Testimony of

Jane B. Brophy

National Railroad Passenger Corporation



Before the

Vermont House Committee on Transportation

Virtual Hearing on House Bill H.693

Thursday, February 8,2024

Amtrak

2955 Market Street

Philadelphia, PA 19104

Good morning, Chair Coffey, and members of the Committee. My name is Jane Brophy. I serve as Amtrak's Director of Government Affairs for the Northeast at the state and local level.

Thank you for inviting Amtrak and me back to appear before the House Committee on Transportation to offer comments on House Bill H.693, specifically Sec. 18 Coordination Between the Agency of Transportation and Amtrak: Report.

Let me start with a quick review of Amtrak's fiscal year 2023 results and the services in the state. Demand for both leisure and business travel increased in FY2023 as compared to FY2022. In FY2023, we resumed service on all routes suspended during the pandemic and added more trains on the *Northeast Regional, Piedmont* and *Amtrak Cascades*. Customer trips grew 24% on average across the system, with the Northeast Region and Northeast Corridor leading the demand. Multiple State Supported services also drove ridership gains while setting monthly or annual ridership records. Amtrak also hired 4,800 new employees and plans to hire about 5,000 more this fiscal year. Most of this employee growth is in our Capital Delivery organization supporting the major infrastructure programs up and down the Northeast Corridor, made possible by the Infrastructure Investment and Jobs Act passed in late 2021, more commonly called IIJA, or BIL, for Bipartisan Infrastructure Law.

Vermont is fortunate to have two state-supported routes – the *Ethan Allen Express*, which operates from New York City to Burlington, via Albany, and the *Vermonter*, which travels between Washington, D.C. and St. Albans, Vermont. These services are cross-state- meaning costs and operational decisions are shared under the provisions of the 2008 Passenger Rail Investment and Improvement Act, Section 209, or in short, PRIIA 209. Under PRIIA 209, Amtrak receives funding from 17 states through 20 agencies to support the 28 routes in our network that cover less than 750 miles. This law governs how Amtrak and states manage intercity passenger rail service on these shorter routes. PRIIA 209 dictates a single, nationwide and standardized cost sharing methodology. An IIJA required update to that methodology is being implemented in FY24. This business model requires agreement amongst all state route partners for any operational or service changes. Continued operations of State Supported routes is subject to annual operating agreements and state legislative appropriations. Amtrak appreciates the continued partnership with the state of VT.

Vermont, Connecticut and Massachusetts are the three states who fund the *Vermonter* while New York and Vermont fund the *Ethan Allen Express*. Both these services have rebounded quite well from the pandemic period. Ridership in Vermont is up on average 35% in FY'23 over FY'22, well above the 24% national average mentioned previously.

Other FY'23 Amtrak accomplishments of interest:

- Executed a contract option for ten additional <u>Airo</u> trainsets, bringing the total order to 83.
- Continued our commitment to safety with:
 - o Zero employee and customer fatalities
 - o Zero National Transportation Safety Board (NTSB) incidents
 - A significant reduction of injuries to employees (down 20%) and customers (down 40%) year-over-year
- Invested a record of nearly \$3 billion into improving our infrastructure, fleet and maintenance facilities.

Amtrak funded railroad investments in Vermont infrastructure over the last few fiscal years are significant, particularly those identified and funded as Safety Mitigation Projects through directed

spending under former Senator Leahy's leadership position. A total of **52** Vermont projects are identified, with 29 complete, 14 in execution and 9 in design. Expenditures for completed projects total about **\$41M** with another estimated **\$100M** to spend on these remaining 23 projects benefiting the two train services and your state. And of course, we're looking forward to breaking ground on the new Brattleboro station this spring.

Federal Railroad Administration Corridor Identification and Development Program (CIDP)

The Infrastructure Investment and Jobs Act (IIJA) provided \$12B for intercity passenger rail expansion to be administered under the Federal Railroad Administration (FRA)'s Corridor Identification and Development Program (CIDP). The FRA received about 90 applications, including two from the Vermont Agency of Transportation (Agency) and four from Amtrak. On December 8, 2023, the FRA announced funding awards up to \$500k for further planning activities to 69 applicants across 44 states. Congratulations to the State and the Agency for all the hard work in the application process leading to the successful inclusion in the first phase of FRA's Corridor ID program.

The CID Program is designed to help fund development stages for passenger expansion, specifically three stages defined as: 1) Scoping 2) Service Development Plan -a detailed project plan which must be accepted by the FRA and stage 3) Preliminary Engineering/Environmental Process. Each step will require a separate grant agreement between the FRA and the applicant. The Agency is the lead in the FRA program and is responsible for grant agreements and identifying and securing non-federal match for the above steps. It is our understanding from conversations with the FRA that after grant obligation, the FRA will review work undertaken, and if not already provided, the Step 1 deliverables are a scope, schedule and budget to complete the Step 2 Service Development Plan. Once the completed SDP is accepted, Step 3 is where specific projects can be considered in the inventory for Fed-State Partnership grants, post environmental review.

Each applicant will move at a different pace depending on prior work and state readiness to support matching requirements under future grant announcements under the CID Program. The processes are new to the FRA, CID applicants and Amtrak and each team is navigating the steps of this new program. To support the Corridor ID program, Amtrak created a department of Network Development. Joe Barr is our Northeast Director and will be available for guidance or updates to the Agency when requested.

While we can acknowledge the budget constraints for every state where infrastructure is concerned, the state can leverage the federal funding opportunities by establishing the required match monies (10% for Stage 2 SDP of CIDP). It is our understanding that the FRA is looking for strong leadership and partners at the state level as CID moves forward through Stage 2 to SDP approvals.

Amtrak will work with the Agency to address the three legislative asks; however, I'd like to point out at a high level some variables that impact the development of new service. They are Amtrak's equipment supply which we are addressing through procurements but have a long lead time; positive train control requirements requiring new FRA approvals; and multi state approvals for schedules and cost-sharing.

Amtrak's State Supported Service Line hosts a quarterly joint meeting with the three states (CT/MA/VT) to discuss service parameters and other items, so there is an existing forum to vet new service initiatives.

Regarding extension of service to Montreal, Amtrak continues to work in collaboration with the States of Vermont and New York and the Province of Quebec to advance planning and design for a

customs/immigration arrival and preclearance facility in Montreal. Creation of this facility would eliminate the need for trains to stop at the border for customs/immigration inspection and would allow both arrival inspections by the Canada Border Services Agency and departure inspections by United States Customs and Border Protection (USCBP) to occur at Montreal Central Station. The Quebec government is in the final stages of completing an initial feasibility study for this facility, which will provide conceptual designs and cost estimates, and provide a foundation for progressing the facility into further states of design and eventual construction.

Amtrak has also convened a regular cadence of meetings with USCBP regarding all Amtrak services that cross the US/Canada border, to ensure that USCBP's needs can be met in the most cost-effective manner. Construction of the facility would serve the existing Adirondack service between New York City and Montreal and would also enable the extension of the Vermonter back to Montreal and pave the way for additional services from the United States to Montreal.

Lastly, I am happy to report the demand for bike storage on Amtrak trains is being met. I would like to share a few data points we have collected to help the committee's understanding of the actual demand for bike storage and how it is being met. Our data shows "constrained" bike inventory 1.2% of the time on the *Ethan Allen* and 4.4% of the time on the *Vermonter*. This does not always mean the capacity is sold out because the reservation system cannot adequately release bike inventory when someone detrains along the route. We are aware of the technology issue and discussing possible remediations.

In closing, let me stress that Amtrak's yearly appropriations ensure that existing levels of service continue. We appreciate the partnership of the state and your support of this critical service for Vermont residents as well as the support to your agency for their efforts to sustain and grow passenger rail in the Green Mountain state and surrounding region.

Chair Coffey, and members of the committee, thank you again for this opportunity to testify.