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AMTRAK

Richard H. Anderson
President and Chief Executive Officer

May 20, 2019

The Honorable Jerry Moran
United States Senate
521 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Moran:

Thank you for your letter of April 5 regarding a number of issues related to Amtrak and the intercity passenger rail service we provide across America. We particularly appreciate your support for Amtrak's National Network, which includes the state-supported and long-distance services.

As the entity established by the Federal government to deliver intercity passenger rail in the United States, we take very seriously the statutory mission and goals that various Congresses and Administrations have developed over our history. Together, they provide us with the basic instructions that guide how we operate the Corporation. I'm glad to report that we are making strong progress towards these aims by strengthening the safety of our system, setting new records for ridership and revenue, reducing Federal subsidies, and recapitalizing the vital assets that are essential to providing a modern and reliable service to the American people. As I answer your questions below, it will be useful to refer to these provisions, which are attached, as many of our actions referenced herein stem from these statutory mandates. ***(See Attachment A)***

I strongly concur with your assessment that Amtrak plays a vital role in the nation's transportation network and we fully agree with the importance of having a truly national system. In fact, we believe that intercity passenger rail has a much bigger role to play by serving millions of more Americans in the coming years and by supporting the development of a more convenient, responsive, and sustainable transportation network. This is why we have been working diligently to improve the safety of our operation, modernize our products, become more affordable for our customers and state and commuter partners, and strengthen our customer service.

As Amtrak approaches its 50th anniversary, developing new ways to conduct our business is essential to building upon our success and ensuring a bright future as the nation grows and changes. Navigating the expectations and travel demands of new generations of travelers, including the millennial generation that now represents the largest age cohort of our nation's population, finding ways to integrate new technology into our business processes, and addressing the long-term demographic changes that are reshaping our nation all must be done if we are to maintain and grow our business. Some of this change will be difficult, as we depart from some of the conventions that defined intercity passenger rail service in the twentieth century. We cannot live in the 1960s' world of intercity passenger rail, even if a small, but vocal, portion of our ridership wishes it so. While we can hold onto much of what these customers treasure about traveling on Amtrak, we must position ourselves to attract a new generation of customers. Just as other modes of transportation and businesses are compelled to evolve, so must we if our mode is to grow as a relevant and efficient means of mass transportation. We owe this to our customers and your constituents, along with our nearly 20,000 hard-working and dedicated employees. That is why we have a plan to break even on operating results by 2020.

In all we do, we remain mindful that our primary obligations are to our customers and to our owner, the Federal government, for whom we must act as careful stewards of the public monies entrusted to us. Informing all our decisions is the statutory instruction that we use our "best business judgment in acting to minimize United States Government subsidies." We must always look for opportunities to improve efficiency and productivity, seeking to create as many passenger rail trips as possible for the lowest Federal subsidy. These efforts to reduce our operating loss and per passenger Federal subsidies have the twin benefits of creating opportunities to reinvest Federal funding into much-needed capital improvements and reducing the burden on our state partners who fund the routes that now produce nearly half of Amtrak's total ridership. Indeed, high Amtrak costs are the number-one complaint that we hear from our state partners. If we are to retain and grow these services and the associated strong, middle-class jobs provided by Amtrak to our employees, we must continually make progress in controlling or reducing our costs.

In addition to these general points, I have addressed each of your specific questions below, along with additional information that pertains to some of the other points made in your letter. As always, we stand ready to discuss any of these matters in more detail with you.

Amtrak customers have already experienced a deterioration in service as Amtrak pursues efficiencies. A recent report in Trains Magazine indicated that Amtrak utilizes accounting mechanisms to inflate costs associated with the national network, by charging long-distance and state-supported routes for costs which may be more appropriately charged to the Northeast Corridor. We are concerned that Amtrak's accounting is intentionally obscure and is causing a false inflation of costs of lines outside or the Northeast Corridor. Please provide the accounting methods used to determine the costs referenced.

That Amtrak customers are experiencing a deterioration in service is factually incorrect statement. Amtrak is investing in customer service and our products at record levels. We have completed interior overhauls of our Acela and Amfleet I fleets and our Amfleet II and Horizon fleets are under refurbishment. We have added onboard cleaners to some of our trains, and invested significantly in new menus, clean restrooms, Wi-Fi speeds and exterior washing. We will grow ridership by about 900,000 this year and we have strong customer satisfaction scores across our network, with our Customer Satisfaction Index scores currently over 87%. Additionally, we are on course to set ridership, revenue, and operating loss records this year. This demonstrates, overall, strong customer acceptance of our products and services and our management team's capability of balancing efforts to improve financial performance while investing in growing customer satisfaction and ridership.

The *Trains Magazine* article features an often heard and spurious claim that Amtrak's accounting improperly allocates costs to the National Network services in favor of the Northeast Corridor service. Assertions that Amtrak's accounting is misleading or inaccurate are patently false. Amtrak is audited by Ernst & Young every year in accordance with Generally Accepted Accounting Principles (GAAP) and that audit is then audited by the Amtrak Office of the Inspector General (OIG). This favorite theory of a small and ill-informed subset of the hobbyist "railfan" community is without merit and seems aimed at obfuscating the costs of the long-distance network rather than illuminating the substantial and fairly well-known costs of our Northeast Corridor infrastructure, which is the busiest main line railroad in North America.

There are legitimate questions regarding the equity of Federal support for the Amtrak network and these should be considered as Congress reauthorizes the Federal rail programs. While some passenger rail advocates chafe at the significant funding that goes to support the Northeast Corridor, they often fail to realize that in FY2018, $922 million, or nearly half of our $1.94 billion Federal appropriation, went to support the operating and capital costs of our long-distance network and its 4.5 million annual trips. In comparison, only $498 million of this appropriation was available for capital investments that support the over 12 million annual Amtrak passenger trips on the Northeast Corridor and to fund Amtrak's share of joint projects benefitting the roughly 200 million Amtrak and commuter annual passenger trips on the Northeast Corridor. So, while we generally support calls for intercity passenger rail expansion across the nation and believe that more investment is needed in the National Network, we find it essential to do so within the mandate of the laws passed by Congress and with fully transparent and accurate finances.

In order to further explain this issue, we have provided an attachment, "*Amtrak Long-Distance Trains: Cost Allocation and Economics*." As you may know, Amtrak uses the Amtrak Performance Tracking System (APT), developed at the behest of Congress by the John A. Volpe National Transportation Center of the U.S. Department of Transportation (Volpe Center), to allocate revenues and costs to service lines. A more detailed discussion of how APT was developed, how it works, and how it continues to be refined by Volpe, Amtrak and the Federal Railroad Administration (which reviews its results on a monthly basis), can be found in the copy of which is attached. ***(See Attachments B and C)***

Using Amtrak's audited financial data, APT assigns the majority of the operating expenses Amtrak incurs directly to individual trains, from which those costs then are linked to routes and service lines. For expenses that benefit multiple routes and/or cannot be directly assigned, APT uses formulas that allocate costs to routes as accurately as possible based upon 45 different measures of usage. APT uses a similar approach to assign capital costs, including NEC infrastructure investments which are treated as capital costs, and allocated to routes that benefit from them, in accord with the requirements of Generally Accepted Accounting Principles (GAAP) and the Surface Transportation Board regulations that apply to freight railroads.

As the enclosure "*Amtrak Long-Distance Trains: Cost Allocation and Economics*" demonstrates, accounting methodologies are not the reason that long-distance trains consume a disproportionate share of Amtrak's federal funding for both operating and capital expenses. Rather, long-distance trains require large federal subsidies because their revenues are lower and operating costs are higher than Amtrak's state-supported and NEC services. The federal government is virtually the only funding source for the capital investments they require. These costs are set to increase significantly in the future as we face host railroad-related poor on-time performance across the network and much of our equipment used in long-distance service reaches the end of its useful life and requires replacement. The latter will require billions of dollars in Federal investment to replace long-distance Superliner I and Amfleet II cars built in the 1970s and 1980s.

Does Amtrak plan to truncate or otherwise alter any of the long-distance train routes? If yes, then, which routes are under consideration for alteration? Would any of these routes be altered in such a way that they would fall under the definition of State Supported routes requiring states to find local operating funds for existing service? What discussions has Amtrak had with states, if any, that lead it to believe states would be willing to assume this financial obligation?

Amtrak is not planning to truncate or substantially alter any long-distance routes as we have been given clear direction by Congress to maintain the status quo in FY 2019. We believe that Congress generally endorsed continued operation of our current route network for the five-year period from FY15-FY20 through the enactment of the Fixing America's Surface Transportation (FAST) Act. Thus, although Amtrak is not technically required to operate any given route under the FAST Act, we plan on operating all of our long-distance trains for the remainder of this period while seeking to drive improved performance consistent with our goal to grow ridership while reducing Federal subsidies.

Looking forward, we aim to have a conversation with Congress and our other stakeholders about the future of the long-distance services. While we strongly believe that there is a permanent place for high-quality long-distance trains in our network, the time to closely examine the size and nature of that role is upon us for numerous reasons. As such, we anticipate providing options and recommendations to improve our National Network, including our long-distance routes, as part of the reauthorization proposal we are currently developing for Congress's consideration.

As our owner, the Federal government – through Congress and the Administration – has the role of setting forward the overall vision, funding-levels, policies, and rules that structure our intercity passenger rail system. Yet today, Congress provides no substantive standards to govern or inform where we should run long-distance trains or how they should perform, resulting in wide variability in performance among routes, as you can see in the Route Level Results on page eight of our Monthly Performance Report for March 2019, which is attached for your review and is also available on our website, here: https://www.amtrak.com/reports-documents). ***(See Attachment D)***

As Congress approaches the next reauthorization of Amtrak, we believe it will need to decide whether to continue to fund the operation of all existing long-distance trains with funding to buy new rolling stock and increased levels of financial support or consider changes to the network that could either enhance transportation value or reduce capital and operating expenses. Such changes, such as route alternations, reductions, or truncations, could be mandated statutorily, as has been done by previous Congresses, or, preferably, by setting route standards and funding levels to be used by Amtrak to guide the evolution of the network over time in response to business needs and travel demand. Any of these options come with meaningful consequences, including potential impacts on other services across our network and challenging financial questions, but we stand ready to collaborate and work with you, your colleagues at the Senate Commerce Committee and across the Senate to consider any and all of them.

In such discussions, Congress should consider what basic performance standards relating to route ridership, load factor and per passenger operating subsidies; route, city and state population size and density; route capital costs; interstate highway access and the availability of intercity bus and air service along a route; congestion impacts and other factors might be used to establish a rational and consistent basis for the funding, modernization and operation of our long-distance network as we grow and become a more urban nation. If you look at today's Amtrak route map, you can see how little it has changed since 1971. Yet, the nation has added roughly 118 million people over this period and our population is projected to grow to between 400 million and 450 million by 2050. Most of this growth is estimated to occur in major metropolitan areas, many of which are in the south, mountain west, and west, such as Atlanta, Houston, Dallas, Orlando and Tampa, Denver, Salt Lake City, Las Vegas, Phoenix, Nashville, Austin, New Orleans, and Birmingham. Some of these cities are served by Amtrak today, but only receive once a day or tri-weekly service as part of our long-distance network, often in the middle of the night by chronically late trains.

Salt Lake City, for example, is served by a single long-distance train that arrives at the inconvenient times of 11:05 pm westbound and 3:05 am eastbound and is usually late, precluding passengers from connecting with commuter rail and transit services which shut down at night. Long-distance trains, whose primary use today is transporting customers over relatively short distances along the route rather than end-to-end multi-day journeys, can provide little utility connecting cities and towns within intercity passenger rail's car-competitive "sweet spot" of 400 miles or less with such limited and unreliable service. This conclusion is reinforced when one looks at where Amtrak is most successful today. Almost 85 percent of Amtrak's ridership comes from the top 100 U.S. metro areas. Further, approximately 96 percent of Amtrak trips are less than 750 miles in length. In fact, the vast majority of our riders' trips are less than 250 miles. Excluding the Virginia-Florida *Auto Train,* only 3.5 percent of long-distance trips – just 157,500 annually – are for the entire length of the route. While our long-distance network serves many of the "right" places, it does so with too little service and often with the wrong product based on the present use of these routes and the demands of modern travelers.

Regarding the question of state support for any corridor segments of current long-distance routes that could result from changes to the long-distance network, these are questions that Congress will need to consider as part of any reauthorization and on which we intend to consult and collaborate with our state partners. Today, eight states support the operation of additional Amtrak corridor trains over segments of long-distance routes and 21 state partners in total support 29 state-supported routes that generate nearly half of our ridership. These less-than-750-miles National Network routes operate in accordance with the Amtrak and state cost sharing model developed pursuant to Section 209 of the Passenger Rail Investment and Improvement Act of 2008. If long-distance network changes are to be made, careful consideration should be given as to whether this cost-sharing paradigm is appropriate for former long-distance route segments that would be operated in the future as corridors. Strategies such as providing continued Federal funding to cover all or some of the costs of these routes for a transitional period, ensuring adequate funding to Amtrak or impacted communities to fund alternative transportation options, and providing the necessary capital investments to permit higher frequencies and other improvements associated with creating successful intercity corridors are all worthy of strong consideration.

While it is appropriate to consider the potential costs to states that might assume costs for segments of currently-operated long-distance routes as part of developing high-frequency corridors, it is also worth noting that seven Amtrak-served states currently do not benefit from the Federal support of Amtrak's long-distance network, including Maine, New Hampshire, Michigan, and Vermont, while four other states - Wyoming, South Dakota, Hawaii, and Alaska - have no Amtrak service at all.

Amtrak says it wants to introduce new short distance routes with daytime service and multiple frequencies. What specific routes is Amtrak considering? What discussions – if any – has Amtrak had with host railroads, stakeholders, or government officials regarding these additional frequencies?

Currently, Amtrak is working internally to assess the potential of numerous markets for operational and financial success. This work includes identifying candidate markets; evaluating likely service frequency, train consists and draft schedules; forecasting ridership, revenues and operating expenses; and estimating fleet and infrastructure capital needs. This analysis will focus on connecting city pairs within 400 miles of one another and will include both adding additional frequencies to existing routes and establishing new routes in corridors currently underserved or not served at all by Amtrak. In identifying candidate corridors, Amtrak is consulting existing state rail plans as well as referencing local and regional development efforts to be as comprehensive and prepared as possible for further engagement. Among the potential corridors are Mobile to New Orleans, Fort Worth to Newton, Minneapolis/St. Paul to Chicago and Duluth, and the Front Range Corridor.

Once Amtrak completes this initial analysis this summer of the potential market demand and the assets (infrastructure, fleet, and stations) required to deliver a new service, we will seek robust and meaningful conversations with potential state partners and other stakeholders. This engagement could include outreach to governors, state departments of transportation and state legislatures, local municipalities and mayors, rail advocacy groups, or other targeted stakeholders who could be impacted by or have an interest in new corridor passenger rail service. The analysis we are performing and the subsequent communication with stakeholders are meant to help us provide strong recommendations to Congress as you consider the best way for Amtrak to modernize, evolve, and expand.

Additionally, for Amtrak to expand corridor service, we must confront several challenges head on. First, investment in infrastructure, equipment, and stations is critical to growth of intercity passenger rail and will need to be supported by robust, reliable, multi-year federal funding sources, just like all other major modes of surface transportation. Second, the current process of negotiation with our host railroads has often made it very difficult for Amtrak to add frequencies and new routes; this too must be addressed if passenger rail is to respond to the growing demand.

Amtrak claims that public demand for its long-distance interstate service is declining. Yet the number of passengers using the total long-distance network in FY 2017 – the last year without major service interruptions – was 10.6% higher than it was eight years earlier in FY 2010. It was also higher than in all but three of the last eight years. This growth occurred in spite of worsening on time performance, capacity reductions and other changes to service levels. On what basis does Amtrak claim that demand is declining for long-distance trains?

The number of long-distance passengers increased five percent from FY 2010 to FY 2017. It then fell four percent from FY 2017 to FY 2018. The decrease from FY 2017 to FY 2018 was not due to service interruptions: long-distance train miles declined only 0.2 percent. Rather, the decline in ridership was attributable to the worsening of on-time performance referenced in the question and reduced demand for longer distance rail trips on trains whose average speed is about 45 miles per hour.

As discussed in detail in the enclosed "*Amtrak Long-Distance Trains: Cost Allocation and Economics,*" long-distance train ridership and passenger-miles, the measures of long-distance train usage, have fallen in recent years. This is during a period when ridership has grown significantly both on Amtrak's NEC and state-supported routes. Passenger miles on long-distance trains have fallen dramatically – they are down 12.5 percent from FY 2010 to FY 2018. The major causes of this decline are freight interference on host railroads that has devastated on-time performance and reduced demand for longer distance rail trips. Trips over 600 miles on long-distance routes have fallen 20.5 percent from FY 2010 to FY 2018. These decreases are more significant in coach than in sleeper, reflecting the reduced appeal of the trains to those whose travel is less likely to be for leisure purposes. A notable exception to this is our *Auto Train* service, for simple reasons: it is unlike any of our other trains in that it offers the service of carrying customers' automobiles in addition to providing transportation and it is also our only train that has no intermediate stops between its origin and destination.

Demand for shorter rail trips in corridors between major cities is increasing, particularly in the fast-growing South, Southwest and Mountain states. However, the minimal service Amtrak currently provides in these regions, with long-distance trains that are often many hours late and serve major cities in the middle of the night, does not meet the needs of their rapidly increasing populations. The only Amtrak service in major metropolitan area such as Phoenix (population 4.7 million and served only at a station in Maricopa, 35 miles from downtown) and Houston (population 7 million) is a single tri-weekly long-distance train. Other major metropolitan areas such as Atlanta (population 5.6 million), Denver (population 2.9 million) and Albuquerque (population 900,000) are served only by one daily long-distance train, while Las Vegas (metropolitan area population 2.2 million) has no Amtrak service at all.

Amtrak is committed to advancing the future of both the National Network and the Northeast Corridor. We believe that any major changes to our existing rail network should be considered as part of the upcoming reauthorization of Amtrak and Federal intercity passenger rail policy within the next surface transportation bill. As reference, I am attaching the Amtrak Five-Year Service Line Plans that Amtrak recently submitted to Congress. ***(See Attachment E)***

Amtrak has made a number of changes impacting long-distance routes in 2018 that may reduce revenues and services, such as the removal of ticket agents at a number of stations across the country. Why did Amtrak calculate ridership totals based on weekly boardings on routes that do not run daily? When will Amtrak restore or otherwise alter assistance it provides passengers at stations based on Congressional directives in the Fiscal Year 2019 Appropriations Act?

Amtrak is committed to ensuring its customers receive the proper level of service at all of our stations and we regularly evaluate our staffing requirements. The vast majority of our current stations, 354 out of 519, are not currently staffed with Amtrak employees, and this is not the result of any recently implemented change. Most of our long-distance stations have not been staffed by employees for many years. Numerous busy stations function smoothly with no Amtrak staff present. For example, the unstaffed San Diego Old Town station, which handles 300,000 annual boardings and alightings on 24 weekday trains, and the unstaffed Milwaukee Airport station, which handles 160,000 annual boardings and alightings on 14 weekday trains, are representative of how our onboard train crews, coupled with digital applications, can manage high volumes without station support. Factors such as ridership levels, station ticket sales, and the availability of new technology all inform any decisions regarding future staffing levels at stations. In response to clear customer demand, we are adding increasing functionality both to our web site and our mobile apps. Both of these channels are the most preferred by customers and reduce the need for more traditional forms of customer service. In certain locations where conditions are suitable, we will deploy next-generation kiosks to provide a self-service option for customers in our stations. Positioned in strategic locations, new kiosks will support both counter-top and self-standing deployments to have flexibility within different station layouts.

You noted the reduction of ticket agents made in FY 2018 at smaller stations in our network. The changes we have made reflect efficient staffing decisions, the evolution of technology, customer preferences and better service. Today, more than 90 percent of our ticket sales occur online, on our mobile app, and over the phone, leaving less than five percent occurring at our stations and handled by agents. The vast majority of our customers, and your constituents, prefer the internet and their phones. With the ubiquity of cell coverage and telephone access at or near our stations, nearly all passengers have a way to buy tickets, receive up-to-date information about train status and have their questions answered without the presence of Amtrak staff at the station. Customers benefit financially from buying their tickets electronically or by phone in advance of their travel, since tickets purchased on the day of travel at the station or from a conductor once on board the train are more expensive. Furthermore, the annual salary and benefit costs of an Amtrak ticket agent are $100,000-$120,000 per year, with some employees only working three days a week to cover one pair of round-trip trains a day at certain stations. The removal of these agents was a prudent business decision which allows us to redeploy our staff to higher volume stations or other service roles, while still ensuring that customers can access Amtrak tickets and information.

At the stations where changes were made in 2018, Amtrak employees typically issued two or fewer tickets per train departure. We have hired caretakers to open and close those stations, and to keep them clean. We also are looking to expand the extent to which sponsors, such as states or local groups, provide volunteers during station hours. In addition, conductors and on-board staff are available to help people on and off the train and to direct passengers across station property. Every Amtrak station employee affected by the changes in 2018 was offered a job on the Amtrak system.

While we acknowledge an error in referencing the frequency of the trains on routes that do not run daily in our previous communications, these locations still issued very few tickets, justifying the staffing changes. The 2018 staffing changes affected 15 stations. We are in compliance with the FY 2019 directive to retain either a ticket agent or caretaker at all of those stations.

Regarding further changes, we will ensure that we provide robust communication and collaboration with stakeholders, including local leadership and labor unions, per Congress' directive. In addition, we will ensure the stations remain cared for by appropriate means, that customers receive proper boarding and alighting assistance from on-board train crews, and that any impacted agents are offered other positions within the company.

Let me also note that Amtrak is in the midst of a major investment to improve the physical condition of our stations across our network, along with several major redevelopment projects aimed at transforming our Top 100 stations into modern and appealing facilities. This effort also includes a multi-year program to make ADA-related improvements to stations and platforms. Additionally, we recently created a new organization within our Operations Department that oversees customer service at stations with the aim of improving and modernizing the customer experience. ***(See Attachment F)***

Amtrak has expressed concern at how the dispatching practices of some host railroads has led to deteriorating on-time performance (OTP). Does Amtrak have a strategy to improve OTP and better interface with the host railroads? Are there policies that would assist Amtrak in this endeavor?

Amtrak is dedicated each day to improving on-time performance (OTP) for our customers traveling on host railroads. We pursue a strategy rooted in collaboration. We would strongly prefer to resolve all performance issues by working together with host railroads. Amtrak crews and operating managers are in continuous dialogue with each host on a daily basis to work to deliver safe and reliable service on host lines and address any operating issues that may arise. Amtrak management convenes regular meetings with host railroad executives and passenger operations staff to discuss performance trends, identify opportunities for improvement, and actions both the host and Amtrak might take to reduce delays. Furthermore, the operating agreements between Amtrak and each of the Class I host railroads contain financial incentives based on performance. While these incentive systems vary by host and in their effectiveness, they nonetheless provide an opportunity for substantial financial gain for the timely operation of Amtrak trains. Taking a collaborative approach to improving on-time performance is our top priority, and we pursue every opportunity available to us to work with host railroads on joint performance initiatives.

However, we know from experience that Amtrak customers receive the highest level of reliability on host railroads when there is a mechanism to enforce the Federal statute requiring freight railroads to provide Amtrak trains preference over freight transportation. Following the passage of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), OTP exceeded 75 percent for long-distance trains and 80 percent for state-supported trains, and on certain hosts freight train interference delays – the largest cause of delay to Amtrak passengers on the National Network – dropped by roughly two-thirds in a matter of weeks. We observed similar trends in the reverse when the PRIIA Section 207 metrics and standards regarding OTP were ruled unconstitutional, after which freight train interference delays rapidly increased. Please see attached our annual Host Railroad Report Card, an On-time Performance Report by Route for FY2018, and our monthly Host Railroad Report provided publicly on our website: https://www.amtrak.com/reports-documents. ***(See Attachments G, H and I)***

Throughout this time, Amtrak has sought to work together with host railroads to improve performance, but the dramatic swings in delays and OTP immediately following major legislation and legal decisions suggests that OTP on host railroads is ultimately driven by the Congressional and judicial appetite to hold freight railroads accountable to existing law. By statute, currently only the U.S. Department of Justice (DOJ) can enforce preference in a civil action before a District Court judge. In Amtrak's entire history, DOJ has initiated only one enforcement action, against the Southern Pacific in 1979. Amtrak supports continued authority for the DOJ to initiate an action, but we request that this authority be supplemented by creating an ability for Amtrak to enforce preference, just as any other company would have a right to resort to the courts if its rights were being violated (see *requested bill language* below).

History has proven that the ability to enforce Amtrak's right to preference has the greatest likelihood of resulting in sustained levels of reliable rail service across the country, and we appreciate the Congressional leadership we have received on this issue over the years. Unfortunately, and despite support for the National Network by many in Congress, we have yet to see introduction and passage of this proposal. We encourage your consideration and support of this approach to address this critical issue for passenger rail performance.

Requested Bill Language:

AUTHORIZE AMTRAK TO BRING A CIVIL ACTION TO ENFORCE 49 USC 24308(C)

(a) IN GENERAL.—49 USC 24308(c) is amended, by adding at the end of the paragraph the following: "Notwithstanding the provisions of 49 USC sec. 24103(a) and sec. 24308(f), Amtrak shall have the right to bring an action for equitable or other relief in the United States District Court for the District of Columbia, or in any jurisdiction where Amtrak resides or is found, to enforce the preference rights granted under this subsection."

AMTRAK

Requested Bill Language:

AUTHORIZE AMTRAK TO BRING A CIVIL ACTION TO ENFORCE 49 USC 24308(C)

(b) IN GENERAL.—49 USC 24308(c) is amended, by adding at the end of the paragraph the following: "Notwithstanding the provisions of 49 USC sec. 24103(a) and sec. 24308(f), Amtrak shall have the right to bring an action for equitable or other relief in the United States District Court for the District of Columbia, or in any jurisdiction where Amtrak resides or is found, to enforce the preference rights granted under this subsection."

(c) Conforming Amendment.—49 USC 24103(a)(1) is amended to read as follows: "(a) General.—(1) Except as provided in paragraph (2) of this subsection or subsection 24308(c) of this part, only the Attorney General may bring a civil action for equitable relief in a district court of the United States when Amtrak or a rail carrier—".

Sleeper cars provide approximately 40-50% of the revenue on many long-distance trains. Please provide us with an update on the 25 sleeper cars that were scheduled to be delivered in 2015 and 2016. Please provide a timeline for completing this order and putting the new cars into service?

Completion of deliveries of Viewliner cars for use on our long-distance trains has been delayed due to deficient performance by the manufacturer. To date, we have taken delivery of one of the referenced sleepers. The remainder will be delivered between October 2019 and December 2020, entering into revenue service between late 2019 and early 2021. These sleepers will be deployed generally on single-overnight trains in the eastern United States where their operation will improve financial performance. While sleepers do provide a little less than 40 percent of ticket revenue on long distance trains, the total amount of revenue, including coach, food and beverage, and other revenue, is far exceeded by the operating cost. Our long-distance cost recovery ratio, calculated as operating revenue as a percentage of operating costs, is 49 percent, producing large operating losses. The Superliner I sleepers that are primarily used on western long- distance trains are nearly 40 years old. They will begin to reach replacement age within the next few years and will require a significant capital outlay if they are to be replaced.

Thank you again for your continued interest and support of Amtrak and intercity passenger rail. Please do not hesitate to contact me with any additional questions you may have.

Sincerely,

RH Anderson

Richard H. Anderson
President and Chief Executive Officer