November 30, 2020

Chairman Peter DeFazio  
U.S. House Committee on Transportation & Infrastructure  
2165 Rayburn House Office Building  
Washington, DC 20515

Ranking Member Sam Graves  
U.S. House Committee on Transportation & Infrastructure  
2165 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman DeFazio, Ranking Member Graves, Chairman Lipinski, and Ranking Member Crawford,

On July 1st, the House of Representatives passed the Moving Forward Act (H.R. 2), which contained the INVEST in America Act, your committee’s reauthorization of the Fixing America’s Surface Transportation (FAST) Act. The nearly $500 billion proposal contains crucial investments in intercity passenger rail maintenance and expansion, innovative new rail grant programs and expanded eligibilities, and a strong commitment to promoting cleaner and greener modes of transportation. We would like to thank you for your leadership and the Committee for this landmark legislation.

The California state-supported routes of the San Joaquin Joint Powers Authority (SJJPA), the San Joaquins, Capitol Corridor Joint Powers Authority (CCJPA), the Capitol Corridor, and the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN), the Pacific Surfliner, carried over 5.6 million passengers throughout California in Fiscal Year (FY) 2019 and all respectively rank in the top 10 in ridership in the nation. We were created by the State of California to manage, market, and maintain oversight of the Amtrak state-supported services in our state.

As your Committee once again looks to surface transportation reauthorization in the next Congress, we encourage you to consider the unique nature of the state-supported route business segment and challenges we face in cost transparency. As you are likely aware, Amtrak’s does not follow Generally Accepted Accounting Principles (GAAP) practices and instead utilizes complex cost-allocation formulas that have limited relationship to the actual service we receive on the ground.

As structured, Passenger Rail Investment and Improvement Act (PRIIA) Sec. 209 largely fails to account for the unique circumstances on each of our state routes. As detailed in a recent Amtrak Office of Inspector General report, we have requested service decreases on our lines, but have somehow seen our costs go up despite a reduction in service from Amtrak. We have also had experience requesting service increases in which Amtrak’s budgeted numbers far exceeded the cost of actually delivering the service increase.

One idea to remedy this increasingly frustrating and unfair situation is to require that states only be charged their “direct” cost of service by Amtrak on an avoidable cost basis, similar to what made for successful state partnerships in the past. Key support services that are staffed largely in proportion to the quantity of service provided, would also be appropriate to charge to our operations at a reasonable level of justified overhead.

This change in policy would encourage Amtrak to reform their current accounting and cost allocation practices and would provide us the transparency and accountability we require to honestly advocate for continued funding of these services in our state capitals. Given the budgetary pressures the COVID-19 pandemic has placed on our states, transparency and a fair cost structure are more important than ever.

We appreciate your consideration of the unique needs and funding structure of Amtrak’s state-supported routes and we look forward to working with you as your committee considerations its reauthorization of the FAST Act.

Sincerely,

Stacey Mortensen
Executive Director
San Joaquin Joint Powers Authority

Robert Padgette
Managing Director
Capitol Corridor Joint Powers Authority

Donna DeMartino
Managing Director
LOSSAN Rail Corridor Agency