhead. We signed a letter of our own
6 that said that we agree the methodology may be sound; we
7 don't necessarily agree with the policy of pushing the cost
8 of this service off on the State. We aren't, by signing
9 this letter, committing to pay for services, and we have a
10 whole bunch of questions on how land that Amtrak owns
11 generates revenue that's not accounted for, revenue
12 generated in stations that Amtrak owns by leases and things
13 like that isn't accounted for in this methodology. And we
14 had concerns about how Amtrak may generate other revenues
15 from these services, and yet, we would subsidize it so
16 Amtrak could take those revenues and put them in other
17 places. So in our letter we said that we want all revenues
18 that are generated by services in Pennsylvania or
19 facilities that Amtrak owns in Pennsylvania to count toward
20 our costs for those services. We're still working on that.

21 But we've been working pretty closely with Amtrak
22 over the past year on 209 for the *Keystone* service between
23 Harrisburg and Philadelphia, because that service is also
24 covered by 209. We were already subsidizing that at
25 51 percent of the service costs. Now we have to subsidize

1 it 100 percent to maintain those services and the
2 *Pennsylvanian* service. The *Keystone* service costs roughly
3 will go from \$9 million to \$14 million a year. The
4 *Pennsylvanian* service costs, the latest numbers that we
5 had, prior to this \$3.8 million number, were at \$5 million.
6 We've gotten Amtrak down to \$5 million.

7 Amtrak continued to work on ways that they could
8 make their system more efficient, and a few weeks ago the
9 President of Amtrak, Joe Boardman, called and asked to talk
10 to the Secretary and I, and we had a discussion and Joe
11 said they have been able to get the number down to
12 \$3.8 million. And at that point, we thought \$3.8 million
13 is a long way from \$6.5. We were down to \$14 or \$15 a
14 passenger subsidy at that point, and there are things that
15 we can do now. By taking the responsibility for the
16 service, we also take on the opportunity to improve the
17 service by having a little more control over it.

18 So we're going to look at opportunities now to
19 improve services. I've had a couple of companies come to
20 us and offer to add cars onto the train, to add some
21 first-class cars that would generate more revenue, add some
22 first-class food service cars that would generate more
23 revenue, to focus on the tourist market a little more and
24 do some other things to potentially add on, and all those
25 things would help to reduce costs because it would add more

1 revenue.

2 The other thing is, the fares on the service are
3 extremely low, and there may be some opportunities, as
4 we've been doing on the *Keystone* service, to gradually bump
5 up the fares on that service -- it wouldn't do drastic
6 things overnight -- but to gradually bump up the fares on
7 the service so passengers pay a little more and help to
8 cover a little more of the cost.

9 The *Keystone* service is subsidized under the new
10 scheme at about \$9 a passenger, and that subsidy level is
11 coming down. Ridership is growing. We've been doing fare
12 increases at about 2 or 3 percent in the spring of every
13 year, 2 or 3 percent in the fall of every year, and with
14 the ridership growth, we're seeing roughly 10 percent
15 revenue growth on the *Keystone* service, and that's eating
16 into our subsidy requirement. And we're continuing to
17 invest in stations, and we have the same opportunity, I
18 think, on the *Pennsylvanian*.

19 MAJORITY CHAIRMAN HESS: Thank you very much.

20 I just have one question, and you were saying
21 about the subsidy. The Federal Government said that they
22 would not subsidize anything unless it was 750 miles. Who
23 came up with that magic number?

24 DEPUTY SECRETARY FAUVER: I guess the committee
25 staff -- I'm guessing; the committee staff in Congress.

1 I'm not sure who specifically came up with that number, but
2 it was written into that legislation.

3 One of the committee staff that was heavily
4 involved in writing pieces of the legislation now is a
5 Vice President at Amtrak. So, you know, there are probably
6 some individuals there that you could talk with to
7 understand where the specific number came from.

8 MAJORITY CHAIRMAN HESS: In other words, that's
9 Federal statute.

10 DEPUTY SECRETARY FAUVER: It is.

11 MAJORITY CHAIRMAN HESS: In other words, to
12 change that number, it would have to be done federally.

13 DEPUTY SECRETARY FAUVER: Right. And this PRIIA
14 legislation was a 5-year bill, so the reauthorization
15 period is coming up, and Congressman Shuster is beginning
16 to lead some discussions with States about what PRIIA
17 reauthorization should look like and is talking about a
18 reauthorization bill in 2014.

19 MAJORITY CHAIRMAN HESS: Chairman McGeehan.

20 MINORITY CHAIRMAN MCGEEHAN: Thank you very much,
21 Mr. Chairman.

22 Toby, thank you for your testimony.

23 The cat was chasing the squirrel around my head
24 and I missed it while I was listening to you. The subsidy
25 for the per passenger for the *Pennsylvanian* and then the

1 subsidy per passenger for the *Keystone*.

2 DEPUTY SECRETARY FAUVER: So roughly, the subsidy
3 per passenger on the *Pennsylvanian* under this number will
4 be somewhere between \$15 and \$16 a passenger. The subsidy
5 on the *Pennsylvanian* service is about \$9 a passenger -- or
6 the *Keystone* service; I'm sorry. The *Keystone* service is
7 about \$9 a passenger.

8 MINORITY CHAIRMAN MCGEEHAN: Okay.

9 Well, you'll take this back, I hope, to the
10 Secretary. As you know, I represent an urban district, and
11 certainly as was evidenced by the testimony of
12 Representative Fleck and Chairman Benninghoff, we know that
13 all public transit services, whether it's the airports or
14 ports or transit agencies, are subsidized in some way
15 because they fulfill a public need and go to the public
16 good.

17 I sympathize with my more rural colleagues who
18 I'm shocked that it's the only public transit that the
19 citizens of those more rural districts can access. So as
20 an urban Legislator, and many in my caucus represent urban
21 areas, and although we disagree on a lot, the one thing we
22 do agree on is the critical need of public transit. So as
23 an urban Legislator, as the Democratic Chair of this
24 Committee, I'm supportive of the efforts to keep this
25 *Pennsylvanian* in service and to fulfill a critical public

1 need in central and western Pennsylvania.

2 DEPUTY SECRETARY FAUVER: Thank you.

3 MINORITY CHAIRMAN MCGEEHAN: I want to thank you,
4 Mr. Chairman.

5 MAJORITY CHAIRMAN HESS: Thank you, Chairman
6 McGeehan.

7 Just one observation. If we were to travel from
8 Harrisburg to Pittsburgh to Chicago, we would have our
9 750 miles.

10 DEPUTY SECRETARY FAUVER: Yes.

11 MAJORITY CHAIRMAN HESS: I think that should be
12 something that we might think about.

13 DEPUTY SECRETARY FAUVER: Absolutely.

14 One of the things that's very, very frustrating
15 about this whole process is that the *Pennsylvanian* service
16 was terminated in Pittsburgh by Amtrak and it was solely
17 their decision to do that, roughly 2 years before this
18 legislation passed. Now, you couldn't have foreseen that
19 this legislation was going to pass in this way, or at least
20 I couldn't have to know what was going to happen, but
21 750 miles becomes an arbitrary number, and there are still
22 people, although it's really difficult to make the
23 connection, there are still people, I think 17 -- I think
24 the last number I saw is roughly 17 percent of the
25 ridership on the *Pennsylvanian* makes that connection, or of

1 some type or shape or form, onto the *Capitol Limited*, you
2 know, in Pittsburgh to further their trip.

3 MAJORITY CHAIRMAN HESS: Well, like I said,
4 that's something to think about in the fall.

5 DEPUTY SECRETARY FAUVER: Absolutely.

6 MAJORITY CHAIRMAN HESS: Pick up the 750 miles,
7 and the Feds can pick up some of the subsidy.

8 DEPUTY SECRETARY FAUVER: We argued that topic
9 strenuously during the negotiations with Amtrak.

10 MAJORITY CHAIRMAN HESS: Now I'll be continuing
11 my conversations with my Congressman, Shuster, on that
12 particular item.

13 DEPUTY SECRETARY FAUVER: Yes. Thank you.

14 MAJORITY CHAIRMAN HESS: I think that would be to
15 our really advantage in rural areas to have something like
16 that, and then also to PENNDOT's advantage not having to
17 spend that kind of money.

18 DEPUTY SECRETARY FAUVER: Right.

19 MAJORITY CHAIRMAN HESS: Representative Heffley.

20 REPRESENTATIVE HEFFLEY: Thank you, Mr. Chairman.

21 Thank you for your testimony.

22 A question: The subsidies, the \$15 per passenger
23 on the *Pennsylvanian*, \$9 on the *Keystone*, that subsidy, is
24 that subsidizing the operating costs of those lines or is
25 that subsidizing capital improvements to the lines?

1 DEPUTY SECRETARY FAUVER: Well, that's a great
2 question. The 209 formula now breaks down operating and
3 capital into two components, and there are really three
4 components. There's pure operating, which is the majority
5 of that subsidy, and then there's a very small portion of
6 capital, which is capital that is related to operating,
7 which is maintenance of the equipment itself, to maintain
8 the cars and keep them in service basically, the engines,
9 things like that. So that's a small component of the
10 subsidy.

11 And the other portions of capital are outside of
12 that. To continue to invest in stations, to maintain
13 infrastructure, is outside of that.

14 REPRESENTATIVE HEFFLEY: And the maintaining of
15 the infrastructure, the lines that you normally run on,
16 those lines are normally owned by Norfolk Southern and
17 CSX?

18 DEPUTY SECRETARY FAUVER: Well, west of
19 Harrisburg to Pittsburgh, it's Norfolk Southern; east of
20 Harrisburg to Philadelphia, it's owned by Amtrak.

21 REPRESENTATIVE HEFFLEY: All right. Thank you.

22 DEPUTY SECRETARY FAUVER: Sure.

23 MAJORITY CHAIRMAN HESS: Thank you.

24 Any further questions?

25 Representative Schlossberg. Please.

1 REPRESENTATIVE SCHLOSSBERG: Thank you,
2 Mr. Chairman, and thank you, Mr. Secretary, for your
3 testimony.

4 Are there any other routes we could potentially
5 be looking at investing more of Pennsylvania's money in a
6 subsidy, in terms of increasing the subsidy?

7 DEPUTY SECRETARY FAUVER: Are you talking about
8 passenger rail service?

9 REPRESENTATIVE SCHLOSSBERG: Yes.

10 DEPUTY SECRETARY FAUVER: So in Pennsylvania,
11 there are only two intercity passenger that we're required
12 to subsidize. The other services, as far as I know, are
13 continued as long-distance services. So the service that
14 goes through Erie will be continued as a long-distance
15 service. The service that comes up from Washington, DC,
16 through to Chicago will continue to be a long-distance
17 service and would continue to be subsidized.

18 Then there's a whole nother question about, at
19 what point do you begin to look at adding more potential
20 service to where we have these services today? The
21 Keystone service between Harrisburg and Philadelphia, a lot
22 of the trains, especially the morning trains and the
23 afternoon trains, it's heavily used by commuters. Seventy
24 percent of the people using that service are commuters or
25 business travelers, and there are a lot of standing

1 passengers on those trains now.

2 So we're beginning to look at it with Amtrak,
3 what it would cost to add more service. When you add more
4 service, you don't add just one trip, because we're already
5 maximizing all the train crew time that's out here. So if
6 we add service, we would probably add, because labor is a
7 big portion of that cost, we would probably be adding more
8 than one trip to maximize the labor efficiency.

9 The service between Harrisburg and Philly,
10 you can make that trip in an hour and 35, an hour and
11 45 minutes now, much due to the Commonwealth's investment
12 over the past, you know, 10 years. So you can, in theory,
13 turn a train crew twice on that line and make a trip to
14 Philly and back and a trip back to Philly and back in an
15 8-hour shift with the train crew.

16 REPRESENTATIVE SCHLOSSBERG: Okay. Thank you
17 very much.

18 MAJORITY CHAIRMAN HESS: Representative Kortz.

19 REPRESENTATIVE KORTZ: Thank you, Mr. Chairman,
20 and thank you, Deputy Secretary, for the information.

21 A couple of quick questions. I assume that the
22 repair and maintenance of the cars and the engine is the
23 capital costs, but where do they do that, who does that,
24 and how long and how many years do you get out of an
25 engine?

1 DEPUTY SECRETARY FAUVER: Well, they're all good
2 questions. A lot of the engines, equipment, and cars that
3 are out here are really old, 40, 50 years old, and some of
4 them a little younger, some of them even a little older.
5 They've been rehabbed and rebuilt several times. Amtrak
6 has signed a contract to replace a lot of equipment, and
7 they are issuing, I think, some debt to help do that and
8 they're getting some capital money from Congress to help do
9 that.

10 A lot of the Northeast Corridor train sets are
11 going to be replaced, and as they begin to do that, we're
12 going to start to see a trickledown of more equipment being
13 freed up in the system to replace equipment, and then
14 they're going to be able to start swapping equipment out to
15 do rebuilds.

16 How quickly equipment can ultimately be replaced
17 depends on capital funding and availability, but a lot of
18 that equipment won't meet current Americans with
19 Disabilities Act standards and things like that. But a lot
20 of the equipment, it's very sturdy equipment. It can
21 continuously be rehabilitated and reworked to make it
22 continue to go in service.

23 REPRESENTATIVE KORTZ: Thank you.

24 MAJORITY CHAIRMAN HESS: Thank you,
25 Mr. Secretary.

1 Any further questions?

2 Thank you very much for your testimony.

3 Oh, sure; go ahead.

4 REPRESENTATIVE HEFFLEY: One more, and I
5 apologize.

6 There are a lot of shorter, smaller railroads
7 that operate on these lines. In the costs, the majority of
8 that cost going to operating costs of the subsidy, is it
9 beneficial to look long term as a government to continue
10 subsidizing an entity like Amtrak or would it be more
11 beneficial to look long term into investments in rail and
12 allowing private, small, short-line railroads or Norfolk
13 Southern and CSX to utilize those rails?

14 I know back in the eighties and nineties I worked
15 on the railroad and we tore out a lot of old lines.
16 Generally you would always see two lines running parallel,
17 and the railroad had gotten rid of a lot of those old lines
18 because of tax reasons and other things. Would it be more
19 beneficial to make investments in the lines rather than
20 investments in, say, overhead costs and operating budgets?
21 I mean, you're only getting a bang for the buck for the day
22 versus long term.

23 DEPUTY SECRETARY FAUVER: Right.

24 So that's really a good question, too, and I'll
25 try to keep this really brief, but I'd be glad to have

1 further discussions with you about it.

2 One of the other components of PRIIA was
3 establishing a commission called the Northeast Corridor
4 Commission, which every State has a representative on, and
5 I'm the appointed representative on the Northeast Corridor
6 Commission for the State of Pennsylvania.

7 The Northeast Corridor Commission, between all
8 the States in the Northeast, and I think there are
9 representatives from even North Carolina on the commission,
10 Virginia, Maryland, Delaware, New York, Connecticut, you
11 know, the whole way up through Maine, we're on that
12 commission, and the Chair of that commission is a State,
13 and it's largely focused on what cost allocation should be
14 on the Northeast Corridor and also what governance should
15 be.

16 Governance is a hot topic. I am probably one of
17 the more outspoken people involved in governance. A lot of
18 people, a lot of States are concerned about if we change
19 something, we potentially could blow the system up. I'm
20 always the kind of person that wants to look at
21 opportunities to change things to make things better.

22 I believe pretty strongly that Amtrak, to ask
23 States to pay more and not have States be involved in the
24 governance of intercity passenger rail but just pay more is
25 really the wrong way to go, and so I think the next round

1 of reauthorization is going to have to deal with that.

2 States' involvement in Amtrak, whether Amtrak
3 continues to own infrastructure and then also operate
4 infrastructure or whether Amtrak is broken up and becomes,
5 there's an operator and then an owner of infrastructure,
6 and then you can, you know, begin to look at opportunities
7 to introduce other services and potentially competitive
8 services to Amtrak. I don't know what the right answer is,
9 but certainly I think that your comment is on target with a
10 lot of the discussions that are going on right now.

11 REPRESENTATIVE HEFFLEY: It's my understanding
12 that the lines, the rail lines in the Northeast, are very
13 lucrative. I mean, it's very profitable to own those rail
14 lines, so that's---

15 DEPUTY SECRETARY FAUVER: For freight especially.

16 REPRESENTATIVE HEFFLEY: Yeah. Thank you.

17 DEPUTY SECRETARY FAUVER: Yes. Thank you.

18 MAJORITY CHAIRMAN HESS: Thank you very much.

19 Thank you, Deputy Secretary.

20 Our next testifier is Mr. Ken Joseph, Secretary
21 of Western Pennsylvanians for Passenger Rail.

22 In the interests of time, maybe all three of you
23 gentlemen might want to come up: the United
24 Transportation, Donald Dunlevy, and Delaware Valley
25 Association of Rail Passengers, John Dawson. Maybe you can

1 sit as a panel. Do you all want to come forward at one
2 time?

3 Each one of you can make your presentation and
4 then we'll have a Q and A after that, if that would work.
5 Fine.

6 MR. JOSEPH: Thank you.

7 Good morning. My name is Ken Joseph, and I'm
8 here representing Western Pennsylvanians for Passenger
9 Rail.

10 First of all, before I say anything else, let me
11 express my gratitude on behalf of our organization for the
12 Commonwealth's successful negotiation with Amtrak to enable
13 the *Pennsylvanian* to continue operation. I want to give my
14 special thanks to Members of this Committee who were
15 helpful in moving those negotiations along. This train is
16 an important transportation asset to the communities it
17 serves, and its loss would have made each of these
18 communities a less attractive place to live.

19 The organization I represent is a nonprofit
20 organization founded by several folks in Pittsburgh who
21 travel regularly between Pittsburgh and Harrisburg and
22 wanted to see the current train service continued and
23 improved. Since our founding, we've attracted members from
24 other communities served by the *Pennsylvanian*. We are very
25 pleased that the service will continue, and we are going to

1 continue to work to see that improvements are made in this
2 corridor.

3 One thing that I want to make sure the Committee
4 is aware of, and based on the testimony I've heard today, I
5 think the Committee is aware of it, is that travel time is
6 not the most significant factor to a lot of folks in making
7 their travel decisions. This fact helps explain why the
8 *Pennsylvanian* carries as many passengers as it does today,
9 even though it travels on a right-of-way that was surveyed
10 and constructed in the 1850s, long before modern
11 earth-moving techniques were available to create gentle
12 curves and inclines through the mountains.

13 Record Amtrak ridership figures throughout the
14 United States are evidence that many people all over the
15 country who have other transportation options nonetheless
16 choose to take the train. Recent surveys show that both
17 per capita car ownership and per capita miles driven have
18 been trending down over the past few years. Growing
19 numbers of Americans are seeking alternatives to the
20 private car. This is especially true of our increasing
21 senior population and, more significantly, our younger
22 population.

23 A lot of people now regard driving as a chore
24 which keeps them from more pleasurable activities such as
25 staying connected on their personal electronic devices.

1 These folks want alternatives, including alternatives that
2 may consume more travel time than driving.

3 I'd like to point out that in the past few years,
4 several States have made great strides in creating
5 intercity rail service that gives a large number of its
6 citizens alternatives to driving. Just to mention a few
7 examples:

8 Maine began its highly regarded *Downeaster*
9 service in December 2001 and now offers five daily
10 Boston-Portland roundtrips, two of those trips being
11 recently extended to Brunswick, Maine. When this service
12 was started up, critics panned it, both because of its
13 slower-than-bus running times and physical isolation from
14 the rest of the Amtrak system. Nonetheless, ridership and
15 economic impact have been tremendous, with fiscal year 2012
16 ridership almost 542,000.

17 Virginia is another example. They've worked with
18 Amtrak to extend the Northeast Corridor train along CSX and
19 Norfolk Southern tracks from Richmond through to Norfolk,
20 this being the first ever Norfolk-Washington service and
21 the first passenger service on that particular Norfolk
22 Southern line for several decades. That service began a
23 few months ago -- December 12, 2012. Before that, Virginia
24 extended a daily Northeast Corridor service from Washington
25 to Lynchburg, giving that segment two frequencies a day.

1 My final example would be, over a period of
2 several years, the States of Washington and Oregon have
3 worked with Amtrak to provide additional and faster service
4 in the corridor between Seattle and Eugene through
5 Portland. That corridor now carries more than 850,000
6 passengers a year, making it the busiest corridor outside
7 of the Northeast and California, despite the fact that a
8 trip from Portland's Amtrak Station to Seattle's Amtrak
9 Station that takes 2 hours 45 minutes by car takes
10 4 hours 20 minutes by train.

11 As we have heard, Section 209 of PRIIA places
12 several States other than Pennsylvania in the position of
13 paying for passenger rail service that Amtrak used to
14 provide at no charge to the State. At least two of these
15 States are viewing this situation as an opportunity to look
16 at how the service can be improved to better serve the
17 citizens of those States. I'll give two examples.

18 Connecticut, Massachusetts, and Vermont have come
19 together to create a so-called Knowledge Corridor in the
20 Connecticut River Valley. In this market, these States
21 plan to increase the number of trains, increase their speed
22 incrementally, upgrade the track, and coordinate fares.

23 New York State will soon release a Draft
24 Environmental Impact Statement that presents options for
25 increasing and improving passenger service between Buffalo

1 and Albany.

2 These States are using their powers under
3 Section 209 to make business decisions about passenger
4 train service, including frequency and ticket prices, that
5 not only will best serve their citizens but also give the
6 States the best return on their investment. We suggest
7 that Pennsylvania study what has worked in other States and
8 consider making improvements to the *Keystone West* service,
9 such as adding at least one additional frequency and
10 improving travel times. Marketing the service may also be
11 an effective strategy to reduce the cost to the State.

12 In summary, we at Western Pennsylvanians for
13 Passenger Rail urge the Commonwealth to follow through and
14 appropriate the funds necessary to keep the *Pennsylvanian*
15 running but also take a serious look at adding service so
16 that, for example, Pittsburghers could take the train and
17 still spend a productive day in Harrisburg, or students at
18 Juniata College could finish the day's classes before
19 catching a train for points east of Huntingdon. As well,
20 given the excellent connections available to *Pennsylvanian*
21 passengers at Philadelphia and New York City, more frequent
22 schedules would enable people making longer trips to have
23 more choices about when to travel.

24 As noted earlier, the *Pennsylvanian*, in spite of
25 its slower speeds through the Alleghenies, provides a

1 service that appeals to many Pennsylvanians and folks from
2 other States traveling to Pennsylvania. The *Keystone West*
3 service is an important transportation asset to the
4 communities it serves, but with a little care from the
5 Commonwealth, it could be a much more significant one.

6 If I may add one comment about PRIIA to expand on
7 the comments of the previous speaker. One of the reasons
8 that PRIIA introduced this system of having a uniform State
9 subsidy of shorter trains is that in the past, Amtrak had
10 negotiated a different contract with each State, some
11 States paying more and some States, like New York, never
12 having to pay anything for all of their in-State service,
13 and there was a feeling in Congress that there should be
14 some uniform national standard. They may not have come up
15 with the correct one, but I think going forward and the
16 reauthorization that's going to take place, there will be
17 some form of what we have now; that is, some form of
18 uniform standard for States to subsidize shorter trains,
19 however we define "shorter trains."

20 Thank you.

21 MAJORITY CHAIRMAN HESS: Thank you very much for
22 your testimony.

23 I think what we're going to do is take the
24 testimony from all three gentlemen and then we're going to
25 open it up for question and answer.

1 Mr. Dunlevy, you may continue.

2 MR. DUNLEVY: Chairman Hess, Chairman McGeehan,
3 and Members of the Committee, thank you for the opportunity
4 to provide comments regarding Amtrak service and operations
5 in Pennsylvania. I have two preliminary comments I would
6 like to make.

7 One is that while I know the focus of this
8 hearing is on Amtrak, be assured that the UTU fully
9 recognizes the need and importance of developing and
10 maintaining a comprehensive transportation operation in
11 this State, all modes. We fully support that. We think
12 Amtrak has an important piece to play in that comprehensive
13 plan, and we look forward to working with you to make that
14 happen.

15 The second is that every time I have a
16 discussion, and it seems to be more in Washington than
17 anywhere, about Amtrak operations, the question always
18 arises about "When is Amtrak going to make a profit?" or
19 "How can we restructure Amtrak to make a profit?" and it's
20 always focused on profit. And particularly in Washington
21 when they talk about profit, they're not talking about
22 simply exceeding operating costs; they're talking about
23 capital costs and the whole shebang. There is no
24 transportation system in the world that covers its
25 operating and capital costs. It just doesn't happen. It

1 can't happen.

2 However, Amtrak has been pushed, pulled,
3 threatened, tried to be torn apart. They've tried to
4 dismantle it. So their road has been pretty rocky. They
5 were created as an operation to relieve the freight service
6 from its obligation to provide passenger service. They
7 were given old equipment, and I think they were actually
8 destined to die. That was the intent, so that the freights
9 could rub their hands and say, well, it didn't happen on
10 our watch; that's your fault. But Amtrak has struggled and
11 survived and, most recently, has improved significantly.

12 Back in the mid-nineties, some of those most
13 draconian cuts were being fostered on Amtrak, and at that
14 point the *Keystone* service only had about five roundtrips
15 per day and Amtrak was threatening to cut all of them.
16 Now, the service at that time was stick rail out here,
17 40 mile an hour. It would almost rock you out of your
18 seat. It was pretty rough, and the ridership wasn't
19 anything near what it is today. The State and Amtrak put a
20 significant amount of money into that, and we know what the
21 service is today -- nearly 1.4 million riders.

22 Also in Pennsylvania, you've heard before about
23 the *Broadway*, the *Three Rivers*, both going through to
24 Chicago, and the *Pennsylvanian* operating across State in
25 Pennsylvania. The corridor between Pittsburgh and

1 Philadelphia is designated by the Federal Railroad
2 Administration as the "Keystone Corridor." That's a
3 high-speed designation for future reference.

4 But the service on that corridor is split into
5 two completely different types of operations. East of
6 Harrisburg is predominantly commuter service. It's
7 electrified rail and welded rail, so electrification -- and
8 it's also very flat. It's river grade and very straight.
9 It allows for high acceleration, high speed, many stops and
10 recovery of speed. It's in populated, heavily populated
11 areas, and it's used mostly by people who return the same
12 day.

13 West of Harrisburg, it's a completely different
14 story. It's mountainous. It's filled with freight
15 traffic. There are a lot of curves. Generally, the
16 population base is much smaller. And to compare one
17 against the other when they're two completely different
18 types of operation is an improper evaluation of what they
19 can do and what they should do and what their purpose is.

20 We've also gained the benefit, just in a
21 recognition of subsidy, the electrification from
22 Philadelphia to Paoli was done around 1910. It was
23 extended from Paoli to Harrisburg around 1939, and that was
24 government subsidized, and that was privately owned by the
25 Pennsylvania Railroad at the time. We're still running on

1 their investment. So for the long haul, yeah, it proved to
2 be very effective, but somebody had to reach down before we
3 got here to allow us to be able to do what we're doing now.

4 With the support of the Commonwealth now, there
5 are 13 trains a day each way, up from the 5 and near zero,
6 to now nearly 1.4 million riders. This has all been done
7 with investment, and there's a return on that investment,
8 both in the form of what Amtrak purchases throughout the
9 State; what the citizens and the people who ride, how they
10 make a living and how they return it through taxes, that
11 benefit to Pennsylvania; the operation, its commerce, and
12 without it, you don't survive, and Amtrak plays a
13 significant part in there.

14 When the discussion was -- I don't think there
15 was any discussion or any concern or any talk about whether
16 or not they were going to subsidize the *Keystone* service
17 east of Harrisburg when the announcement was made about the
18 need for a subsidy. However, the focus was purely on the
19 western end from Harrisburg to Pittsburgh. That is, and
20 again, with a different type of train, that is a
21 444-mile-long service from Pittsburgh to New York City, and
22 what they did was excerpted the Harrisburg to Pittsburgh
23 portion alone and treated it and compared it as though it
24 should be operating the way the commuter service does from
25 Harrisburg to Philadelphia and on to New York, and that's

1 not the case.

2 There was the discussion, one of the reports --
3 in fact, the one that surfaced most commonly was about the
4 ridership and the cost per passenger and how many people
5 rode it and for what distance, and the writer said that if
6 half the Pittsburgh riders used the service from Pittsburgh
7 to Harrisburg, this is what it costs. Well, that's not a
8 true fact. They didn't bother to call Amtrak. He said
9 they weren't available, but all it takes is a call to
10 Amtrak to get those numbers. The fact of the matter is,
11 about two-thirds of the people that get on that train go
12 beyond Harrisburg. They're there for the long haul, and
13 only a third, less than a third, get off at Harrisburg.
14 The actual numbers for fiscal year '02 eastbound were
15 41,300 passengers boarded the *Pennsylvanian* in Pittsburgh;
16 28,276 of them went beyond Harrisburg. It's nearly the
17 same number going westbound. So the majority of those
18 passengers use this for the long haul.

19 On the western end, in FY '02, there was a slight
20 dip in the number of on-and-off passengers in Pittsburgh
21 for both the *Pennsylvanian* and the *Capitol Limited*. The
22 *Capitol Limited* starts in Washington, DC, goes through
23 Pittsburgh to Chicago, and that's the train everybody gets
24 off in Pittsburgh and waits 4 hours to catch if they want
25 to go beyond Pittsburgh.

1 The data for that FY '02 in that location
2 indicates that the losses on the *Capitol Limited* were
3 proportionately greater than on the *Pennsylvanian*. I don't
4 hear anybody talking about cutting that train off, but
5 45,653 on/off riders for the *Capitol* was a loss of
6 5.7 percent from the previous year, but the *Pennsylvanian*
7 had 83,719 on-and-off passengers with a loss of only
8 2 percent.

9 So while no one is proposing to eliminate the
10 *Capitol Limited*, if you took the *Capitol Limited* and used
11 the same segmentation analysis as they're doing with the
12 *Pennsylvanian*, you would say that because that train
13 doesn't operate very well between Washington, DC, and
14 Pittsburgh, we ought to just whack that whole piece of it
15 and start the train out of Pittsburgh. I don't hear that,
16 but for some reason, and I really can't give you a straight
17 answer as to why, Pennsylvania is always on the short end
18 of the stick when it comes to these operations. This has
19 gone on for years -- decades.

20 That is the point where I think we need to focus
21 now, is in Pittsburgh, the mistake and the error and the
22 thing that needs to be corrected, and as you mentioned
23 previously, the extension of that train to Chicago. I
24 think we have partners that are willing to help in that.
25 In Ohio, the former FRA Administrator, Jolene Molitoris, is

1 a member of the Ohio Transportation Committee. She's very
2 proactive in this. Chicago would be very supportive in
3 this area because they don't have enough seats on the
4 trains coming out of Chicago as it is. It would provide
5 service from those people west of Pittsburgh into the State
6 and through the State.

7 If you look at the Amtrak map and the trains that
8 operate, New York City up through Albany and Erie and on to
9 Chicago, and the other one goes Washington, DC, and down
10 under us -- and I thought we were the Keystone State, but I
11 don't know how this happened -- nothing happens in here
12 anymore. That has been just ignored.

13 When you look at the numbers of passengers that
14 operate on Amtrak service nationally, it's climbing
15 everywhere nationally. I can't figure out why nobody can
16 anticipate decent service on an operation that begins in
17 one of the largest cities -- the largest, I guess, in the
18 country -- New York, ends in Chicago, and goes through
19 Philadelphia, Lancaster, Harrisburg, Pittsburgh, and
20 Cleveland, and you can't make it work. That doesn't make
21 -- there's no rationale for that. It doesn't make good
22 sense.

23 And I think we need to partner with the Western
24 States. I think, you know, you might want to take up a
25 resolution and take it to Amtrak and the congressional

1 delegation. Sit down to partner with them and try and talk
2 some sense into Amtrak and serve it on the Amtrak board.
3 The FRA has the responsibility under PRIIA, in Section,
4 I think, 508, to analyze a restoration of service and the
5 installation of new service and then to set up a mechanism
6 to do that, and I think we ought to be sitting down with
7 them or some group of us and on behalf of Pennsylvania
8 should be doing that. There's absolutely no reason why we
9 shouldn't have reasonable passenger service.

10 Truncating that service in Pittsburgh is like
11 asking a runner to give up a leg and now show me how fast
12 you can run. Why would you want to get on a train in
13 Johnstown to ride as far as Pittsburgh and then sit in a
14 room about this size for 4 hours until midnight to continue
15 your trip? That's the kind of thing that disturbs service.

16 Previously the service, when they cut the
17 ridership or the train going to Chicago, that was when
18 Amtrak was operating mail service. They were trying under
19 the pressure to produce revenue and be profitable. They
20 actually ran about four or five coaches and about
21 20 freight cars. The passenger cars were the excuse to run
22 the freight over the freight railroad's right-of-way and
23 make money. But a 20-hour trip from New York to Chicago
24 had no diner, had no sleepers. I mean, I guess the best
25 thing you could hope for was cold water. So is it any

1 wonder ridership would drop? But amazingly at that time,
2 when that service was cut, the ridership had been
3 increasing every year for the past 3 years, and when they
4 cut it in March of the last year, it was on a really
5 climatic climb to set a record for ridership, and then they
6 cut the whole thing.

7 I think there are plenty of valid reasons for
8 service west of Harrisburg. I think it has to be looked at
9 as consideration of a long haul. It's not a short commuter
10 train. Frequency of service is an important factor. I
11 don't know that we get much frequency of service now, but
12 if you extend that train from Pittsburgh to Chicago, it
13 does give you another set, another piece of frequency on
14 that segment between Pittsburgh and Chicago, and
15 coordinating that with the *Capitol Limited*, which runs out
16 of Washington, provides better options as well.
17 Performance then can lead to additional service.

18 But the rest of my testimony is in there, but
19 those are the highlights, I think, that I wanted to make.
20 And I appreciate the opportunity to testify, and we would
21 like to work with you to make the service better and the
22 extension come to life.

23 MAJORITY CHAIRMAN HESS: Thank you very much for
24 your testimony. And I agree with you, that certainly isn't
25 service. To take 4 hours to sit there in a room like this,

1 that's---

2 MR. DUNLEVY: It chases people away.

3 MAJORITY CHAIRMAN HESS: That's chasing people
4 out and not bringing people in. That's really not a
5 service. I thank you very much for your testimony.

6 The next gentleman is with the Delaware Valley
7 Association of Rail Passengers, Mr. John Dawson. You may
8 begin when you're ready.

9 MR. DAWSON: Thank you for the opportunity to
10 testify before the House Committee on Transportation.

11 The Delaware Valley Association of Rail
12 Passengers is a nonprofit organization supported by rail
13 riders, primarily in southeastern Pennsylvania and southern
14 New Jersey. We are quite pleased to learn that
15 Pennsylvania and Amtrak have reached an agreement to keep
16 the *Pennsylvanian* running beyond the end of the Federal
17 fiscal year on September 30, and we hope the Legislature
18 will be providing the necessary funding.

19 In recent months we have heard comments made by
20 newspaper editors, commentators, sometimes government
21 spokesmen, to the effect that because of low ridership and
22 slow running west of Harrisburg, the *Pennsylvanian* is not
23 worthy of State funding. It is true that the *Keystone*
24 service carries roughly six and a half times as many
25 passengers as does the *Pennsylvanian*, but it should be

1 noted that the *Keystones* operate 154 runs every week
2 between Philadelphia and Harrisburg compared to 14 for the
3 *Pennsylvanian* between Philadelphia and Pittsburgh. That's
4 an 11-to-1 ratio. In other words, for every run the
5 *Pennsylvanian* makes, the *Keystones* have made 11. With that
6 much denser service, it would be surprising if the
7 *Keystones* did not carry more passengers.

8 Pittsburgh is also almost three and a half times
9 further from Philadelphia than Harrisburg, 353 miles versus
10 104, which means that passengers are carried for longer
11 distances. The imbalance in the delivered service when
12 trip lengths and service levels are considered is not near
13 as great as it appears when just passenger counts are
14 considered.

15 And I suspect if you took that average subsidy
16 per passenger for keeping the *Keystone* service and the
17 *Pennsylvanian* and divided it by the average trip length to
18 get a subsidy per passenger mile, you would find that the
19 results are quite comparable, that they're about the same
20 cost.

21 Ridership on the *Pennsylvanian* increased by
22 10.1 percent in the 6 years from FY 2005 to FY 2011, the
23 years for which Amtrak route statistics were readily
24 available. However, these numbers represent total
25 ridership on the route and do include passengers who did

1 not travel west of Harrisburg or even west of Philadelphia.
2 It is not easy to obtain ridership by segment, but looking
3 at station activity -- boardings and alightings -- at the
4 seven stations between Harrisburg and Pittsburgh, and these
5 are stations served only by the *Pennsylvanian*, one can
6 obtain an estimate of trends west of Harrisburg, and it can
7 be seen that station activity increased by 33.2 percent
8 over that same 6-year period from FY '05 to FY '11.
9 Altoona was the busiest station in this intermediate
10 segment with FY '11 activity just short of 25,000, and
11 Johnstown is not far behind at more than 23,000. And note
12 that the activity at Johnstown has increased by
13 54.6 percent since FY '05.

14 I should also point out that if you take the
15 total number of passengers and look at the trains operated
16 per year and divide the second number into the first, you
17 get the number of tickets sold on each train, and for
18 FY 2011, an average of 278 tickets were sold for every
19 run of the *Pennsylvanian*. For the *Keystones*, it was
20 162 tickets per run.

21 The 5 ½ hour running time between Harrisburg and
22 Pittsburgh is necessitated by the mountainous topography
23 and heavy freight traffic carried by the host railroad,
24 Norfolk Southern. This is a problem not easily rectified,
25 at least in the short term, as both capacity increases and

1 route realignments require capital investments.

2 Amtrak has run a varied service on the route
3 since it started operations on May 1, 1971. For most of
4 its history, it has run two daily trains between Harrisburg
5 and Pittsburgh, a day train between New York and
6 Pittsburgh, and an overnight service running to Midwest
7 destinations. Although, from November 1971 to October
8 1979, service was increased to three daily trains when the
9 long-haul service was split into separate trains to Chicago
10 and Kansas City. Service only fell back to a single daily
11 train in March 2005 when the through service to Chicago was
12 eliminated.

13 Harrisburg to Pittsburgh provides the
14 connectivity needed to allow the national system to
15 function efficiently. It connects the two largest cities
16 in Pennsylvania. It connects Pittsburgh to the State
17 Capital and New York. It handles a considerable number
18 of passengers connecting to the Washington-Chicago
19 *Capitol Limited* at Pittsburgh, most of whom are traveling
20 from or to Pennsylvania points east of Pittsburgh.

21 If the link were broken, the seven stations from
22 Lewistown to Greensburg would lose all service that in
23 FY 2011 handled 82,700 passengers, and it would represent
24 the first time since 1854 that one would be unable to
25 travel directly by rail between Philadelphia and

1 Pittsburgh. With the need to change trains in Washington,
2 rail travel between these two cities would increase from
3 7 hours 23 minutes to 10 hours 49 minutes.

4 Let's keep this train running and, in the longer
5 run, figure out how we can add service and shortened
6 running times in order to meet the travel needs of
7 Pennsylvania residents.

8 MAJORITY CHAIRMAN HESS: Thank you very much.

9 I agree with much of what you have said. I think
10 that we need to continue working with Amtrak, with PENNDOT
11 and all the players, to see if we can cut down on the
12 travel time and have a much better schedule. I think if we
13 had a much better schedule, I think a lot more people would
14 utilize the train. But due to the schedule, a lot of them
15 don't use it or can't use it because of things they have to
16 do in Pittsburgh or wherever they're going to.

17 So I think we need to continue the dialogue and I
18 think there is room for improvement, and I think over time,
19 if we're diligent, I think this help can come about.

20 I thank you gentlemen for your service here
21 today, your testimony.

22 Do any Members of the Committee have any further
23 things to say? If not, our next hearing will be on May 23
24 at 9:30 at Point Park University in Pittsburgh.

25 Anything more to come before the Committee? If

1 not, this hearing is adjourned.

2 Thank you very much.

3

4 (The hearing concluded at 11:00 a.m.)

1 I hereby certify that the foregoing proceedings
2 are a true and accurate transcription produced from audio
3 on the said proceedings and that this is a correct
4 transcript of the same.

5
6
7 Debra B. Miller

8 Committee Hearing Coordinator/

9 Legislative Reporter

10 Notary Public

11
12 Tamara S. Neidlinger

13 Transcriptionist