

**COMMENTS**

**OF**

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**BEFORE**

**THE PENNSYLVANIA HOUSE OF REPRESENTATIVES**

**COMMITTEE ON TRANSPORTATION**

**HEARING ON AMTRAK**

**HARRISBURG, PENNSYLVANIA**

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Mr. Chairman and Members of the Committee:

Thank you for the opportunity to provide comments on Amtrak's service and operations in Pennsylvania.

While my comments and the focus of this hearing are specific to Amtrak, be assured that the United Transportation Union fully recognizes the need and importance of developing and maintaining a comprehensive transportation system that incorporates all modes of transportation. A fully integrated, quality transportation system is the life-blood of commerce. The development of our economy is directly related to the complete quality of our total transportation system. It is one of the primary reasons why families, businesses and industry put down roots in a particular location or otherwise look elsewhere.

We believe that Amtrak has an important part to play establishing in a comprehensive transportation system for Pennsylvania.

Practically every conversation about Amtrak focuses on the issue of Amtrak's profitability. The typical questions are, "When will Amtrak begin making a profit?" or "How can Amtrak be structured to make a profit?" The truth is that there is no passenger system in the world that makes a profit. They all require a subsidy.

The airlines need the federal government to provide the air traffic control system and the local governments to subsidize the building of airports and runways and their surrounding highway infrastructure. The buses require an extensive public highway system to provide their operating infrastructure, as does the everyday motorist driving their personal vehicle. If there is any question regarding the requirement for highway subsidy, just look at the current needs of Pennsylvania's highway infrastructure - over 5,000 structurally deficient state-owned highway bridges and another 5,000 structurally municipally-owned bridges. And this phenomenon is occurring all over the country.

The bottom line is that **all** modes of passenger transportation require a subsidy and any discussion regarding Amtrak must begin with a clear understanding of this fact. This has not generally been the basis for any discussion of Amtrak has historically suffered through decades of attacks by various elected representatives, most notably those serving in Congress, who have attempted to completely dismantle passenger rail service in the United States, and most often on the basis of Amtrak's unprofitability.

Beginning in the mid 1990's, the most draconian attacks and cuts nearly accomplished their efforts as national routes were severed or eliminated, including those in Pennsylvania. Keystone Service was down to five round trip trains per weekday and Amtrak was threatening to eliminate them all.

The Broadway Limited, the Three Rivers and the Pennsylvanian are three cross-state intercity trains that have operated in Pennsylvania. Two of them operated between New York and Chicago but the service west of Pittsburgh was eventually terminated.

As designated by the Federal Railroad Administration in 2000, the Keystone Corridor extends from Philadelphia through Harrisburg to Pittsburgh. Along this corridor, Amtrak provides two distinctly different types of service. East of Harrisburg the primary service is for the benefit of commuters and this service continues through to New York in most cases. The one train per day in each direction that operates west of Harrisburg is an intercity train that has no commuter value. These different types of service must be assessed differently and the standards that apply to one type do not apply to the other, so it is necessary to discuss them in that manner.

Amtrak's Keystone Service running east of Harrisburg is electrified with an overhead catenary wire system. The easternmost portion of the line was originally electrified around 1910 and the remaining portion of the line into Harrisburg was electrified around 1939. Both portions of the electrification installation were the result of government subsidies. Among other things, electrification is conducive to faster acceleration, higher operating speeds, cleaner operation and, more recently, a cheaper source of energy. The Harrisburg to Philadelphia portion of the corridor is also relatively straight and with only very slightest of grades to climb. The track is owned by Amtrak and consequently has a very small amount of freight traffic on the line and which is confined almost entirely to night operation after all of the passenger service has ceased for the day.

Amtrak, with the support of the Commonwealth of Pennsylvania, operates thirteen Keystone Service trains per day in each direction on weekdays between Harrisburg and Philadelphia beginning at 5:00 AM and ending at 12:45 AM, with most of these trains also operating in through service between Philadelphia and New York City. Last year, Amtrak's Keystone Service handled nearly 1.4 million riders. With all of its continuing growth and success, there was virtually no question raised within the Capitol or in the media regarding Pennsylvania's need or willingness to financially support the continuation of this service as provided under the recently enacted provisions Passenger Rail Investment & Improvement Act of 2008 (PRIAA).

However, newspaper articles, newscasts and other media forms put forth daily accounts as to why the cross-state Pennsylvanian was in jeopardy. This train originates in Pittsburgh and runs for 444 miles into New York City's Penn Station, by way of Harrisburg and Philadelphia. Much of that discussion focused on the estimated ridership between Pittsburgh and Harrisburg and without regard to the fact that the train serviced larger cities east of Harrisburg.

The ridership figures used to explain the cost were based on an assumption provided in the article that read, "Amtrak could not provide separate figures for

Pittsburgh-to-Harrisburg ridership. If half of the Pittsburgh riders use that service, the proposed subsidy amounts to \$88 per rider, well above the current \$40 ticket price." The fact of the matter is that Amtrak could and has provided separate figures for the Pittsburgh-to-Harrisburg ridership; all that the writer needed to do was to ask Amtrak.

The actual numbers for the Pennsylvanian in FY 2012 are as follows:

- Eastbound, 41,300 passengers boarded the Pennsylvanian in Pittsburgh and 28,276 of them traveled beyond Harrisburg. Slightly less than one-third of the passengers got off the train at Harrisburg or before, not 50% as suggested by the media reports.

The majority of passengers utilize the Pennsylvanian for much longer distances than the Pittsburgh – Harrisburg segment and attempting to evaluate the service by dissecting a portion of the route is misleading.

In FY 2012, there was a slight dip in the on/off numbers of riders in Pittsburgh for both the Pennsylvanian and the Capitol Ltd., which operates from Washington, DC through Pittsburgh to Chicago. However, the data indicates that the losses on the Capitol Ltd. were proportionately greater than those on the Pennsylvanian; 45,653 on/off riders for the Capitol Limited (a loss of 5.7%) and 83,719 on/off passengers for the Pennsylvanian (a loss of 2%). Thus far, no one is proposing to eliminate the Capitol Ltd. because this particular segment of the Washington, DC to Chicago route experienced a slight drop in ridership, as was being done with regard to the Pennsylvanian. Would it be rational then to consider cutting this segment from the Capitol Ltd. route because it doesn't perform well or is it instead recognized as necessary for the entire service? Terminating the Pennsylvanian in Pittsburgh has the same effect as cutting the Washington, DC to Pittsburgh segment of the Capitol Ltd. and only operating it from Pittsburgh to Chicago.

This is where the distinction between daily commuter ridership has to be separated from long-haul overnight passengers and segmenting smaller portions of the route as a representation of the entire route makes no more sense than eliminating the Keystone Service between Harrisburg and Philadelphia because the Mt. Joy to Parkesburg segment doesn't produce big numbers. Coupled with the Congressional demand for Amtrak profitability, this is exactly the type of evaluation that has been applied to the detriment of Amtrak service west of Harrisburg.

Much emphasis was placed on the fact that it takes 5½ hours to travel between Harrisburg and Pittsburgh by train and it takes about 3½ hours by car. However, when considered as part of a 900-mile, twenty-hour long trip, it is relatively inconsequential. In reality, as part of a long-distance 900-mile trip in an automobile, more than one meal stop will absorb that amount of time and its impact on the total trip is minimal.

It was also clear from the reports and comments in the media that no consideration was given to the fact that this is only a portion of a long-haul intercity train that has been truncated and now requires a four-hour wait in Pittsburgh just to make a connection with another train to go further west. The idea that anyone might need to travel west of Pittsburgh wasn't even mentioned or considered; the only focus was on the Pittsburgh to Harrisburg segment.

The long-running Broadway Limited operated for many decades between New York and Chicago through Pennsylvania before it was eliminated in 1995. Shortly thereafter it was replaced by the Three Rivers that operated between New York and Pittsburgh as an extension of one of the Keystone Service trains. Approximately one year later, the service was extended through to Chicago but it did not have sleeper cars and it did not have a dining car on the 908-mile trip that took nearly twenty hours from end to end. In response to the demand for profitability, Amtrak began hauling mail cars for the Postal Service and the 4 or 5 car passenger train became mostly a means to haul twenty or more mail cars over the freight railroad's tracks.

Despite operating with only the bare service essentials, ridership continued to increase on the Three Rivers from 137,200 riders in FY 2003, to 152,800 riders in FY 2004 to 72,300 riders in just the first few months of FY 2005 when Amtrak cancelled the Postal Service contract and with it terminated the passenger train. These ridership increases occurred before gasoline prices were escalating so dramatically and airfares were more competitive.

This band-aid, patchwork type of service by a railroad operating deteriorating equipment and under the constant threat of funding cuts, resulted in decisions that made the New York to Chicago service a traveling adventure, yet the ridership continued to increase.

What we have left today is a remnant of a premier train that has been truncated and its passengers subjected to extended delays and limited amenities. There is currently no checked baggage for the 444 mile trip from New York to Pittsburgh and there is no diner – only a café car. A four-hour layover between 8:00 PM and midnight in Amtrak's single room Pittsburgh station with no amenities awaits those passengers who need to travel west of Pittsburgh.

Last month, Jet Blue announced that it was ending service between Pittsburgh and New York, leaving US Airways as the only direct service provider between the two cities. Ticket prices immediately shot up to more than \$800, just as they did when Southwest discontinued offering service between Pittsburgh and Philadelphia over a year ago. At that time airfares between Pittsburgh and Philadelphia jumped to more than \$550. By comparison, an Amtrak roundtrip ticket to New York is \$144 and a roundtrip ticket from Pittsburgh to Philadelphia is \$108.

In considering transportation costs and subsidies, it should be noted that Pittsburgh built an award-winning airport primarily for US Airways and largely to the airline's

specifications. Then, US Airways dropped Pittsburgh as a hub and left the county and state with huge debt and little service to go along with the high airfares the airline imposes whenever the opportunity arises.

Not everyone can afford these high-priced airfares. Those in business can often pass on to clients but many individuals traveling for personal reasons cannot do that. Others have difficulty in flying for medical reasons or other personal factors. Individuals with circulatory problems cannot sit for extended periods of time, whether they are in an airplane or in a car. The train offers the opportunity for passengers to get up and move about at will. Train travel is also quite productive for many, especially with Amtrak's extensive Wi-Fi service. Some travelers find driving tiresome and it is becoming more expensive with the increasing price of gas and tolls; Amtrak offers a viable alternative.

Nationally, in the six-month period from October 2012 to March 2013, Amtrak carried 15.1 million riders, an increase of 0.9% compared with the same period the previous year. March of 2013 set a record for Amtrak's single best month ever with 2.8 million riders and last year, Amtrak set a record with 31.2 million passengers and expects to exceed that number this year.

Highway congestion, airport hassles and increased fuel prices have all contributed to the increased demand for rail passenger service and Amtrak also credits the ridership increase to better on-time performance and free Wi-Fi service. Yet between New York and Chicago, two of America's largest cities, and traveling through Philadelphia, Lancaster, Harrisburg, Pittsburgh and Cleveland, it is amazing that direct passenger service is not deemed viable and does not exist on this route today.

Amtrak is also a great contributor to Pennsylvania's economy. In FY 2012, Amtrak's procurements in Pennsylvania exceeded \$203 million. In FY 2012, Amtrak employed over 2,600 Pennsylvanians whose wages were in excess of \$193 million.

The citizens of Pennsylvania who live west of Harrisburg are faced with increasingly limited transportation options. There is no direct air service between Pittsburgh and the capitol. Other service is being eliminated and costs are escalating. Amtrak is an important part of Pennsylvania's transportation system and it is capable of providing greater travelling options to the public.

The General Assembly is encouraged to be proactive in re-establishing continuing through train service beyond Pittsburgh to Chicago. Passage of a Resolution directed toward Amtrak, the Pennsylvania Congressional Delegation, PennDOT, the U.S. Department of Transportation and the Federal Railroad Administration (which under PRIIA is charged with some responsibility in establishing the return and expansion of service under Section 208) may be beneficial in initiating such an effort. The other affected states – Ohio, Indiana and Illinois – would also benefit from the expanded service and a unified effort with them should also be pursued.

The primary freight railroad involved in extending this service westward is Norfolk Southern (NS). As a recipient of tens of millions of dollars from the Commonwealth of Pennsylvania, NS should be a cooperative partner in this endeavor.

There are many groups and organizations, particularly from the western half of the state that would be willing to assist as advocates for the extension of this service. We are willing to work with you in moving forward to restore this needed service.

Thank you again for the opportunity to appear here today and I will try to address any questions you may have.