

TESTIMONY

OF

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BEFORE THE

**HOUSE COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE**

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Good afternoon, Mr. Chairman, and thank you for the invitation to testify before the Committee. This is an exciting time for us - since the last hearing on April 29, we have been working hard to translate dollars into works. The company is in motion, and work is underway on not only the vast task of organization and oversight, but on the projects that will ultimately modernize and transform our system. I have come today primarily to talk about the disbursement of the \$1.3 billion dollars in Amtrak grants, but I would also be happy to discuss our progress on the \$8 billion intercity grant program. We have been working closely with the Federal Railroad Administration, and they have approved about 90% of the projects on our \$1.3 billion project slate. About ten percent of the total is as yet unapproved, and those are security and safety projects that also require the approval of the Department of Homeland Security. We have awarded about \$41 million dollars of the \$1.3 billion we will receive in ARRA funding, but I expect that our “spend rate” will increase significantly in the coming months, and we are preparing for that.

We all know this is a complex and challenging process, but I am convinced that the RFI/RFP process does a good job of protecting the taxpayers’ investment. Those proceedings are deliberate, and they’re designed to be deliberate. We are soliciting letters of interest from contractors for the fixed bridges we discussed in April, and major projects that are in ‘request for proposal’ stage of the contracting process include several of the major tunnel fire and life safety programs in New York we discussed in April. During the next 90 days, we expect to award \$190 million worth of projects that will be managed directly by Amtrak staff. Among the latter are improvements to the fire standpipe systems in those tunnels and Positive Train Control. Since our hearing on April 29, work has advanced on two of the major projects we discussed last time

around – the Wilmington and Sanford stations. We broke ground at Sanford about two weeks after the last hearing, and Ranking Member Mica joined us to celebrate the complete renovation of the southern terminal of our very successful and popular *Auto-Train* service.

Projects that can be advanced with our own workforce are another area where we are making progress. We have added 222 employees to our engineering force to deal with ARRA-related expansion, and right of way work on the Northeast Corridor begins next month. This will include improvements such as ditch and drainage improvements, retaining wall upgrades, and improvements designed to improve the integrity of the roadbed along nearly 230 miles of the New York, Mid-Atlantic and New England Divisions.

Similarly, we are making progress on our equipment plan. We do most of this work in-house with an Amtrak workforce, and we also have existing agreements and inventory levels for parts. In some cases, progress is still subject to the ability of suppliers to get us needed components, but we are moving ahead. ARRA funding has allowed us to add 52 mechanical employees at our Bear Delaware facility and another 108 employees at our backshop in Beech Grove, Indiana. I expect the workforce in these two facilities will be returning the first of the Amfleet cars to service in the middle of July, and the first of the Superliners at the end of July.

At the end of July, we also hope to award the contract for the team of Regional Project Managers who will manage a slate of 394 projects with a total dollar value of \$636 million. Amtrak does not have the resources necessary to manage, procure, and administer the design services and construction work needed to complete all of these projects (many of which will be

design-build contracts for projects such as stations, a key component of the multi-modal effort) by February, 2011. Consequently, we will let a contract to manage these projects to professional architectural, engineering and construction management firms with the experience necessary to deliver results.

Many of these projects will be relatively small, and they will be excellent candidates for Small Business set-asides. The Regional Project Managers will oversee this effort and our expectation is that they will achieve the goals of expanding our outreach and relationships with Small Businesses and Disadvantaged Business Enterprises, which are the cornerstone for the growth and diversification of the industry's supplier base. As we noted in previous testimony, we are working hard to reach out to these firms. We have built a procurement website, [HTTP://procurement.amtrak.com/](http://procurement.amtrak.com/), where we advertise stimulus project opportunities, and we have included a special tab on this website that provides information focused on SB and DBE participation. Prime contractors who meet SB and DBE goals will receive additional points on the scoring criteria for their responses to our requests for proposal.

This money will help to finance projects around the country, and it will advance some breakthrough projects to bring service speeds up to 110 mph. I should note that some of the \$1.3 billion that Amtrak is investing will lay critical groundwork and provide long term benefits for the development of high speed rail – for example, the \$10 million we're investing in Positive Train Control in our Michigan line. There are a couple of corridors that are ready to go, and the Congress and Administration have challenged us – not just to get the work done, but to produce measurable results. This is a real challenge, and we are going to do our part to advance it.

Nobody out there knows as much about making high speed service a reality in North American conditions as we do, and I think the men and women of Amtrak have earned the chance that we now have – the chance to bring the next big improvement in rail service to someplace where it's really needed.

Amtrak is unique; we aren't just a company, we're a mode of travel, and I often find that all of the latent desire and hope people feel for passenger service is vested in us. And they're willing to go a long way to help out, rehabilitating stations and providing hosts at many of our stations to help travelers. That's really something. And as enthusiastic as the people who have train service are, they've got nothing on the people who don't have service, but want it. They are tireless advocates, and they're a real inspiration. We have a long road ahead of us, and a lot of work, but I will close by pledging our total support for the program of development we have ahead of us. The summer and fall are going to be busy, but you can rest assured that we will be working with the industry, the states, the FRA and the Committee to help advance the transformational vision for passenger rail service in the United States.