

MAYORS' ADVISORY COUNCIL

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February 27, 2002

TO: Amtrak Mayors' Network

**FROM: Mayor Marc H. Morial, City of New Orleans
Chairman, Amtrak Mayors' Advisory Council
President, The U.S. Conference of Mayors**

RE: Impending Cancellation of Amtrak Services

As a fellow mayor whose Amtrak service lies in jeopardy, I write to urge you to support Amtrak's FY03 budget request of \$1.2 billion and to contact President Bush, U.S. Transportation Secretary Norman Mineta, and your congressional delegation. A federal commitment of \$1.2 billion for FY03 will enable Amtrak to maintain its current network while Congress determines the future of our intercity passenger rail system. Without this level of funding, Amtrak will be forced to eliminate all of its long distance services, meaning that the current level of service to your community is at risk.

The U.S. Conference of Mayors strongly supports Amtrak and recognizes that the corporation has been forced to run a national system with insufficient financial resources since its creation. Furthermore, during last week's U.S. Conference of Mayors Winter Leadership Meeting, the Conference Leadership strongly and unequivocally expressed its support for Amtrak's request for \$1.2 billion. Though Amtrak has received approximately \$560 million annually over the past five years, this level of funding only represents half of what is required to run a national system considering the Department of Transportation Inspector General recently concluded in his Annual Report to Congress that Amtrak requires at least \$1 billion annually in capital funding. This lack of capital funding has also escalated Amtrak's operating costs, though Amtrak has made cost management a top priority in its business plan.

Though there is not a single passenger rail system in this world that operates without a subsidy, Amtrak has been expected to run free of operating subsidies by 2003. With the system now facing an imminent collapse, it is now time to forge a new national rail policy that is realistic and provides our communities with a strong transportation alternative to driving and flying.

Unfortunately, the Bush Administration included only \$521 million for Amtrak in its FY03 budget – though this serves only as a placeholder. That funding is totally insufficient and, unless Amtrak's request of \$1.2 billion is funded, our national system will disappear. I therefore suggest that you contact President Bush, Secretary Mineta and your respective Members of Congress to apprise them of your support for \$1.2 billion as soon as you can (see attached draft letter). Thank you for your support.

February __, 2002

Name

Address

Washington, DC Zip Code

Dear _____:

As the mayor of city, state, I urge your support for \$1.2 billion for Amtrak in the transportation 400 function of the Fiscal Year 2003 budget. Without this level of funding Amtrak will be forced to eliminate all of its long distance service on October 1st of this year.

The Administration's current request of \$521 million is the same level of funding as last year and represents less than half of Amtrak's request. In light of Amtrak's dilemma, we urge your leadership to provide the necessary funding for Amtrak to ensure that we maintain a national passenger rail system.

Since 1971, Amtrak has sought to balance competing public service and commercial objectives – most recently embodied in the “operational self-sufficiency mandate” – without adequate resources to deliver either objective fully. No comparable national passenger rail system in the world has operated without subsidies, and no system has ever succeeded without substantial public capital investment. Funding for America's passenger railroad has barely been enough to keep the system operating on a year-to-year basis, but insufficient to meet its longer-term public service mission, much less its capital obligations.

Congress plans to take up legislation to reauthorize Amtrak this year. In the meantime, this \$1.2 billion request will prevent the elimination of services and hold the current network together while Congress determines the future of Amtrak. As such, I urge your leadership in supporting Amtrak's budget request to ensure that we maintain a national passenger rail system.

Sincerely,