ELIZABETH WARREN MASSACHUSETTS

COMMITTEES BANKING, HOUSING, AND URBAN AFFAIRS HEALTH, EDUCATION, LABOR, AND PENSIONS ARMED SERVICES SPECIAL COMMITTEE ON AGING

## United States Senate

January 17, 2020

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Richard Anderson Chief Executive Amtrak 60 Massachusetts Avenue NE Washington, DC 20002-4285

Dear Mr. Anderson:

I write seeking clarification about potential changes in Amtrak's pricing and fare policies that would harm train passengers in Massachusetts and throughout New England and the Northeast Corridor. Because recent reports suggest that Amtrak may look to implement these changes within weeks, I ask that you provide a full accounting of any proposed changes, including a schedule for implementation and any internal estimates on the impact on passengers.

Last month, reports emerged that a leaked internal document showed proposed changes to Amtrak's pricing and fare policies. According to these reports, Amtrak is considering making its cheapest fares, the saver fares, "completely nonrefundable and nonchangeable 24 hours after purchase."<sup>1</sup> The memo also suggests that you plan to subject the value fares to a 25% cancellation fee or a 15% change fee "within 14 days of departure."<sup>2</sup> Those fares currently can be fully refunded up to eight days prior to departure.<sup>3</sup>

Residents in Massachusetts, and throughout New England and the Northeast region, rely heavily on Amtrak for professional and leisure travel: according to company data, there were over 3.3 million Amtrak "boardings and alightings" at Massachusetts stations in 2018.<sup>4</sup> . Further, the region accounts for a disproportionate amount of Amtrak's revenues. The Northeast Corridor (NEC), despite including only 457 miles of Amtrak's over 21,000 nationwide miles of coverage, accounted for 37% of its passengers and 38% of its total revenues in 2018.<sup>5</sup>

I am concerned that the proposed changes would increase prices and fees, especially on families and communities with lower incomes who rely on the cheaper fares and whose schedules can be

<sup>&</sup>lt;sup>1</sup> Business Insider, "A leaked memo suggest Amtrak is considering airline-style changes to its ticketing policies, including nonrefundable fares and change fees," Graham Rapier, December 13, 2019,

https://www.businessinsider.com/amtrak-considering-change-fees-non-refundable-fares-2020-leaked-memo-2019-12.

<sup>&</sup>lt;sup>2</sup> Id.

<sup>&</sup>lt;sup>3</sup> Id.

<sup>&</sup>lt;sup>4</sup> Amtrak, "Amtrak Fact Sheet: Fiscal Year 2018: Commonwealth of Massachusetts," Accessed January 15, 2020, <u>https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/statefactsheets/MASSA</u> <u>CHUSETTS18.pdf</u>.

<sup>&</sup>lt;sup>5</sup> Investopedia, "How Amtrak Makes Money," Jakob Eckstein, Aug. 19, 2019,

https://www.investopedia.com/articles/investing/072115/how-amtrak-works-makes-money.asp.

less predictable, and distressed that Amtrak officials have, to date, refused to provide any public information or receive any public input on these proposals.

I urge you to reconsider these changes, and to ensure consumers are best served by any upcoming policy changes, I ask that you please respond to the following questions by January 24, 2020.

- 1. Is Amtrak considering any changes to its pricing and fare policies? If so, please provide all details about any changes under consideration, including the following:
  - a. Any changes to the "saver" fares, including any changes to a traveler's ability to refund or change their ticket after purchase.
  - b. Any changes to the "value" fares, including any proposed cancellation or change fees.
- 2. Does Amtrak have a timeline for imposing any proposed changes? If so, please provide all details on implementation timing.
- 3. Has Amtrak conducted any internal estimates of how these changes would affect passengers in Massachusetts? Specifically, the following:
  - a. How many Massachusetts rail passengers would end up paying extra fees or lose the ability to obtain refunds for tickets under the new proposal?
  - b. How much, in total dollars, would these changes cost Massachusetts rail passengers?
  - c. Would these changes have any particularly adverse effects on low-income passengers?
- 4. Does Amtrak have a public notice and input process for the proposed changes? If so, when will this process begin? If not, why not?

Sincerely,

