

December 19, 2005

The Honorable Christopher "Kit" Bond
Chairman
Subcommittee on Transportation, Treasury, the Judiciary, and
Housing and Urban Development
Committee on Appropriations
United States Senate
130 Senate Dirksen Office Building
Washington, DC 20510-6037

Dear Mr. Chairman:

The Coalition of Northeastern Governors (CONEG) appreciates your strong leadership in enacting the bipartisan FY2006 Transportation, Treasury, Housing and Urban Development, the Judiciary, District of Columbia and Independent Agencies Appropriations Act. This measure contains complex, interlocking challenges and issues. You and your colleagues successfully provided critically needed funding for the nation's transportation needs, including increased funding to continue national intercity passenger rail service.

We have a number of concerns with certain provisions of this report affecting states that partner with Amtrak to fund intercity passenger rail services. These include provisions in the conference report that deal with Amtrak funding, including changes in the calculation of assessments to commuter railroads on the Northeast Corridor, restrictive ticketing pricing, and food/beverage service. While we fully assess the impact of these provisions that affect the delivery of passenger rail service in our states, our immediate concern is the restrictive ticketing pricing and food/beverage service provisions that will negatively impact state-supported intercity passenger rail service. We ask your assistance for timely legislative action to ensure that these provisions, particularly the restriction on discounted fares, do not affect states that fully support intercity passenger rail service through contracts with Amtrak.

Four northeast states – Maine, Vermont, New York and Pennsylvania – are among the 13 states nationally that contract with Amtrak to provide intercity passenger rail service on specific routes. These "state-supported services" contribute to growing ridership on the entire system without affecting Amtrak's need for federal operating subsidies – since the states subsidize operating costs that exceed fare revenues on these routes. States have employed innovative approaches to provide quality food service. They have used market-based fares to grow intercity ridership, improve overall financial performance, and meet their own public policy goals. Stripping states of the ability to use these food services and market-based pricing offers no benefit to Amtrak's bottom line. However, it may increase fares for educational groups, frequent travelers and senior citizens, and also hinder the growth in overall ridership.

States that provide state-supported intercity passenger rail service must have the right and flexibility to establish food service and fares that are proven successes in regional markets. We urge you to take timely action to provide an exemption from the restrictive provisions on food/beverage service and ticket discounting for any state or agency that supports the operation of intercity passenger rail service under contract with Amtrak.

The CONEG Governors thank you for your strong support of transportation programs, including intercity passenger rail, and again urge timely action so states continue to have the flexibility to manage state-supported intercity passenger rail services. CONEG looks forward to working with the subcommittee on this matter.

Regards,

/o.s./

John E. Baldacci
Chairman
Governor of Maine

/o.s./

Donald L. Carcieri
Vice-Chairman
Governor of Rhode Island

Identical letters were provided to the leadership of both House and Senate Transportation Subcommittee's.