

News from the

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(This has news through May 17. Vol. 27 No. 4 was mailed April 28.)

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Amtrak on the Brink

Furloughs Delayed for Now

"We are in the third year of a recession in the travel industry. Amtrak's revenues are \$18 million under budget through March [1993, year-to-date] with no prospect that they will improve dramatically anytime soon."

—Amtrak President W. Graham Claytor, Jr., at May 5 House Transportation Appropriations hearing, arguing for a 1993 supplemental appropriation.

The April death of the Clinton stimulus package (March News) was a big setback for Amtrak. Part of Amtrak's \$188 million in the stimulus was to have permitted recalling some of the 257 maintenance workers laid off last fall.

Instead, Amtrak may have to furlough 450 more employees at Beech Grove, Indiana, and in Delaware. Furlough notices were to go up May 14 to take effect May 21, but this was postponed two months when the appropriations committees, convinced of the administration's sincerity in pushing FY '93 supplemental funding for Amtrak (albeit far less than \$188 million), agreed to reprogram \$10 mill. for heavy overhauls.

At the May 5 hearing, Amtrak presented a table showing overhauls from FY '89 to the present, with recommended levels not achieved in any of those years. In FY '92, for example, 68 locomotives were overhauled instead of the recommended 92; 240 cars instead of the recommended 401. Clearly, a further decline in production is totally unacceptable.

The Amtrak board wrote to the appropriations leaders May 3 asking for a supplemental appropriation. The letter was signed by Board Members Haley R. Barbour (chairman of the Republican National Committee), Gov. Tommy G. Thompson (R-WI), David P. Girard-diCarlo and Leon J. Lombardi. All are Bush appointees.

Management has rejected further cuts in expenses as being counterproductive. Claytor testified that reservations staff, on-board crew, maintenance and amenities all have been cut—and service quality has suffered. Management itself took a 10% reduction in force two years ago. "These cost reductions do not make good long-term business sense, but for the short-term they help with costs when revenues are inadequate," said Claytor. "The short-term has passed and we cannot afford to make any further cuts along these lines." ■

NARP HONORS SEN. MITCHELL



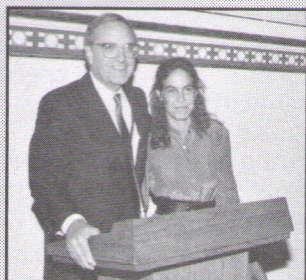
NARP honored Senate Majority Leader George J. Mitchell (D-ME) at NARP's annual Washington reception on Apr. 22. Sen. Mitchell was presented with NARP's "The George Falcon Golden Spike Award." Above (from left), NARP VP Eugene K. Skoropowski, Mitchell and NARP Dir. Wayne Davis who is also president of TrainRiders/Northeast.

Davis aid: "We'd be nowhere without the efforts of Sen. Mitchell." Mitchell said: "We're determined that passenger service will be instituted in Maine and we hope in the coming year."

Below, Mitchell speaking, and—later—praising Sandy Brown, who handles all railroad matters for the senator.

The text on the award expresses "deep appreciation for [Mitchell's] strong support of rail passenger service generally and especially of construction of a rail link between Boston's North and South Stations and establishment of Amtrak service to Maine."

—Photos by Ankers, Anderson & Cutts



Key Amtrak Officials Address NARP Board

Amtrak needs to "understand what the customers really want...and what the employees go through in order to satisfy those customer wants and needs. . . . Our employees want to make it work but we haven't given them all the tools they need.'

—Arthur F. McMahon on April 23

Arthur F. McMahon, Amtrak's new VP—Passenger Services since Oct. 15 (Feb. *News*), and Dennis F. Sullivan, Exec. VP and Chief Operating Officer, were featured speakers on Apr. 23 and 24, respectively, at the spring meeting of the NARP Board in Rockville, MD. Both had things to say which are encouraging to passenger-train supporters.

Passenger Services

McMahon discussed Amtrak's Continuous Quality Improvement program (see separate article) and the specific steps he wants so passengers and employees alike will feel Amtrak knows it's in "the people business."

He wants to move decision-making to the lowest level possible so employees can make decisions on the spot to satisfy customers, but in return to have greater accountability by those employees. He wants to foster open communications, teamwork, and a management that is visible.

He said there is an executive commitment to improving customer satisfaction, fostering employee involvement, safety excellence, increasing revenues and controlling (not reducing) costs.

McMahon appears to understand how far Amtrak needs to go. He referred to 1992 employee surveys that "have described our management as being militaristic, autocratic—a dictatorship that says 'do as I say and not as I do.'"

He is developing "customer focus awareness training programs to teach people how to approach a customer, how to talk to a customer—we don't do very well when we're talking to each other at Amtrak, much less talk to customers...How to handle a customer who is irate, how to approach someone and ask them if they would like a drink, all in an effort so that they enjoy the conversation...[and] feel good about the exchange. We want the customer to walk away from a hassle-free environment and feel good about what they went through. That's half the battle in the service business. . . ."

As enhancements "we are working very hard to find a way to put the china service on all of our dining-car trains, and I believe in the not-too-distant future we will find a way to do just that. . . ."

"Our chefs have all gone to the Culinary Institute. We have some real creative people who are reluctant to exercise their full talents in the field, so we are thinking of having a traveling chef that will work with our chefs on the train to help them realize their potential."

When asked if Amtrak would consider establishing an 800 "complaint" number, McMahon acknowledged the need to facilitate customer feedback, noting that asking an irate passenger to write a letter actually conveys to that customer the hope that he or she will **not** write.

Operations

Sullivan said he was excited about the prospects for "building a first-class, first-rate rail passenger system," adding, "I too am very frustrated with the slow progress that we have made in the last five or six years...We had a lot of high hopes

at that time...the funding has not been what we would liked to have seen over the past several years."

As a result, Amtrak trains are still hauled by diesels whose freight counterparts would be retired or in yard service by now. The oldest F40s are 17 years old and approaching their three millionth mile and fourth overhaul. Help is on the way in the form of 46 new locomotives (see photo).



—Amtrak photo

Amtrak took delivery Apr. 24 of the first of 46 new AMD-103 locomotives built by General Electric at Erie, PA. The formal unveiling was May 11 at Washington. Here No. 800 is shown at Erie without the red, white and blue striping. One unit went to Pueblo, CO for testing; another spent the first half of May at Washington. Amtrak says they are the first locomotive design built just for passenger service in nearly 40 years. Early assignments will include "Auto Train," "Crescent," "Southwest Chief," "California Zephyr," "Sunset" and "City of New Orleans." Because of their 4,000 h.p.—higher than for F-40's—the 46 new locomotives will replace 62 F-40 assignments, freeing the older locomotives for better maintenance than they get now.

Overhauls have been slowed by Amtrak's financial situation. In 1992, there was about a \$100 million budget shortfall. For the first half of FY 1993, transportation revenues are \$23 mill. below budget [ed.: though \$35 mill. above the year-earlier period]. After accounting for all revenues and expenses, the shortfall is still \$12 mill.

The first of 140 new Superliners arrive in June. There are 50 Viewliner sleepers on order. The ICE high-speed train will arrive in late June for Northeast Corridor testing. In the first quarter of 1994, using information from the X2000 and ICE trials, Amtrak will release specifications for the 26 electric high-speed trainsets required for Boston-New York-Washington Metroliner Service once New England electrification is done and at least two fossil-fuel (diesel or turbine) power units that could propel the trainsets at the highest practical speed elsewhere in the U.S. (and use third-rail electric power at lower speeds). [Amtrak's ad inviting bidders to "pre-qualify" was in *The Wall Street Journal* on May. 7].

Sullivan called breaking many of the "Lake Shore's" connections at Chicago a "bad solution to a bad problem" (Apr. Travelers' Advisory). He hopes to restore connections this fall.

Talks with Union Pacific have resulted in an agreement that should mean faster speeds on curves: UP has sought a waiver from the Federal Railroad Admin. to operate passenger trains at four-inch unbalanced elevation vs. 1.5 inches now [and three inches for most other Amtrak trains outside the Northeast Corridor (Jan. *News*, p. 3)].

"That's the result of working with the management," Sullivan said, underlining his belief that Amtrak's more confrontational posture with the freight railroads in the 1970s resulted

in winning some battles "but losing the war."

As for Southern Pacific reliability problems, Sullivan said that railroad is financially on its knees and "you can't get blood from a stone."

He offered to review the practice of backing in long-distance trains arriving Chicago. He said the new AMD-103 locomotives can idle on lower power than F-40's and still provide electricity to the train. That could mean locomotives could sit in the station and produce lower amounts of fumes and noise.

Amtrak has yet to decide what seat will go into new Superliner coaches, but the superior "new generation" seat on which Amtrak has been gathering data for over a year would cost \$300 more per seat than current designs.

[Ed.: The current Amfleet-II seat is being installed on overhauled Superliner and Heritage coaches. Many dislike this seat because it does not recline sufficiently and—when reclined—tends to push the passenger forward off the seat. The original Superliner seat is no longer available nor, apparently, is the widely admired Sleepy Hollow seat designed by medical specialists for many private railroads. Also, the hard bar between seats is a problem if you want three people in two seats—not unusual where two or more small children travel together—or one person wants to sleep across two seats.]

The FDA Consent Agreement

McMahon and Sullivan had good things to say about Amtrak's consent agreement with the Food and Drug Admin. (July '92 News). McMahon called it "one of the best things that ever happened—a rude awakening to what we should have been doing all along." Sullivan: "The FDA didn't do that to Amtrak; Amtrak did that to Amtrak...It's turned our focus on cleaning and repairing cars totally around, particularly food service cars...It was a tough thing to go through, but I'm glad it's behind us because it was going to hit us anyway." ■

TRAVELERS' ADVISORY

Amtrak...

...has introduced a special, lower All Aboard America fare. It is non-refundable, not available in Florida, but good in first-class. Reservations must be made by June 17, tickets must be purchased within seven days, and all trips completed by Dec. 16. The fares are \$138 for one region, \$178 for two adjoining regions and \$218 for all three—but June 18-Aug. 22, the fares are \$176, \$246, \$296 respectively.

Amtrak upgraded its club menu Apr. 12; it is rotated every other Monday. A July dining-car menu change will feature a reduced-fat breakfast, a new children's meal, and an ability to serve people a-la-carte style if they don't want a complete meal but are with someone who does.

Transit/Commuter

Memphis Area Transit Authority opened its downtown streetcar shuttle Apr. 26.

New Jersey Transit Atlantic City commuter trains began serving Philadelphia-30th St. Sta. May 4—making connections to Amtrak's Northeast Corridor and SEPTA possible.

Pittsburgh PAT reopened its 52/Allentown light rail line May 17.

Los Angeles Metrolink extended commuter service Montclair-San Bernardino May 17. Los Angeles-Riverside service is expected to start June 14.

HOTLINE CHARGES REDUCED

The cost of calling the NARP Hotline (900/988-RAIL or -7245) is now a flat \$1.20 per minute, down from \$2 for the first minute and \$1 for each additional minute. This is a 40% reduction for one-minute calls (so you can check to see if there's anything of special importance). It means reductions of 20%, 10% and 4% for calls of two, three and four minutes, respectively. (There is no charge if you hang up after listening only to the message "preamble," which includes the date the message was changed, but time charges for those who stay on are measured from the start of that preamble.)

Continuous Quality Improvement...

...(CQI) is Amtrak's name for an effort, common in recent years among businesses, to "replace their traditional approach to management with a new system grounded in a single-minded focus on the customer," recognizing that—for businesses generally—"only 2% of dissatisfied customers complain...34% quietly switch to another company. . . . the cost of attracting new customers runs three to five times the cost of retaining existing ones." (Quotations are from "An Introduction to CQI at Amtrak.")

There are both "external customers"—paying passengers—and "internal customers"—who serve the passengers.

Some examples of what CQI means:

- decisions based "on hard facts and data," not intuition or anecdote;
- encouraging employees to improve the way they do their jobs;
- "giving employees the training, tools, systems and support they require to perform competently and then turning them loose to do it";
- "management creates and nurtures a culture in which all employees are treated with dignity and respect"; and
- "management leads the way to an open, flexible and responsive culture in which there is widespread information sharing, few barriers between departments and between employees, a spirit of innovation and high employee satisfaction."

After considerable work on CQI by Amtrak's executive staff, Amtrak in Jan. '92 created the post of Executive Director—CQI, which is held by Robert Z. LaCroix, a 17-year veteran of Amtrak's finance, planning and real estate departments.

Deployment of CQI began at headquarters in June '92; the three major maintenance facilities last Dec. 1; and the Phila. and Western Divisions Mar. 1. The other divisions will follow shortly. "CQI is not a 'quick fix,'" says Amtrak. "Indeed, it takes between three and five years for a typical company to begin to realize a measurable payoff from its CQI efforts." ■

NEW CITIZEN'S GUIDE TO ISTE A

A new 50-page *Citizen's Guide to ISTE A* has been produced by NARP's Campaign for New Transportation Priorities. The *Guide* is focused on the transit and rail funding and public participation requirements in ISTE A and contains a special section on "suggestions for Successful Public Participation." A good resource for public transportation advocates, it is available from NARP for \$10.00/copy.

HR 1919: Administration's High-Speed Rail Bill

"... I am very product-driven. I hope that five years from today, we will meet again on a high-speed train somewhere..."

"I propose we be thoughtful and practical. Since this is a new effort, we ought to focus on significant improvements, step-by-step; to be strategic in the investments we make and evaluate the investments. We have to make sure we're reasonable in realizing our goal of high-speed rail."

—Secretary of Transportation Federico Peña
at April 29 hearing on high-speed rail

At a well-attended Apr. 28 Capitol grounds news conference, Secretary Peña unveiled the Clinton Administration's high-speed rail policy, the High-Speed Rail Development Act of 1993. It is now HR 1919, which House Energy & Commerce Chairman John D. Dingell (D-MI) and 12 co-sponsors introduced (see below). Dingell and other key transportation lawmakers also spoke at the news conference.

A companion bill, S. 839, was introduced the same day by Senate Commerce, Science and Transportation Chairman Ernest F. Hollings (D-SC), and co-sponsored by J. James Exon (D-NE) and Frank R. Lautenberg (D-NJ). Exon, chair of the Subcomm. on Surface Transportation, planned a hearing on S. 839 on May 20.

HR 1919 was the main topic of an Apr. 29 hearing before the House Energy and Commerce Subcomm. on Transportation and Hazardous Materials, chaired by Al Swift.

HR 1919 authorizes \$1.3 billion over five years—FY '94-'98. Of the \$140 million for high-speed rail in Clinton's FY '94 budget (Apr. News), \$96 mill. would go to a corridor assistance program, \$15 mill. to rail research and \$29 mill. to a maglev prototype.

The corridor assistance program would pay up to 80% of the cost of eligible improvements *if* state and/or local funds pay at least 20% *and* federal funds provided under this program do not exceed 50% of the public share of the improvements to any particular corridor. ("The public share...consists of its total cost minus the maximum practicable private funding...")

The 20% provision insures that federal funds will go only to projects with strong state/local support. Also, HR 1919 prohibits funds going to "a State where the State by law, regulation, or order prohibits the use of State and/or local funds for the construction and/or operation of such improvements." The Administration, based on a review of the Texas High-Speed Rail Act, believes Texas is ineligible unless their law is changed.

The 50% restriction encourages maximum use of funds from other public sources, including other federal programs like the Surface Transportation Program and Sec. 1010 grade-crossing program in "ISTEA" (the highway/transit authorization).

HR 1919 funding may *not* be used for acquisition of rolling stock.

The five ISTEA "1010" corridors former DOT Sec. Andrew Card named, plus New York, (Dec. News) will be automatically redesignated at gubernatorial request and governor(s) can apply for designation of other corridors—even those for which no applications were filed last year.

HR 1919 defines "high-speed" as "capable of operating at sustained speeds of 125 miles per hour or greater"; DOT officials emphasize that corridors need not already be operating

THE BEGINNING OF REAL PROGRESS

"Unfortunately, even as the benefits of high-speed rail have become apparent, its advocates have faced a federal government unwilling to make a real investment in these systems. While airport and highway providers are funded out of their own dedicated trust funds, passenger rail is left to scramble for the limited dollars that remain. This, in turn, leads to less than optimal infrastructure choices. It is time to end this inequity.

"I am extremely pleased that this Administration recognizes the value of high-speed rail and is willing to put its money where its mouth is. No, \$1.3 billion will not bring us high-speed rail systems throughout the country, but if carefully invested it can greatly increase train speeds on the selected corridors with the most high-speed potential.

"In the spirit of the incrementalism emphasized in the Administration's proposal, we will use this program as a building block for our high-speed systems of the future. Among the subsequent steps that should be taken is the establishment of a dedicated trust fund solely for passenger rail use. I intend to pursue that goal vigorously again this Congress.

"...This incrementalism makes far more sense than spending the bulk of our resources developing the highest tech systems of the future..."

—Rep. Al Swift (D-WA), at the
April 29 hearing which he chaired

at such speeds to be eligible.

Co-sponsors of HR 1919: Al Swift (D-WA), Jolene Unsoeld (D-WA), Maria Cantwell (D-WA), Bob Carr (D-MI), Fred Upton (R-MI), Lynn Schenk (D-CA), Carlos J. Moorhead (R-CA), Cardiss Collins (D-IL), Richard J. Durbin (D-IL), Ron Wyden (D-OR), J. Roy Rowland (D-GA), Thomas J. Manton (D-NY), and Thomas M. Foglietta (D-PA).

The modest size of the program led reporters to keep asking if this meant Clinton was abandoning a campaign promise. In fact, it will be a major accomplishment if the administration fights for and delivers the promised funding (without "stealing" from Amtrak).

AMTRAK'S HEALTH IS CRUCIAL!

"An 'incrementalist' focus makes obvious the close relationship between success of the high-speed initiative and Amtrak's financial health—which directly impacts Amtrak's ability to provide reliable service. The proposed high-speed rail initiative will look strange indeed if Amtrak service deteriorates and rail market-share trends turn negative in the very corridors the new program seeks to develop. Even the health of the long-distance network is important in this regard, since so many passengers transfer between long-distance and corridor trains."

—Statement by NARP's Ross Capon filed with Chairman Swift's committee
(copy available for \$1 and s.a.s.e.)