



News from the

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Pataki and Amtrak: \$185 Million for Rail

125-mph "Like-New" Turbo trains, More Track, Straighter Track

New York Governor George E. Pataki (R) and Amtrak on September 29 announced a plan to split evenly the cost of a five-year, \$185-million Empire Corridor capital investment program. About three-quarters of the state's share "will come from various Federal sources" (*New York Times*, September 30), primarily Congestion Mitigation/Air Quality funds.

By highway standards, \$185 million isn't much. But rail investment is good policy partly because so much can be done with relatively little. This is the biggest investment in intercity passenger rail in New York in nearly a generation.

Three key factors made it possible:

- The Empire State Passengers Association (ESPA)-funded poll by the respected Marist Institute, showing strong public support (Feb. *News*), reportedly used in briefings in the governor's office;

- Formation of the Empire Corridor Rail Task Force, with chairmen of the county legislatures of all 17 counties along the route, to push better passenger and freight rail service;

- Amtrak's 50% match, through Taxpayer Relief Act funds.

The program includes \$45 million to upgrade seven Turboliner train sets at Super Steel in Schenectady for 125-mph service, so New York-Albany will take "under two hours" (this and following quotes from the state's news release). New York-Buffalo trips also would be shortened.

"The...trainsets will have...a wide array of passenger amenities including larger, more comfortable seating, laptop hooks at each seat, additional on-board communication devices and improved accessibility for persons with disabilities. Each trainset will carry 285 passengers."

The remaining \$140 million is for track and signal projects that will improve running times, reliability and economic performance of the Empire Corridor and all trains using it (Amtrak's Rutland, Montreal and Toronto services and *Lake Shore Limited*, and CSX freight trains). The projects include:

- Restoring the missing second track, Albany-Schenectady.
- Upgrading the Albany Hudson River passenger bridge.
- "Improvements to the Rensselaer Maintenance Facility."
- "Improvements to major curve locations south [and west] of Albany that presently restrict train speeds."

- Upgrading the Schenectady-Saratoga single-track line with passing sidings and other improvements.

Also, "A passenger advisory council will be established by the Governor to assist the state in developing long-term statewide passenger rail strategies."

ESPA developed a five-year plan for state rail passenger improvements in 1996. ESPA Legislative Director Frank Barry says previous Amtrak actions and the new \$185-million initiative together accomplish about a third of the plan's goals. ■

"I think it's tremendous! We've been working on this for 14 years."

—Frank Barry, Empire State Passengers Association (ESPA) Legislative Director and NARP Board Member

Holton, Rosen Get Senate Hearing

"You can throw that GAO report out the window. I don't think it's measuring the prospects for the future."

—Senator Kay Bailey Hutchison (R-TX), who chairs the Subcommittee on Surface Transportation and Merchant Marine (Committee on Commerce, Science and Transportation), at September 22 hearing

Though a new, four-member Amtrak Reform Board—a quorum—was seated in time to meet the Amtrak reauthorization law's July 1 deadline, three Presidential nominees remained unconfirmed (May, *July News*). The Senate Commerce Committee on September 22 held a confirmation hearing for two of them—former Virginia Gov. Linwood Holton (R), and Amy Rosen, a Democrat who served on the previous board. The full Senate confirmed them both September 24. [Separately, Wisconsin Gov. Tommy Thompson (R) was elected chairman of the new board; Democrat Michael Dukakis is vice chair.]

Kay Bailey Hutchison (R-TX) said she would support the nominations. Sen. Ron Wyden (D-OR) said he was not prepared to vote for either nominee, but was willing to meet with them further.

Self-Sufficiency: Chairman John McCain (R-AZ) asked if Amtrak will meet its legal target (an operating grant requirement of zero by the start of fiscal 2003). Holton said, "I think that's an optimistic objective, worth working on and quite possible to bring about."

(continued on page 3)

"Nobody believed that you could have rail transit in Dallas. All the experts said, 'No, you don't have enough density.' But we are having a fabulous success. The light rail goes right to the Amtrak terminal. I think that could happen all over America."

—Senator Kay Bailey Hutchison (R-TX), at September 22 Amtrak hearing

Update on Britain's Railways

Before privatization in 1994, British Rail got an annual subsidy of about £1 billion (\$1.67 billion). "Restructuring the industry and introducing a need for profit margins [ed.: so private entrepreneurs would be interested] doubled that to £2 billion in 1997. By the end of the [first-round] short franchises, in 2003, it is back to below £1 billion," says British monthly *Modern Railways* (September issue).

The magazine noted that, "although passenger numbers are still rising at present, a recession is around the corner and the trend in farebox receipts can't be far behind. With Passenger Service Requirements preventing [big] cuts in train miles, it will be difficult for cuts in costs to keep pace with declining receipts if things do turn sour.

"For the quarter to the end of June, Franchising Director John O'Brien notes...that 'punctuality has continued to decline'; on TV, he described the decline as 'unacceptable'. Comparing this year's spring quarter with last year's, 16 route groups have improved, while 48 have got worse." The BBC said, "Punctuality came top of the list of gripes while complaints about the accuracy of the telephone service rose by 152%." Many passengers must dial twice—the national inquiry service for information, then a Train Operating Company (TOC) for a reservation.

Britain's rail problems are due in part to capital starvation during the years before privatization, and the former government's structuring of privatization so that each part (TOC's, Rolling Stock owners and the infrastructure owner) can earn profits, unlike in most other forms of transportation—where social value is reflected in the infrastructure.

Indeed, noting that track-owning RailTrack faces a much gentler cut in funding than the TOC's, *Modern Railways* says "the moral of the tale is that it is better to be privatized as a regulated utility than in a franchise competition." (RailTrack is the utility; the TOC's are in the competition.)

The current government talks of fixing some problems, including inadequate sanctions available to the Rail Regulator; inadequate regulation of rolling stock leasing companies; general lack of a focus for long-term strategic planning.

In July, the government released its response to the report of the House of Commons Select Committee on a Strategic Rail Authority (SRA) and the regulation of the railways. The government response said, "**The railway as a whole will in future be at the centre of decisions on transport planning and operation**" and the Government's objective is to realize "the full potential of the railway." The report gives hope to those who fear growing tensions between service and unreasonably tight financial targets.

But the SRA is not a done deal. Transport Secretary John

MICHIGAN AGREEMENT SIGNED

Amtrak and Michigan at last reached agreement on a joint-funding contract for the Chicago-Grand Rapids *Pere Marquette* and the Chicago-Port Huron-Toronto *International*. The contract covers an 18-month period ending March 31, 1999. The future of the *International* remains unclear as the state has asked Amtrak to study route options further (June '95 News).

John Prescott since told the Labor Party's annual meeting, "If the current companies can't make the trains run on time, then I'll call time on the companies that run the trains." Prescott "said if things didn't improve, in the spring he would establish a provisional strategic authority, and appoint a new regulator and a new franchise director" (*Journal of Commerce*, Oct. 2).

On a bright note, rail freight ton-miles in Britain grew 13% last year, thanks largely to the innovative management of Wisconsin Central-owned English, Welsh & Scottish Railway. ■

NARP PUSHES AMTRAK RETURN TO PHOENIX

NARP President John R. Martin and Board Member George Chilson of Sedona, AZ, put in considerable work developing a proposal—given to Amtrak Intercity President Lee Bullock in Martin's September 2 letter—that Amtrak act to restore direct service to Phoenix, which lost it in 1996 (May '96 News).

Martin urged Amtrak to take the lead in upgrading the mostly-idle "Phoenix West" line with funds from Amtrak, Union Pacific, the State of Arizona and the cities of Phoenix and Tempe. He said the line should have "significant economic value for Union Pacific" as a mainline congestion reliever and as "the most direct and most efficient route between Southern California, the remainder of the West Coast, and one of the [nation's] fastest growing metropolitan areas."

NARP also urged Amtrak to "promise the return of daily service to the Phoenix/Tempe area upon completion of the upgrade," drop the Tucson-Phoenix connecting bus, and immediately suspend—or if necessary cancel—plans to build a station at Maricopa.

Martin argued that "the rate of return on any investment of TRA funds in the upgrade of the Phoenix-Wellton line far exceeds the guidelines Amtrak has set for TRA expenditures."

Passenger Train Speed Increases

Amtrak is working with the railroads to raise train speeds where there is no impact on safety or comfort. This got a boost when the Federal Railroad Administration, in revised track standards effective September 21, gave railroads the right to increase the speed limits on curves for Amtrak trains.

To be precise, trains can run without FRA waiver at up to four inches rather than three inches of unbalanced elevation (the number of inches a curve would have to be banked to create a "perfectly balanced" ride at a given speed—that is, one where the rider thinks he or she is standing vertically).

The new standards do not require railroads to let Amtrak run faster, but merely gives them that right. It appears that Burlington Northern Santa Fe will be the first railroad to make significant use of the new authority.

Amtrak also is working with railroads to identify track where speeds can be increased for other reasons. In some cases, that can offset time added to schedules for the express and mail initiatives; in others, timetables actually will be shortened.

Incidentally, FRA's new track standards, which appeared in the June 22 *Federal Register*, address trains operating up to 200 mph; the former standards only covered up to 110 mph (Amtrak's 125-mph Metroliners required a waiver). ■

Amtrak Nominees

(from page 1)

Rosen responded, "I believe Amtrak can achieve operating self-sufficiency...It takes capital—roughly \$4 billion...The Taxpayer Relief Act (TRA) has \$2 billion. It would be good to have dedicated funding [as well] so we can plan, but hopefully Congress will give us that other \$2 billion...I believe [Amtrak] will always have long-distance trains that are not profitable. However, with revenues from high speed rail and other commercial enterprises [we can make it]."

McCain was frustrated no one promised Amtrak *will* meet the target. He lamented, "I'm sure that if I'm still here in 2002 we'll be here trying to figure out a bailout for Amtrak and that's just terrible...I wish you every success but I have to tell you my skepticism level is very high because of the record of what has transpired since 1971...I'm not a proponent of a system that was intended to be privatized two years after it was formed and that serves less than 1% of the traveling public."

Use of Capital Funds: Hutchison expressed concern that Amtrak was diverting capital into operations. Rosen agreed it was "essential that we convince Congress that TRA money is going into high-rate-of-return projects." Hutchison responded: "I think you've got it. If we're in the same place two years from now, those of us with our fingers in the dike—Senator D'Amato, Senator Roth and myself—will not be there."

Freight railroads: Holton noted that his father was president of the Interstate Railroad, a small freight line based in Andover, VA. Holton said he himself had close relationships with executives of several major freight railroads. He said he had recently met with the head of Norfolk Southern, who agreed that Amtrak can handle things in its express initiative that NS can't and said he was glad Amtrak was doing it. This provoked Hutchison to exclaim, "Hallelujah! I've not had that experience with the railroads I've met."

National System: Hutchison took a stab at defining a national system, suggesting that lines beyond it "would not require federal support." What she suggested was much smaller than today's system and included (a) a circle Boston-Florida-Los Angeles-Seattle-Chicago—"back to the Northeast"; (b) "something in the middle—Chicago, maybe St. Louis, to New Orleans" and (c) something in Texas. She was pleased with ridership growth on the *Texas Eagle* but said, "to win this game, we've got to have seven-day-a-week service."

"Freight railroads could not succeed on a profitable basis as long as they had statutory responsibility to provide nationwide passenger service, so I welcomed Amtrak's creation. I believe a balanced transportation system that incorporates passenger rail is essential to the maintenance and growth of our national prosperity. I'm impressed with the business plan of the acting management and its projection to be free of operating subsidies in five years. I do not seek to serve here simply to preserve the status quo. We have got to select permanent management and they must be given maximum flexibility. The acting management's business plan may be right on target, but the board must make its independent judgment."

—Gov. Linwood Holton, at September 22 Amtrak hearing

AMTRAK REFORM COUNCIL

The Administration appointed its rail management and labor representatives on the Amtrak Reform Council in time for them to participate in the council's September 17 meeting—John Norquist (D), Mayor of Milwaukee, and Clarence V. Monin, president of the Brotherhood of Locomotive Engineers, respectively.

Pioneer: Sen. Ron Wyden (D-OR) was not satisfied with the nominees' responses about the *Pioneer's* discontinuance, saying, "That's what I was told before. I'm looking for creative approaches to get away from business-as-usual. For example, we have the Olympics coming up in a few years in Salt Lake City. Maybe that's an opportunity...I have consistently supported Amtrak, but I'm getting to the end of my line...People in rural Oregon and much of the rural West feel we live in a national sacrifice zone..."

Rosen responded, "I can understand your frustration. We have a mandate to be a national carrier. We should serve cities and regions that have no other modes..." Holton said as governor he heard similar complaints from western Virginia, where the feeling was that the Richmond-Washington corridor and the Tidewater area got all the state's resources. Holton said he was good at dealing with such complaints.

Labor: Rosen was on the board that forced through a pattern-setting contract with both significant pay raises and important productivity improvements. Hutchison told Rosen, "The credibility of Amtrak was hurt badly when they came in with the same sort of tired labor agreements, when we wanted a clean slate, and we didn't feel that you gave us that kind of originality...Southwest Airlines has a lower pay scale than the rest of the industry, but...probably...the happiest workers. When you tell me you [Amtrak] must pay what the freight railroads pay, these contracts are really out of line for today's [Amtrak] capabilities."

Rosen responded, "On labor, I agree with you. We need to take a different approach." ■

WARRINGTON SUPPORTED

NARP President John R. Martin expressed strong support for the selection of George Warrington as Amtrak's President. The September 28 letter to members of the new Amtrak Board stated, in part: "Despite the challenges facing Amtrak, he has led the organization to excellent gains in ridership, revenues and service quality...He has earned credibility on Capitol Hill, with Amtrak employees, with rail passenger advocates, and we believe with the railroads over which Amtrak operates...Particularly in light of the continuing management changes Amtrak has experienced over the last four years, and the devastating effect of the lack of management continuity, we believe significant weight should be given to the continuity that election of Mr. Warrington would bring."

The letter also expressed strong support for the Intercity Business Unit's current management team, and noted that assembly of this team "has been completed during Mr. Warrington's acting presidency."

TRAVELERS' ADVISORY

Texas Eagle connecting vans—Besides the Springfield-Galesburg van to the *California Zephyr* (Sept. News), Amtrak began a Springfield-Columbus (WI) van to the *Empire Builder*. Vans will not run when an outbound train would be delayed; passengers would proceed to Chicago and likely be given a hotel room.

Stations—Goleta (8 mi. west of Santa Barbara) station and maintenance facility opened as a *San Diegan* stop September 19, near a University of California campus. The three daily round-trips now terminating in Santa Barbara are extended to Goleta.

The ex-Southern Pacific station in Lafayette, LA, used by the *Sunset Limited*, burned August 7. The fire, caused possibly by transients' cooking fire, left only charred outer walls. The city was considering buying the 1910 structure for an intermodal station.

Upstate New York—Amtrak's New York-Montreal *Adirondack* service resumed August 19 north of Albany after a near-two-month disruption caused by major storm-related wash-outs. The shelter at Port Kent was washed away, so passengers must board on the highway crossing, as they did before the shelter was built.

Adirondack Scenic Railroad began regular passenger service August 7, 51 miles from Utica to Thendara (Old Forge), within Adirondack Park. This year's season ends October 11, with connections at Utica with Amtrak's Empire Corridor trains. A shuttle bus connects Union Station (Amtrak) to ASR's boarding area, 0.3 miles away; but ASR trains may reach Union Station in 1999. The ultimate goal is restoring the

remaining 90 miles to Lake Placid.

Bikes & Skis—Amtrak Northeast Corridor on September 7 added a baggage car to the *Adirondack* and *Ethan Allen* for unboxed bikes, skis, and snowboards (similar to service already on the *Vermont*). There's space for up to 20 bikes; reservation charge \$5.

Thruways—These buses will connect with Amtrak trains starting with the October 25 timetable:

- *Southwest Chief* (both directions) at Needles, CA, to Lake Havasu City, AZ, and Laughlin and Las Vegas, NV.
- *Empire Builder* (to/from west) at St. Paul, MN, to Eau Claire, WI.
- *Pennsylvanian* (to/from east) at Pittsburgh, PA, to Wheeling, WV, and Zanesville and Columbus, OH.
- *Empire Builder* (to/from east) at Fargo, ND, to Pembina, ND, and Winnipeg, Manitoba (for VIA Rail's *Canadian* to/from west).
- *Texas Eagle* (to/from north; also *Texas Eagle* and *Sunset Limited* from west only) at San Antonio to Alice, McAllen, and Brownsville, TX.

Credit Card Numbers...since August 18 no longer appear on Amtrak ticket stubs, at NARP's request. Passengers often discarded these stubs casually, perhaps unaware that their full credit-card number was shown. Stubs will continue to show the last four digits of these numbers, so those with multiple cards can tell which one was used.

Transit—A 2.3-mile light-rail extension in Sacramento opened September 6, Butterfield-Mather Road.

The Portland (OR) MAX West Side light rail line opened September 12, 15 miles from downtown (Kings Hill/Salmon) to Beaverton and Hillsboro.

CORRECTION: In the July newsletter, the box on page 3 should have shown Amtrak's total expenses *increasing* 5.1% in fiscal 1997, and *increasing* 4.4% in October-May of fiscal 1998. Also, because Amtrak recorded some extraordinary non-passenger revenue in May 1997, October-May (fiscal 1998) total revenues rose just 0.2%.

Financial figures for the "core" intercity business (i.e., excluding contract work) might be more informative. In fiscal 1997, core revenues rose 4.0%, and core expenses rose 7.3%. For the first 11 months of fiscal 1998 (October-August), core revenues rose 4.1%, and core expenses rose 2.3%.



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