



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

Don Young
Chairman

James L. Oberstar
Ranking Democratic Member

November 9, 2005

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Mr. David Laney
Chair, Amtrak Board of Directors
60 Massachusetts Avenue
Washington, D.C. 20002

Dear Mr. Laney:

We write to express our outrage at the Amtrak Board of Directors' decision to fire Amtrak's President and Chief Executive Officer David Gunn earlier today. Since his appointment in 2002, Mr. Gunn has done a tremendous job in leading Amtrak in the right direction and increasing ridership to a record high of 25.4 million passengers. Mr. Gunn's firing will be a severe blow to Amtrak's efforts to succeed.

Your action is also shocking given the fact that, time and again, you have publicly praised Mr. Gunn for his hard work and successes since he joined Amtrak in 2002. Less than two months ago, at a hearing before the House Subcommittee on Railroads on Amtrak reform proposals, you testified that David Gunn's tenure as CEO has been "splendid" and "terrific". You stated: "Mr. Gunn has done, as far as I am concerned, a splendid job. He took Amtrak from the day he landed on the platform, in effect – in 2002, I believe it was – and has righted a ship that was listing and about to spill over, as far as I am concerned. And David Gunn is a terrific operator..."

Prior to that, in a February 17, 2005 letter to Vice President Cheney and Speaker Hastert, you stated: "The history of Amtrak since 2002 is considerably different from what preceded... highlights since 2002 [when David Gunn began his work at Amtrak] include the development of accounting and financial reporting systems; a reduction in personnel by almost 5,000; the development of a detailed and prioritized five-year capital plan focused on restoring the Northeast Corridor to necessary levels of reliability and safety, and on restoration of an aging fleet of rolling stock used throughout the system; termination of the mail and express operation; elimination or truncation of three long-distance routes; no new borrowings, and the scheduled repayment of the \$100 million Department of Transportation loan over a five-year period begun last year; increased ridership from 22.5 million in 2000 to 25.1 million in 2004; and containment of the cash operating requirement at or below \$570 million."

Mr. David Laney
November 9, 2005
Page 2

Given your long-standing, strong support for Mr. Gunn, we demand to know the reasons that the Board is now firing him. The action itself is, frankly, suspicious. You and the other three Bush-appointees to the Board have walked in lock-step with the Bush Administration's repeated efforts to derail Amtrak. There is reason to believe that Mr. Gunn is being fired because of his disagreements with some Administration proposals. Such action would be highly improper. Amtrak is not a government agency. The Board and Mr. Gunn have a fiduciary responsibility to Amtrak to pursue policies that are in the best interests of the corporation, and to oppose Administration proposals which are not.

Earlier this year, disregarding your fiduciary responsibilities as Chairman of Amtrak's Board of Directors, you wrote a letter to Congress in support of President Bush's proposal to eliminate funding for Amtrak, stating that the President's proposed operating budget of zero "is the right message".

Most recently, the Amtrak Board passed a resolution at its September 22, 2005 meeting, which set in motion a plan for Amtrak to transfer title to all assets comprising the Northeast Corridor (NEC) infrastructure to a new NEC subsidiary – a proposal that is disturbingly similar to portions of the Administration's so-called Amtrak reform bill. The resolution was a sharp departure from the Board's earlier position in April 2005 in its "Strategic and Reform Initiatives and FY06 Grant Request," which stated that the costs, complexities and risks of splitting the NEC from Amtrak's main operations "outweigh the benefits and are therefore inadvisable" and that "control of rail operations and infrastructure management should remain unified for purposes of safety and efficiency."

It is our understanding that Mr. Gunn disagreed with the Board's action on September 22, and expressed his strong opposition to the Board's decision. In fact, in a letter, which we obtained from an individual outside of Amtrak, Mr. Gunn warned you on October 5, 2005 that: "Radical actions such as the creation of the NEC subsidiary have quite an impact on our employees since the motive is suspect at worst and unknown at best. Whether or not the Board's actions are totally justified, the above has created an atmosphere of uncertainty where people, not just management, are distracted. That is dangerous."

Given the Administration's penchant for interpreting dissenting views as disloyalty, we are concerned that Mr. Gunn's private disagreement with your decision was the reason for his sudden dismissal.

Moreover, the Administration and Amtrak Board "reform" proposals could not be implemented without legislation and neither the U.S. House of Representatives nor the U.S. Senate has expressed any support for either proposal. In fact, the Senate has proposed to appropriate \$1.45 billion for Amtrak for fiscal year 2006 and, just yesterday, the House of Representatives endorsed this funding level – the highest funding level for Amtrak in history. In addition, last week, the Senate, by a vote of 93-6, passed a \$12.2 billion Amtrak reauthorization bill, which did not include the Administration and Amtrak Board "reform" proposals. The enormous support for Amtrak in

