News from the
National Association of Railroad Passengers

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RETURN REQUESTED

Congress Hits Railroads . . .

Amtrak Honors Sam Stokes, Tireless 'Ampenny' Advocate

—Photo by Scott Leonard

NARP Dir. Samuel E. Stokes Jr. receives first Amtrak Consumer Advocate Award from Amtrak President and Chairman W. Graham Claytor Jr.

Amtrak gave its first Consumer Advocate Award to longtime NARP Dir. Samuel E. Stokes of Alstead, NH, at a ceremony at Amtrak's corporate headquarters in Washington's Union Station at the close of the Amtrak Board of Directors' Oct. 24 meeting.

The award reads in part: "Sam Stokes has persistently and tirelessly championed the benefits of rail passenger service as an energy-efficient alternative to the private automobile. His letters to newspaper and magazine editors, state and federal officials, and others have helped raise awareness and support for improved rail passenger service [ed.: See Aug. '89 *News*]. Mr. Stokes has been a constructive critic, strong supporter and influential proponent of Amtrak service improvements. Mr. Stokes was among the first to advocate the allocation of one cent per gallon of the gasoline tax to fund rail service capital improvements."

Claytor said, "Sam's voice of reason and common sense on transportation policy issues has been heard. Sam's work has been featured . . . in many publications nationwide. Amtrak's

(Continued on page 4)

. . . But Heavily Subsidized Water Carriers Escape Unharmed

Long-Term Hope for Stable Amtrak Funding . . . Near-Term Uncertainty as OMB Gains Clout

The Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508, enacted Nov. 5) supposedly sets a framework for deficit reduction over the next five years. The law includes the first-ever federal fuel tax on railroads—2.5 cents a gallon, the same as that portion of the new highway fuel tax which goes to general revenues ("deficit reduction")—and the first-ever railroad payments for federal safety inspection.

The railroad tax resulted from furious lobbying by the ubiquitous truckers and will cost the railroad industry $400 million over five years, including about $32 million paid by Amtrak, but not including several million dollars commuter railroads would have to pay if Congress fails to correct a drafting error. (The correction is expected to pass.)

This cloud may have a silver lining. Getting railroads—especially Amtrak—to pay a federal fuel tax could prove to be the first step toward getting Amtrak a predictable and adequate funding source. Now that railroads are paying a fuel tax, the next step could be earmarking the proceeds for energy-efficient transportation. (A variation of this was floated during the reconciliation process, to no avail. See intermodal fund box on page 2.)

Water Carriers Escape Untaxed

Unfortunately, Congress had no stomach for increasing the small fuel tax on domestic water carriers, although 90% of their infrastructure costs are taxpayer funded (primarily the Army Corps of Engineers) while the federal government saddles freight railroads (and their 99% privately funded infrastructure) with a complex web of antiquated laws that unfairly inflate rail costs. The water-carrier tax proposed by some rail lobbyists got nowhere, probably because key Senate Finance members have big home-state water-carrier constituencies.

The new law therefore is bad news for railroads that parallel major waterways—notably the Illinois Central, which is already in bad shape and doing a poor job of handling Amtrak's "City of New Orleans." Amtrak knows there are alternative Chicago-New Orleans routes—such as via Evansville, Nashville, and Birmingham—but is focussing efforts on improving service on the existing Illinois Central route through Memphis, Jackson—and Batesville, MS, in the district of House Appropriations Chairman Jamie L. Whitten.

The bill did include new aviation tax increases earmarked for deficit reduction, a sound move since the public interest demands that users of this energy-intensive and environmentally destructive form of travel pay a greater share of the mode's true costs and not simply contribute to a fund that builds more aviation facilities. (The aviation industry did not walk away empty-handed. See airport noise box.)

Please urge your legislators to work for inclusion in the next tax bill of a rail passenger service trust fund such as the "highway-trust-fund-penny-for-Amtrak" highlighted in July *News* and our current article on Sam Stokes.

Please thank your legislators for the aviation tax increases in the reconciliation bill, but tell your legislators you oppose the bill's inequitable treatment of railroads and water carriers and urge them to work to correct this in the next tax bill.

The New Taxes

The new federal transportation taxes, which—unless otherwise noted—took effect Dec. 1, are outlined below.

Railroads pay a 2.5 cents/gallon fuel tax, which will go to the Treasury for deficit reduction. This was not in the original budget summit agreement. Railroads did not pay fuel taxes before because they maintain their own roadbeds. PACCAR, builder of Kenworth and Peterbilt trucks, is in the district of House Ways & Means Member Rod Chandler (R-WA), who proposed the tax.

Railroads also will be charged for the first time for federal railroad safety inspection. This takes effect Mar. 1 and is expected to cost $170 million over the budget plan's five-year life, costing railroads about $38 million per full year. The secretary of transportation must decide how to divide costs among the railroads; he may not use proportion of industry revenues as a basis.

The secretary also must report annually on the cost of federal safety activities for other modes and how much user-fee revenue, if any, is paid for those activities. The reports are due within 90 days of the end of fiscal years in which rail safety fees are collected. Thus the first report is due Dec. 31, 1991.

Within 90 days of the report, the secretary must submit legislation to correct "any significant difference in the burden of federal user fees borne by the railroad industry and those applicable to competing modes of transportation."

(Heavy lobbying by railroads and rail labor killed the budget summit's increase in their railroad retirement taxes.)

Highway user fuel taxes rose five cents/gallon (gasoline from 9 to 14 cents; diesel from 15 to 20 cents; transit buses, other state and local vehicles, and off-road vehicles remain exempt). Half of the increase (2.5 cents) goes to the highway trust fund and half to deficit reduction. Transit gets 20% of the increase going to the trust fund (one half cent). Truckers played a key role in getting the summit's 12 cents reduced to zero in the House-passed version, to 9½ cents in the Senate-passed bill. Other opposition to a fuel tax increase reportedly came from Members of Congress with rural or suburban constituencies. States will still get back at least 85% of taxes they pay into the trust fund, rather than the 95% proposed on new taxes in the budget summit agreement.

Congress exempted the ailing **intercity bus** industry from

THE INTERMODAL FUND IDEA

While the reconciliation law was being developed, the House Energy & Commerce Committee staff proposed that, instead of going to general funds, new transportation fuel taxes not going to the Highway Trust Fund would go to an "intermodal transportation trust fund" for "transit, railroad (including Amtrak) and aviation (including air traffic control) programs that are currently financed by general revenue appropriations."

The idea was to maintain the principle that transportation taxes would fund only transportation. At the same time, the new trust fund would preserve the "deficit-reduction" benefits envisioned by those who originally proposed the tax increases, since the above-named programs' claims on general revenues would be reduced by whatever amounts the programs got from the new intermodal trust fund.

Unfortunately, big-railroad lobbyists got this plan killed before it was ever brought officially before the committee. The railroads' argument was that some of the money would go to small freight railroads that compete for some traffic with the big railroads. Rail labor also opposed the concept because many of those small freight lines are non-union or have contracts with unions other than the major rail unions.

Perhaps railroads' fuel tax payments should be earmarked to cover federally-mandated Amtrak costs, including retention-toilet conversion, Americans with Disabilities Act compliance, and safety and environmental needs!

MORE AIRPORT MONEY; NATIONAL NOISE POLICY

The new budget law (lead story) gives Transportation Secretary Samuel K. Skinner one of his top priorities—new airport-expansion funds—and gives airlines what looks like a fairly lenient national noise policy.

Skinner and airport operators wanted airports to be able to levy "passenger facility charges" (head taxes) to finance rapid capacity expansion. Current law prohibits such taxes and prohibits use of federal airport grants for underwriting bonds and for certain improvements such as gates.

Most of the top 40-50 U.S. airports are likely to impose the tax, whose revenues will further distort the air/rail funding imbalance. Airports will leverage the new revenue into "really big bucks" by pledging the head taxes to pay off long-term bonds.

The law allows airports to assess a $3 per ticket head tax; a passenger on a round-trip would pay up to $12 (where the one-way trip involves one or more transfers).

Under the noise policy, noisy "stage 2" planes must be phased out by Dec. 31, 1999, but DOT could allow some such planes for another four years if the owning airline converts 85% of its fleet to quiet "stage 3" planes by July 31, 1999. Also, federal officials may disapprove *new* airport restrictions (such as limits on nighttime operation) on stage 3 planes. And, before imposing *new* restrictions on stage 2 planes, an airport must analyze the rules' economic impact, give six months' notice, and receive public comments.

paying the increase, so their diesel fuel tax remains 3 cents a gallon, where it has been since 1984. (Before that, intercity buses had been exempt from the fuel tax since 1978.)

Aviation. The airline ticket tax rises from 8% to 10%, the domestic cargo tax rises from 5% to 6.25%, the non-commercial jet fuel (kerosene) tax from 14 to 17.5 cents/gallon and the non-commerical aviation gasoline tax from 12 to 15 cents/gallon. All of these increases—totalling over $18 billion over five years—go to deficit reduction. Airlines accepted this and new airport taxes because airlines also got a national noise policy (see box).

Spending in Future Years

The reconciliation bill abandons the setting of meaningful government deficit targets. The new targets will be adjusted for so many factors—economic downturns, unexpected increases in "entitlement" program costs, exclusion of Persian Gulf military costs—"that it will be almost impossible for Congress to miss" the targets.

But the law does contain strong limits on *new* government spending programs. Rep. Jim Leach (R-IA) says these limits give the White House more power than would the line-item veto that President Bush sought and failed to get. The limits could also boomerang against existing current programs.

The law sets three separate targets for each of the years FY '91-93 for defense, foreign aid, and "discretionary" domestic programs (i.e., including Amtrak and transit, excluding Social Security and other "entitlement" programs). The targets generally assume maintenance of FY '91 "service levels" in the "out years," that is, spending would grow to keep pace with inflation.

If Congress exceeds the target in one category, however, the administration must do an across-the-board cut of other programs within that category to meet the target. The cut is based on *estimates* of what programs will cost—and the Office of Management and Budget makes the estimates. (Although benefit programs are excluded from across-the-board cuts, such cuts could be *triggered* on 15 days' notice if OMB finds such programs are costing more than projected.)

This means, to cite an example that could affect Amtrak and transit, the White House "will have the last word on how much of the Coast Guard budget is military and how much is civilian transportation"—something worked out heretofore among appropriations subcommittee chairmen (above quotes from "Congress is Shifting More Power Over Spending to the President," *The Wall Street Journal*, Oct. 29).

In FY '94-'95, the rules change so that, unless the White House wants to keep the three categories separate, they would be abolished. Then, military or foreign aid overspending could produce an across-the-board cut that affects transport.

It is good that intercity rail passenger spending rose significantly in FY '91 as the "last budget train left the station." But it is disquieting that all government programs are vulnerable to unexpected future across-the-board cuts, with OMB in the driver's seat. ■

"The Bush Administration has begun the biggest zero-sum game to hit Washington in years. . . . It isn't clear where Mr. Bush would cut spending to make room for [his new] initiatives. Federal Amtrak subsidies, a perennial target, are likely to be targeted again in some fashion."

—*The Wall Street Journal*, **Dec. 14 news story**

NEW AMTRAK CALENDAR

Amtrak's 1991 year-at-a-glance wall calendar features a color photo by railroad photographer Richard Steinheimer of one of Amtrak's "San Joaquin" trains running along San Pablo Bay. $5 per calendar. Discounts for quantities sent to same address: 2 for $9, 3 for $12, 4 for $14, 5 for $15, 6 for $17, 7 for $19, 8 for $21, 9 for $23, 10 for $25; 11-25 cost $2.25 each and 26-50 cost $2 each. Calendars for years 1979-1990 are available, 1-5 for $2 each, 6-25 for $1.50 each, 26-50 for $1 each. Send a money order or check payable to Amtrak Calendar to P.O. Box 7717; Itasca, IL 60143; allow two weeks for delivery.

TRAVELERS' ADVISORY

On Jan. 27 Amtrak will expand Washington-Atlantic City service from one to 2 daily round-trips and give Harrisburg, PA its first through Amtrak train to Atlantic City. On Jan. 8 Amtrak will discontinue service to Philadelphia International Airport due to Midway Airlines' drastic reduction of operations there. (Midway generated most of Amtrak's passengers there under special arrangements with Amtrak. Travelers' Advisory, April *News*.) **Amtrak is also discontinuing Club Service cars on Atlantic City trains "since they are lightly used and could be put to more profitable use on other routes."**

Amtrak issued a new Chicago-St. Louis schedule Dec. 1. Some trains had 10-40 minutes added to their running time because of 24 miles of 30 mph speed limits south of Springfield, where Southern Pacific has been laying new welded rail that proved defective. SP and Bethlehem Steel are arguing over who is at fault.

Also Dec. 1 Amtrak discontinued its Galesburg-Peoria-Springfield bus, which had been established primarily to protect "Zephyr"/"Eagle" connecting passengers who are now guaranteed direct connections between those trains in Chicago.

A dispute between Amtrak and Santa Fe over northbound service at Irvine, CA has resulted in the following correct times of service, effective Nov. 6: #569 at 6:12a, #573 at 7:58a. #771 skips Irvine. Also, the timetable incorrectly shows checked baggage service on new Santa Barbara trains #771 and #784.

Changes to round-trip excursion fare time restrictions on the Northeast Corridor took effect Oct. 28. Those restrictions were eliminated—except on holidays—between all Corridor points and Baltimore/BWI/New Carrollton/Washington. They were also eliminated for Philadelphia-New England travel. New round-trip excursion fares took effect for Boston/Springfield-New York, blacked out for 1-8p Friday/Sunday/holiday departures. Remaining time restrictions for Springfield/Albany to New York/Philadelphia are now cut to 1-8p Friday/Sunday/holiday departures. Remaining time restrictions for Springfield/Albany to New York/Philadelphia are now cut to 1-8p Friday/Sundays.

Under a provision tucked away in a new federal law, Amtrak must run its Chicago-Valparaiso commuter train, "Calumet," through May 3, 1991. Rep. Peter J. Visclosky (D-IN) played the key role here.

WATCH OUT! #5/25/35 serves Provo, UT at 9:30p—NOT 9:50p as Amtrak's Oct. 28 timetable incorrectly states.

Amtrak Releases Chicago-Florida Report

"A Chicago-Florida route would fill an important gap . . . in Amtrak's current route system and tap potentially important business and discretionary travel markets," said Amtrak in the conclusion of its congressionally mandated Chicago-Florida route study released December 3.

The route Amtrak picked as a basis for its facility-cost estimates and schedules—and the route most observers think has the best chance of getting service—runs via Danville, IL; Evansville, IN; Nashville and Chattanooga, TN; and Macon, Cordele, and Waycross, GA.

Amtrak projected capital costs of about $52 million for facilities and right-of-way improvements and $150-175 million for rolling stock. *Initial* operating subsidies would be about $19 million a year but this should decline as traffic builds.

The next step in the route campaign is for states to approve enough funding to encourage Congress to come up with the balance.

(Amtrak's 29-page report is available from Amtrak Public Affairs, 60 Mass. Ave., NE, Washington, DC 20002. Send NARP an s.a.s.e. for Sen. Wyche Fowler's (D-GA) news release and/or NARP Dir. Alan Yorker's excellent letter from the December 17 Atlanta Constitution.) ■

—Amtrak photo by Paul Woodring

A nice crowd at Akron, OH, greets the Nov. 7 ceremonial train heralding the reroute of Amtrak's "Broadway Ltd." The station is ideally located downtown at the Quaker Square Hilton Inn that was converted from the Quaker Oats Company's grain silos. NARP Region 6 members will meet here March 23.

Amtrak to Buy 52 New Locomotives

Amtrak announced December 26 that it signed a letter of intent with General Electric's Transportation Division to purchase 52 new diesel-electric passenger locomotives worth more than $100 million. All will have head end power. The first 20 will be 3200 HP and similar to the F40 mainstay of Amtrak's current diesel fleet. The new units, however, will outwardly resemble GE's B30CW freight locomotives. Deliveries begin in early 1992.

The second group of 22 locomotives will be 4000 HP and delivery is to begin the first quarter of 1993. The last group of 10 are 3200 HP dual mode locomotives with 3rd rail capability which will replace the aging FL9 fleet used for service into New York City from the Empire Corridor.

Amtrak says the last 2 groups will have "a new body structure based on the German ICE passenger locomotive, departing from the boxy appearance of past eras and providing a modern steamlined appearance."

NARP REGIONAL MEETINGS

(Some meetings require RSVP and registration fee; more on other regions next issue. Phone numbers shown are home, except for region 1.)

Region 1 (CT, ME, MA, NH, RI,VT): **Sat. Mar. 2, Portland, 1p-5p (lunch 11:30 am), Holiday Inn (downtown). Details Wayne Davis, 207/879-7245**

Region 2 (NY): **Sat., Feb. 23, Albany, 11:30a-4p, Empire State Plaza Conference Center (part of state capitol complex). Speaker: Paul Reistrup, former Amtrak pres./former chmn. High Speed Rail Assn. Details: Don MacLean, 518/377-4390.**

Region 4 (DC, MD, VA, WV): **Sat., Mar. 16, Washington, 9a-3p, Capitol Hill Club (adjacent to Capitol South Metro). Details: Jim Churchill, 703/751-8427.**

Region 5 (AL, FL, GA, KY, LA, MS, NC, SC, TN): **Sat., Mar. 23, Decatur, GA, 9:45a-4p, Holiday Inn. Dinner train option available in eve., RSVP early. Details: Terry Hall, 404/455-3157.**

Region 6 (IN, MI, OH): **Sat., Mar. 23, Akron, 10a-4p, Quaker Square Hilton (adjacent to Amtrak). Speaker: NARP's Harriet Parcells. Details: Howard Harding, 216/867-5507.**

Region 7 (IL, MN, ND, WI): **Sat., Feb. 2, Chicago, 8:30a-4p, Midland Hotel (4 blks. east of Union Sta.), RSVP by Jan. 14. Speaker: Former FRA chief John Riley. Details: Pierre Loomis, 309/734-7202.**

Region 8 (AK, ID, MT, OR, WA): **Sat., Apr. 27, Shelby, MT, approx. 11a-5p (between train times), Deli Shop (downtown). Speaker: Amtrak Dir. of Corporate Communications-West Art Lloyd. Details: Barry Green 406/365-8056.**

Region 12 (CA, HI, NV): **Sat., Feb. 23, San Diego, 9:30a-4:30p, Embassy Suites Hotel (downtown). Speakers: James R. Mills, chmn., San Diego Metropolitan Transit Development Board; Sharon Greene, exec. dir., LOSSAN Rail Corridor Agency. Details: Ed or Mary Lee Von Nordeck, 714/787-8403.**

Amtrak Honors NARP's Sam Stokes (continued from page 1)

support in Congress, as well as in individual states, is due in part to Sam, and others like him, bringing rail passenger issues to the public agenda."

In accepting the award, Sam urged Republican members of the Amtrak Board to ask President Bush to support earmarking a penny of the federal gasoline tax for Amtrak. Sam said he hoped that the U.S would not become mesmerized by maglev and would get on with the building of high-speed steel-wheel trains, noting how much France's similar efforts benefitted the French steel industry. Finally, he expressed the hope that Wisconsin Gov. Tommy Thompson, an Amtrak board member, would work for restoration of Chicago-Madison passenger train service.

Amtrak's superb four-page advance news release on the award and ceremony quoted Sam's arguments for the Amtrak gasoline-tax penny:

"1. The United States is the richest country in the world with the cheapest gasoline in the world. We can afford this penny.

"2. With this one cent tax, Amtrak dependence on federal funds would vanish immediately and help reduce the deficit.

"3. All existing trains could run daily and increase both ridership and revenue.

"4. Major gaps in the current system could be closed.

"5. Increased frequencies and eventually an expanded system serving millions of additional people would become possible."

(Send NARP a S.A.S.E. for a copy of Amtrak's release.) ■