

Amtrak Rebuilds Trains as Biden Pledges 'First-Class' Railroad

By John Hughes and Angela Greiling Keane



Passengers board an Amtrak Acela train at Union Station in Washington, on Nov. 12, 2008.
Photographer: David Brody/Bloomberg News

Nov. 13 (Bloomberg) -- Refurbished high-speed trains and spruced-up stations may greet Amtrak commuters from Boston to Washington as Amtrak, the U.S. passenger railroad, gains support from frequent-rider [Joe Biden](#) in President-Elect [Barack Obama](#)'s administration.

Amtrak, which uses federal subsidies to cover 41 percent of expenses, may see aid jump at least 48 percent a year if lawmakers and Obama honor spending targets set by Congress last month. The boost might help Fairfield, Connecticut-based [General Electric Co.](#), which makes diesel locomotives and electrical equipment.

The government-owned carrier set its sixth straight year of record ridership, with 28.7 million passengers for the 12 months ended Sept. 30. The 11 percent increase came as train travel was spurred by highway congestion, \$4-a-gallon [gasoline](#) and air-traffic delays in the Northeast, Amtrak's busiest corridor.

"The stars appear to be aligning in a much more favorable fashion than you had for years," former Amtrak Chief Executive Officer [David Gunn](#), 71, said in an interview. "Demand for good intercity passenger rail is bubbling below the surface all over the U.S."

Congress and President [George W. Bush](#) last month approved legislation calling for \$13.1 billion in passenger-rail spending in the next five years. Three-fourths of that is for Amtrak operations, capital and debt service. While states can spend some of the money on other rail lines, the Washington-based company would get at least an average of \$1.93 billion in annual subsidies, up from \$1.3 billion now.

"We've got the best Amtrak bill in history from Congress, with veto-proof majorities, and that cannot be overemphasized," former board member [Michael Dukakis](#) said in an interview.

Rider Loyalty

Vice President-Elect Biden, who commuted on Amtrak daily between Wilmington, Delaware and Washington during his Senate career, may be part of the most "train-friendly administration in history,"

Dukakis said. He and Obama "understand the economy itself cries out" for rail investment, the former Massachusetts governor said.

Biden was elected to the Senate in 1972, a year after Amtrak was founded, and became a frequent advocate of federal passenger-rail aid. "Saturday Night Live" satirized his support for the railroad during presidential candidate [John McCain](#)'s Nov. 1 appearance on the NBC television show.

"I take the Amtrak to work every day, then after work I take it home," said a Biden doll that McCain and [Tina Fey](#), impersonating running mate [Sarah Palin](#), pretended to sell on a shopping channel.

Biden himself brought up passenger rail in a conversation during a campaign stop in Milwaukee, said Wisconsin Transportation Secretary [Frank Busalacchi](#), a Democrat who backs more intercity train service.

Son on Board

"He said, 'Frank, if we're elected, we're going to have a first-class passenger rail system in this country,'" Busalacchi said in an interview.

The senator's son, [Hunter](#), 38, is vice chairman of Amtrak's board as part of a five-year term as a director running through 2011. Neither Biden agreed to be interviewed for this story. Amtrak CEO [Alex Kummant](#), 48, also declined to comment.

"We'd rather not speculate on what any future administration might do," spokesman [Cliff Black](#) said.

Inadequate subsidies have taken a toll on Amtrak's high-speed Acela trains that began service in 2000, said Jan Lindberg, a U.S. Navy physicist who rides the railroad weekly between Washington and his Norwich, Connecticut, home.

Refurbishing Acela

"A lot of these Acela cars are getting sort of tired," with trays getting stuck and light switches not working, Lindberg said.

Amtrak is already refurbishing the Acela fleet in Philadelphia, Kummant said in an Aug. 25 interview, with Montreal-based [Bombardier Inc.](#) doing the work.

The railroad spent \$800 million in 1996 for 20 Acela trains, including engines and cars, from Bombardier and France's [Alstom SA](#), as well as three maintenance facilities.

The company also wants to fix up stations and improve parking and bus connections, Kummant said. Other needs include improving century-old mechanical facilities, including one in Wilmington, and upgrading electricity systems, such as one in Harrisburg, Pennsylvania, that dates to 1938, Chief Operating Officer [William Crosbie](#) told a House panel Oct. 29.

Any expansion of intercity service beyond the Northeast Corridor may require diesel locomotive purchases from [GE](#), said Black, the railroad spokesman.

'He Understands'

Biden's presence in the White House will help Amtrak gain "a much better shot at someone treating it seriously," Gunn said. "You've got a vice president now who actually depended on it. He understands what you can do with good rail service."

The first test of Amtrak's spending plans will come in February, when Obama submits his transportation budget with how much he wants to give the carrier, said [Ross Capon](#), executive director of the Washington-based National Association of Railroad Passengers. Bush, in his final budget, sought to cut Amtrak's subsidy by more than a third, or \$500 million.

"The competition for funds is much greater because everybody needs bailing out," Capon said.

"I'd be very surprised if Amtrak gets more than Bush approved for the current fiscal year, said [Bob Poole](#), director of transportation studies at Reason Foundation, a Los Angeles-based group that promotes smaller government.

Obama and Biden are "staunch" Amtrak supporters, said Mary Kerr, spokeswoman for House Transportation and Infrastructure Committee Chairman [James Oberstar](#).

"We anticipate the Obama administration will be much more receptive than the current administration to ensuring that Amtrak has adequate resources," said the Minnesota Democrat's spokeswoman. She declined to be more specific about the spending amounts Oberstar expects.

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