Statement by Wick Moorman  
President and Chief Executive Officer, Amtrak  
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New Jersey Legislature Joint Hearing

Chairman Gordon, Chairman McKeon, members of the Senate and the Assembly, and fellow witnesses, good morning and thank you for the honor of appearing before you today. I’m Wick Moorman, Amtrak’s president and CEO and I’m joined by Scot Naparstek, our Chief Operating Officer. We are here today to talk about the recent derailments in New York Penn Station and the larger set of issues pertaining to the Northeast Corridor in this region.

I will start by trying to place the incidents of the last weeks into the context of the unique operational challenges that we face due to the congestion and fragility of Penn Station. I will also talk about how we at Amtrak believe we can work with our commuter partners to improve the immediate situation at Penn Station, as well as the larger challenges that we all face of keeping this complex and congested rail system flowing. Scot will then speak to you about the derailments themselves, and about the challenge of operating and maintaining a railroad under conditions of congestion so extreme that every task is a minute-by-minute operation.

However, before I begin, let me tell you a little about my role here at Amtrak. I recently become CEO after retiring as CEO and Chairman of Norfolk Southern after a great 40 year career of freight railroading. Although I was very happy in retirement and certainly not looking for a new job, I was convinced to come to Amtrak for a while because I believe that what we do is incredibly important to the country and I wanted to give back something to an industry that I love. My aim for my tenure and the aims of our Board of Directors are fairly straightforward. I’m here to help Amtrak become a great corporation with a strong safety culture that is efficiently delivering an excellent product across all of our markets. Additionally, as a former “track guy”, an area of real focus for me is improving our infrastructure, including our maintenance and capital project capacity.

Penn Station Capacity Constraints

So, with this introduction, let me turn to New York Penn Station, which all of you know is the busiest railroad station in America. Three operators use the NEC station tracks. Long Island Rail Road operates trains into and out of Penn Station from the east through the East River Tunnels to Long Island, while New Jersey Transit trains move east and west through the twin Hudson River Tunnels. And of course, Amtrak also uses this infrastructure, operating 12% of the traffic, or 156 train movements per day, through the terminal.

The station accommodates more than 1,300 weekday train movements on an infrastructure designed in a very different era, for lower levels of traffic. Since 1976, the total number of train movements at Penn Station has doubled. In both real and proportional terms, growth in commuter train traffic accounts for the majority of that increase. Amtrak has added 112 additional movements, a 72% increase, and the number of commuter trains has more than doubled since 1976, from 505 to 1034, with New Jersey Transit having grown the most, in both real and proportional terms, from 147 daily commuter trains in 1976 to 456 in 2014 – more than 200%.
Let me note that the 661 train movements that Penn Station accommodated in 1976 were a historic high at that time. The station was never intended to carry that volume of traffic, let alone what it carries today. This is not just a track issue; the platforms, for example, were designed to accommodate far fewer people than you typically get on a heavily loaded rush hour train which may have upwards of 1,200 passengers. As a result, they are very narrow, with even narrower stairwells that force long loading and discharge times. Also, obvious to all, is the huge effect that the loss of the grand passenger “head house” in the 1960’s has had on passenger waiting and ticketing space and the overall passenger experience. The fact that the station can handle the volume of traffic today at all is a real testimony to the tenacity, fortitude and skill of all of the railroaders at Amtrak, Long Island Rail Road and NJ Transit that have kept the place running, but we are operating at the limits of the possible.

The long term consequences of this were demonstrated dramatically when Amtrak train 2151 derailed on Friday, March 24. The derailment happened at a switch that connected what we call the “lower tracks” (1-6) with the North Tube of the Hudson River Tunnel. It blocked routes to and from the South Tube and tracks 1-11 in Penn Station, as well as the “Empire Connection,” which Amtrak trains use to reach Metro-North tracks for our services to Albany, points in upstate New York and as far west as Chicago.

The results were a dramatic illustration of the consequences of a comparatively small infrastructure failure at Penn Station. New Jersey Transit suspended service into and out of Penn Station between 9 AM and 4 PM, when limited outbound service was resumed, with some delays. I will let New Jersey Transit speak to the impacts they incurred, but note that in addition to these significant disruptions, Long Island Rail Road lost the use of more than 50% of its normal track space. Twenty-nine of the 87 scheduled afternoon LIRR trains were cancelled, affecting another 70,000 passengers. Sixteen Amtrak trains had to be canceled or truncated, and another twenty terminated at Croton-Harmon, where we had to make alternative arrangements to move the passengers to their destinations. We estimate that about 7,500 Amtrak passengers were directly affected, and the impacts continued into Saturday.

There are a lot of challenges that come with maintaining such a heavily-used piece of infrastructure, and those are compounded tremendously by age and lack of investment. Scot will provide you with details on the derailments, and he will talk about some of the challenges that come with trying to maintain Penn Station under these conditions. I do want to address up front the notion that Amtrak is not maintaining the Northeast Corridor. This is incorrect. To the contrary, we have done a good job maintaining old and fragile infrastructure that supports the highest density of train traffic in North America. This is borne out by New Jersey Transit’s on-time performance records for their NEC service. It would be simply impossible for NJ Transit to be achieving 90% or better on time performance over the NEC if the railroad was not being adequately maintained. In fact, NJ Transit’s on-time performance over the NEC has been better than Amtrak’s own performance for the last 5 years.

This does not mean we can’t do a better job at maintaining this important asset. We should, we can and we will. In fact, getting better at things like maintenance is, as I said, part of the reason I was brought in to help lead Amtrak. But everyone needs to understand that the railroad is not and, frankly never has been, in a true state of good repair, meaning that many of the assets that make up the infrastructure are past the point at which they would normally be replaced. This doesn’t mean that the assets are unsafe, but it does mean that they are prone to problems which impact reliability and performance and also increase the maintenance requirements in the station. We’ve publicized this fact for decades now and
made it very clear that while we have the responsibility of maintaining the NEC, we cannot and will not pretend that the years of underinvestment and steady traffic growth have not created a situation where reliability will be far below what all of us desire.

Let me now take a moment to also describe our view of the roots of this situation. As you know, the Northeast Corridor is the mainline that connects all of the region’s major cities. As these cities have grown and highway congestion has increased, the NEC has become the critical connection linking busy suburban commuter rail systems to central business districts up and down the Corridor.

Throughout much of Amtrak’s NEC ownership, this critical mainline and its capital needs were thought to be the primary responsibility of the Federal government and Amtrak, whose intercity service was the principal reason the railroad was transferred to Amtrak in 1976. Given this, the various commuter railroads generally paid Amtrak only a portion of the operating and capital costs attributable to their use and enjoyed low-cost access to existing NEC capacity. Meanwhile, the Federal government was not providing the funding necessary to make up for the amounts other users were not investing.

This situation created a circumstance where all NEC users had strong incentives to maximize their immediate use of the existing Corridor, with the hope that the Federal government would one day deal with the capacity constraints and state of good repair issues that were now being exacerbated by even greater use. While railroads up and down the NEC invested in increasing service, buying new equipment and building new stations, the core assets that support the whole network were getting older and more fragile. Within Penn Station, while no one doubts that the investments that grew services along the NEC were beneficial to the public, the lack of investment in the basic major infrastructure by all parties has now created an untenable situation.

It was the recognition of this situation that led Congress to pass the passenger Rail Investment and Improvement Act (PRIIA) in 2008. PRIIA created the Northeast Corridor Commission, which was empowered to develop and implement a cost-sharing mechanism for the full operating and capital costs of the NEC to all of its users, to ensure that adequate funding could be made available for investment in this infrastructure. The state of New Jersey is a key member of this commission.

After several years studying the issue, the NEC Commission developed a new common cost sharing policy, which adjusted the historic levels of payments between owners and users of the various parts of the NEC to reflect current usage. For NJ Transit, this meant the need to increase capital payments to Amtrak for the part of the NEC infrastructure they use to a range of $82-105 million annually. This covers the basic infrastructure renewal work, with the amounts to be phased in over a period of years. The policy also increased New Jersey Transit’s contribution to operating costs, which cover station operation and maintenance, policing, train dispatching, infrastructure and investment, and basic maintenance to $97 million, on an annual basis. The increased financial obligations went into effect on October 1, 2015 and Amtrak and New Jersey Transit completed agreements implementing this arrangement earlier this year. These agreements also committed Amtrak and New Jersey Transit to work together in a robust joint planning process that will help New Jersey Transit understand how their capital funding is being used and ensure that their priorities are reflected in the 5-Year and annual investment program that are now developed by the NEC Commission.

This support is very welcome, and although the funding levels for the NEC from Amtrak, the Federal government and all of the agencies are still far from adequate to achieve a true state of good repair
anytime soon or substantially advance major projects like the Gateway Program, this increased investment from New Jersey Transit will allow us to significantly turn the tide of underinvestment for this portion of the NEC.

But funding alone won’t solve all of the problems, because the challenges of infrastructure maintenance under the conditions prevailing at Penn Station are only partially financial. The heavy traffic pattern at the station makes the work of day-to-day maintenance and repair extraordinarily challenging, since much of the work can only be done late at night or on weekends. This challenge is only going to get harder as we undertake the major renewal and improvement projects that must be done prior to the Gateway Program being completed.

As Amtrak has testified before, Gateway is the ultimate solution to a complex set of challenges that confront us in the New York area. In addition to the new capacity it will ultimately deliver, there are the risks to the existing infrastructure that must be addressed. As all of you know, both the East River Tunnels and the Hudson River Tunnel were inundated during Super Storm Sandy, and the long-term damage from the immersion in salt water will require a complete rebuilding. To do that, we need to build another tunnel first, in order to preserve the 450 daily train trips through the two tubes of this tunnel, which carry more than 200,000 passengers every weekday. Similarly, a new Portal Bridge must be built and various other elements of the NEC between Newark and Penn Station must be replaced to preserve current services. Thankfully, I’m glad to be able to report that on these issues, New Jersey Transit and Amtrak are in lock-step and have an excellent partnership in place, along with the Port Authority, and US DOT, to try to advance these essential projects. There’s not a moment to lose, given the conditions we face and the impact that a long term disruption could have on the entire region.

**Gateway Program and New Penn Station Initiatives**

So, while the Gateway Program is the best solution to the problems we face at Penn Station, it’s clear there is a pressing need for near-term solutions. That’s why we announced a series of initiatives yesterday that are designed to strengthen the infrastructure at Penn Station and improve operations and preparedness as well. The initiatives we are proposing will include:

- The **New York Penn Station Infrastructure Renewal Program** which will expedite major track and switch renewal work over the course of the coming year. As Scot will describe, we will be jointly developing this plan and the related train schedules with NJ Transit and the LIRR over the coming weeks, with the absolute goal of trying to get this work done as quickly as possible with the least amount of disruption for all passengers;

- The **New York Penn Station Passenger Concourse Coordination Review**; an independent review of the interaction, coordination, and collaboration of the various railroads’ passenger concourses within Penn Station. The review will be conducted by former Metropolitan Transportation Authority CEO and Chairman Tom Prendergast, with assistance from all three carriers;

- **Development of a Joint Station Concourse Operations Center** to bring together the managers of the various concourses and leverage technology to improve coordination, enhance the passenger experience, and better respond to disruptions and other incidents, similar to the Penn Station Control Center, which we operate today to move trains into and out of the terminal; and
• **Assemble a Safety and Security Task Force** in coordination with our partner railroads, First responders, law enforcement and other stakeholders to review protocols relating to disabled trains, and ensure that we have adequate procedures which are well documented, trained, and exercised on an as-needed basis. We are also creating a mobile response team to address potential station overcrowding during peak periods, and making some equipment changes to improve communications and surveillance.

These important short-term measures will help to improve the immediate conditions and our collective response capacity at Penn Station, but we need to move beyond the approach of “patching” fixes to our infrastructure. That’s going to be a challenge, because of the limitations we face – limits to money, and even more importantly, limits to our ability to work on a narrow, tight, heavily congested, and highly complex piece of infrastructure. Cooperation will be vital, because we will have to adjust train schedules and modify operations to support some of the upcoming maintenance work. The key to success will be a strong partnership between all of the railroads at Penn Station, and a commitment to work together to get a real solution that delivers better reliability and better performance.

To this end, Amtrak recently received a letter from NJ Transit’s Executive Director, Steve Santoro, asking Amtrak for additionally information, new rights, changes in protocols and a stronger partnership between us. While we are still evaluating those requests, I can promise you that Amtrak is eager to work collaboratively to address the issues in Penn Station and the Northeast Corridor together with New Jersey Transit and that generally, I believe that our organizations have a very good working relationship at the ground level. I look forward to working together with Steve Santoro, our other colleagues at New Jersey Transit and all of you to chart a better future befitting this region, the economic and culture capital of the world.

I believe we have to do this, because our futures are bound together in this railroad. None of us can tolerate a future where service disruptions like these will be more and more a part of our lives. Amtrak is the owner and operator of the NEC and we understand our responsibilities. We will work jointly with our partners to do what we must to stabilize the condition of the infrastructure now. But there’s a longer term goal that we must all keep in mind – and that is staying vocal, staying united, and working together to pursue our common aim of getting the Gateway Program built, so that Penn Station and the Northeast Corridor have the capacity they will need to serve this region for decades to come.