



Passenger Rail Funding Prospects Brighten

S. 294, the reintroduced Lautenberg-Lott bill, is gaining support in the new Senate, and a House counterpart is expected. Meanwhile, House Majority Leader Steny Hoyer (D-MD) reintroduced H.R. 1300, his big energy bill which includes the RIDE-21 high speed rail bill. House leaders aim to pass H.R. 1300 by July. The stars at last may be aligning for passenger rail, as public support grows for aggressive action on energy, transportation and environmental issues.

S. 294

The Passenger Rail Investment and Improvement Act of 2007 was the subject of a February 27 hearing. Every witness showered praise on the bill except Federal Railroad Administrator Joseph Boardman. The hearing was held by the Subcommittee on Surface Transportation and Marine Infrastructure, Safety, and Security, chaired by Sen. Frank R. Lautenberg (D-NJ), of the Committee on Commerce, Science & Transportation.

- Pennsylvania Gov. Ed Rendell (D) said "S. 294 is the best piece of [Amtrak] legislation I've seen in 30 years."

- Kelly Taylor of Oregon DOT: "This is a fabulous bill. We very much support it...We really appreciate" the bill's cost allocation methodology.

- Wisconsin DOT Secretary Frank Busalacchi, who also chairs States for Passenger Rail, said "we're very upbeat about the bill. We'd like to see state support a bit larger than \$1.4 billion. We like the bill a lot."

- Amtrak President and CEO Alex Kummant praised the "state/federal matching piece...and the multi-year funding structure." Referring to the provisions on oversight and on-time performance, which gives the Surface Transportation Board more power to address freight railroad performance issues, Kummant said, "I think it's a thoughtful bill on those fronts."

- Boardman said the Bush Administration believes that S. 294 should spell

out goals, including elimination of federal operating subsidies "in the next few years" and transitioning Amtrak to a "pure operating company." He also expressed concern that the bill's changes to the structure of Amtrak's board would result in "political deadlock and an inability to make tough decisions."

H.R. 1300, the "PROGRESS Act"

Last year, H.R. 1300, the "Program for Real Energy Security" or "PROGRESS" Act was seen as a "message bill" with no serious chance for passage.

It includes the same RIDE-21 high speed rail bill that the House Transportation and Infrastructure Committee passed last year—with \$12 billion in tax credit

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Amtrak's 2008 Request: \$1.53 Billion

Amtrak's formal Fiscal 2008 budget request is for \$1.53 billion. In addition, Amtrak outlined \$150 million of "strategic investments" beyond its basic request. Both numbers are down from a year ago, when Amtrak requested \$1.598 billion plus \$275 million. The request is in a February 15 letter from Amtrak President and CEO Alex Kummant to House Speaker Nancy Pelosi and Senate President Richard B. Cheney.

Clearly, a Bush-appointed board—this one with two new members, including a Democrat for the first time since mid-2004—again has recognized its fiduciary responsibility by requesting substantially more for Amtrak than has the Administration (see page 2).

Kummant's letter cautioned that, if Amtrak's FY2007 funding level turns out to be "substantially below our budget of \$1.45 billion, funding needs in FY2008 would be greater to ensure an adequate level of working capital." The FY 2007 level is \$1.294 billion, which is \$156 million or 11% below Amtrak's budget.

Operations

Amtrak seeks \$485 million, which

29 Senators on S.294

As of early March, these senators were on the bill, alphabetical by state: Stevens (R-AK), Pryor (D-AR), Boxer (D-CA), Lieberman (ID-CT), Biden & Carper (D-DE), Inouye (D-HI), Durbin (D-IL), Kennedy & Kerry (D-MA), Cardin & Mikulski (D-MD), Levin (D-MI), Lott (R-MS), Collins & Snowe (R-ME), Tester (D-MT), Burr (R-NC), Dorgan & Conrad (D-ND), Lautenberg & Menendez (D-NJ), Clinton & Schumer (D-NY), Brown (D-OH), Smith (R-OR), Specter (R-PA) & Casey (D-PA), Hutchison (R-TX).

Kummant told a Senate appropriations panel February 28 (p. 3) "continues a downtrend over many years." He said operations constituted 23% of Amtrak's total request in FY 1996 but 19% of the new request. It compares with \$498 million in Amtrak's FY07 grant request, and is even with the FY07 "adjusted budget."

While the operating request is flat, the effects of inflation and other cost increases mean that Amtrak will actually need to achieve \$61 million in savings compared to Fiscal 2007.

Capital

The request is for \$760 million, for rolling stock and infrastructure. Kummant wrote that "almost 70% of Amtrak's passenger car fleet and 85% of its locomotives will be in a state of good repair by the end of FY2007, with the balance of the fleet scheduled for overdue overhauls in FY2008 and FY2009." Equipment overhauls would consume \$182 million.

"Our grant request also includes [\$21 million for] an initial 'seed' purchase of diesel multiple unit (DMU) cars for use on lower density corridors, allowing

(continued on page 3)

PROPOSED FISCAL 2008 TRANSPORTATION FUNDING

Compared with Previous Years
Appropriations (\$ millions)

	2004	2005	2006	2007	2008	Bush			
Administration	Enacted	Enacted	Enacted	Enacted	Bush	vs. 2007			
					request	Enacted			
Federal Highway [FHWA] ⁽¹⁾	32,928	33,331	34,183	39,086	41,703	+ 6.6%			
Federal Transit [FTA] ⁽²⁾	7,266	7,646	8,504	8,975	9,422	+ 5.1%			
FHWA flexed to FTA ⁽²⁾	1,022	959	1,368	t.b.d.	t.b.d.				
Federal Aviation	13,840	13,853	14,310	14,100	14,077	- 0.1%			
Federal Railroad	1,449	1,425	1,503	1,503	1,081	-28.0%			
*Amtrak	1,218	1,201	1,294	1,294	800	-38.2%			
<i>*also in Federal Railroad total</i>									
Amtrak Grant Detail	2004	2005	2006	2007	2008	Bush	Amtrak	Bush vs.	
	Enacted	Enacted	Enacted	Enacted	Bush	vs. 2007	2008	Amtrak	
					Request	Enacted	Request	Request	
Amtrak Operations	598	570	490	490	0	- 100.0%	485	- 100.0%	
Amtrak Capital	345	369	495	495	500	+ 1.0%	760	- 34.2%	
Efficiency Incentive Grants ⁽³⁾	0	0	31	31	300		0		
Debt Service	275	262	278	278	0	- 100.0%	285	- 100.0%	
AMTRAK SUBTOTAL	1,218	1,201	1,294	1,294	800	- 38.2%	1,530	- 47.7%	
Other Passenger Rail	37	19	0	0	100		⁽⁴⁾ 150	- 33.3%	
PASS. RAIL TOTAL	1,255	1,220	1,294	1,294	900	- 30.4%	1,680	- 46.4%	

NOTES:

1) These figures are highway "obligation limits". Funds "flexed" to transit are subtracted (see separate line). Unfortunately, only New York and California have made extensive use of this flexibility (Pennsylvania used it in 2006 to deal with a transit funding crisis). Not shown: funding for Federal Motor Carrier Safety Administration (about \$500 million a year) and National Highway Traffic Safety Administration (about \$800 million).

2) Add these two lines to get full transit funding

3) Efficiency Incentive Grants can be used to fund operations at Secretary of Transportation's discretion.

4) State corridor match (\$100 million), Initial ADA station compliance (\$50 million)

NARP on Bush Budget: "They Still Don't Get It"

The Bush Administration again has made a "dead on arrival at Capitol Hill" or "killer" budget request for Amtrak—\$800 million, down 38.2% from the current \$1.294 billion, and \$100 million below the President's budget request a year ago.

Coincidentally, the budget has \$100 million for "capital matching grants for States for intercity passenger rail projects." This program, of course, has long been needed (albeit at 80% federal match, not the administration's 50%), but NARP's release accused the administration of coming up with the \$100 million by "simply reducing an already comically-inadequate \$900 million request."

DOT Secretary Mary Peters, in a February 8 appearance before Patty Murray's (D-WA) Senate subcommittee, said, "We're pleased to have seen a lot of progress by Amtrak's board and management in controlling costs in a better way."

The request protects the highway but not the transit funding "guarantees" in SAFETEA-LU. Peters said "we're not leaving [out] any transit project that's ready to receive funds." But the Federal Transit Administration minimizes the number of projects "ready for funding." FTA's "new [rail] start" criteria give no

credit to rail's ability to foster pedestrian-friendly real estate development, or for the walking trips that result.

Moreover, the Bush Administration—ignoring the law—has emasculated "Small Starts" criteria to favor questionable express bus projects and non-fixed guideway solutions. The FY08 budget cuts Small Starts in half (by \$100 million) to help fund a \$175 million "highway congestion reduction initiative," much of which would go to lay new pavement.

An ongoing problem is that states—often with anti-rail biases—have too much control over federal transportation dollars, and metro areas too little. Also, Highway Trust Fund (HTF) revenues are stagnant; the Fund is projected to go into negative balance within two years.

To help put off the moment of truth, Bush proposes—when states "flex" highway dollars to transit—to transfer funds to the HTF's transit account only "as needed rather than in a lump sum." ■

The Policy Commission and Passenger Rail

Chairman Lautenberg, at his February 27 hearing (lead story), asked Wisconsin DOT Secretary Busalacchi if the Surface Transportation Policy and Revenue Study Commission was taking the role of passenger rail seriously.

Busalacchi, a commission member, responded, "A few of us on the commission take passenger rail very seriously. I can assure you this will be part of the report we give to Congress. Commitment on the part of the federal government is important. If we get a real commitment of dollars, we can make these trains run on-time. It's clear right now the federal commitment is not there."

Region 9 Meeting Update

The meeting scheduled for March 31 in Mineola, TX (February *News*) has been changed to an April 21 meeting in Galveston, TX. More information is at <www.tempo-rail.org/NARP.htm>.

Amtrak's Request (from page 1)

Amtrak to free up equipment for state corridor growth. The request includes high-return business initiatives (e.g., electronic ticketing, diner-lounge conversions) to address our ongoing reform efforts."

Infrastructure would get \$407 million, including continuing work on the replacement of the Thames River bridge in Connecticut, where work began last year. "Legal mandates" (excluding Americans with Disabilities Act work) would get \$106 million, business initiatives \$89 million, and stations and facilities \$87 million. Finally, \$60 million would go for safety and security, information technology and [highway] vehicle procurement.

Amtrak anticipates \$192 million in non-federal funding, primarily from states.

Debt Service & Working Capital

Amtrak estimates debt service at \$285 million. Kummant told a Commerce Subcommittee hearing on February 27 (see story below) that Amtrak had reduced its debt by nearly \$500 million in the last five years.

Amtrak does not have a new request for working capital, having sought \$75 million for this and gotten nothing for 2007. The company benefits from having \$200 million cash on hand at the end of Fiscal 2007.

However, Congress must resist the temptation to view this \$200 million as supplanting the need for requested appropriations. This is not a lot of money for a \$3 billion company which (a) gets its grants from DOT on a quarterly basis, (b) has significant seasonal variations in

revenues but not in costs, and (c) is reimbursed for capital improvements only after they are installed, and thus long after they must be paid for.

Strategic Investment Needs

Amtrak again seeks funding for ADA station—\$50 million compared with last year's unanswered \$25 million request. Amtrak again recommends \$100 million for state corridor development grants, likely to be administered by the Federal Railroad Administration.

Two of last year's strategic requests are absent: \$50 million for "network reliability" capital grants that could have helped freight railroads address chokepoints, and \$100 million to restructure some of Amtrak's debt. ■

Senate Appropriators Begin Consideration of Amtrak's FY08 Funding

The Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, held its hearing on Amtrak's FY08 Budget Request on February 28.

Patty Murray (D-WA), the subcommittee chair, noted that the Bush FY08 budget request for Amtrak was inadequate.

Christopher Bond (R-MO), ranking member, agreed, emphasizing his disappointment that the Bush budget ignores Amtrak's debt service needs (\$285 million).

Bond said, "For years, I've requested detailed, multi-year capital investment plan, but I've not seen it." Amtrak Pres. Alex Kummant promised Northeast Corridor numbers "in short order" and systemwide numbers "in the April timeframe," when Amtrak expects to release its newest strategic plan.

Arlen Specter (R-PA) expressed his support "for a much larger allocation than the Administration has requested."

Murray, keying off the Administration's longstanding interest in "reform" of Amtrak said: "We need to reform the way freight railroads dispatch passenger trains, the way Amtrak compensates its employees, and the way the Bush Administration budgets for Amtrak."

Representing the DOT Inspector General, David Tornquist, Assistant IG for Competition and Economic Analysis, said Amtrak "achieved \$61 million in savings from operational reforms in 2006 and deserves credit for recent progress." He

acknowledged Amtrak's *Empire Builder* enhancements as contributing to that. He joined rail advocates in recommending an 80% match—rather than 50%—for the proposed state capital matching grant program.

Tornquist agreed that \$800 million was insufficient, although the IG's funding recommendation was \$1.35 billion, almost \$200 million short of Amtrak's request. (See working capital discussion, center column, immediately above this story.)

However, Tornquist expressed concern that Amtrak had put some planned reforms on hold this year, and said "we don't have much information on FY08 reforms." Amtrak projects saving another \$61 million this year and \$82 million in FY08. NARP is concerned that attempts to meet these targets may degrade service quality.

Route Structure Changes?

Pressure from Amtrak's critics to "do something" to cut back the route structure continues, despite lack of evidence that such action would help the system.

Murray pressed Kummant on the status of Amtrak's route studies. He said, "There may be one long-distance route that we convert into a series of state corridors" and referred to a multi-year plan to do that.

This apparently was a reference to the *Sunset Limited*. It would take a lot of capital to convert any segment of that route into an effective "state corridor," and these are states with no existing inter-

city passenger rail investment program.

Murray also asked Kummant, "Are you going to end service to any communities?"

Kummant: "It could be. We may have to face some of that. We already are not serving the route east of New Orleans...We'd like to look at some state corridors in that area" (see page four). ■

Ken McFarling

William Kenneth McFarling, a NARP Board Member for many years, passed away January 26 at the age of 92. McFarling devoted his life to working for policies that, in his words, "conserve energy, material and terrestrial space, and improve the environment by emphasizing reliance upon transportation technology using guidance intrinsically automated by rail and wheel face interaction."

NARP Vice President Art Poole said that McFarling "helped to recruit members for both Oregon Association of Railroad Passengers (OreARP, now called AORTA) and NARP. He also edited the OreARP Bulletin for many years. Ken was a mentor to many OreARP leaders, including myself. His professional experience concerning railways added to our credibility as rail advocates when we communicated with politicians and the media."



NATIONAL ASSOCIATION OF
RAILROAD PASSENGERS

NARP NEWS

Vol. 41, No. 3

March 2007

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Postmaster: Send address changes to National Association of Railroad Passengers *NARP News*; 900 Second St., NE, Suite 308; Washington, DC 20002-3557.

(This has news through March 9. Vol. 41, No. 2 was mailed February 1.)

Amtrak Brings Defibrillators to Trains

In 2004, NARP wrote to then-President and CEO David L. Gunn urging the installation of defibrillators on Amtrak trains.

Gunn said a trial with 100 automated electronic defibrillators (AEDs) and oxygen "at our busiest stations and on board our Auto Train and VRE [Virginia] commuter trains" was nearly done, and that Amtrak planned subsequently to make AEDs generally available on long-distance trains.

Now, Amtrak is nearing completion of a program under which AEDs and oxygen will be on all food service cars—not just on long-distance trains—as well as

at major stations, maintenance facilities, maintenance of way bases (and equipment), and in Amtrak police cars.

The program involves 440 units (most of which have already been installed), training of employees who might need to use them, including new employees, and a refresher course every two years.

Given the life-saving potential of these devices, and the nature of train travel which often finds people hours from the nearest hospital, Amtrak is to be commended for implementing this program in a difficult budgetary environment. ■

S. 294

(from page 1)

bonding authority for states. This means real federal support for state-led incremental corridor improvements.

The bill also contains commuter rail access provisions strongly supported by American Public Transportation Association and opposed by the freight railroads.

As of March 7, H.R. 1300 had 102 sponsors (including Hoyer)—all Democrats. ■

For the latest news, visit our website at <www.narprail.org> and click on "Hotline News." It is posted Friday afternoons.

N.O.-Florida Update

The Southern Rapid Rail Transit Commission approved a resolution at its October 20, 2006 meeting to "work with Amtrak on a detailed funding and operations plan for service east of New Orleans including New Orleans to Mobile, Alabama and New Orleans to Orlando, Florida."

An Amtrak staff plan would restore service east of New Orleans, including tri-weekly Florida service as an extension of a daily Mobile-New Orleans round-trip. Mobile would be served at reasonable hours. The status of that plan is uncertain.

Officials along the route need to tell Amtrak to restore the service!

TRAVELERS' ADVISORY

Transit—Little Rock opened the branch of its River Rail Streetcar to the Heifer International Headquarters and Bill Clinton Library on Feb. 14.

NEC train earlier—Since Feb. 12, Trains 196 (Mon-Thurs) and 136 (Fri) have served Washington-Wilmington 5 minutes earlier (now 5:05 PM from Washington).

Amtrak's April 2 Timetable—Eastbound *Lake Shore Limited* will leave Chicago at 10:00pm, Cleveland 7:00am, arrive New York 6:45pm. Connection from Albany arrives Boston 9:45pm. Coach passengers will be permitted to board at 9:00pm in Chicago. Sleeping car passengers can board at 8:00pm and enjoy a "Welcome Aboard" reception in the diner—

some tables with food, others for sitting down. Lounge open to all, 9pm-midnight. Only change to *California Zephyr* schedule is minor eastbound adjustment east of Denver, but Amtrak warns of three hour delays west of Salt Lake City due to trackwork, which would affect Chicago arrivals. Wyoming detour on some May/June days.

Quantico Creek Bridge Cut-In—Expect service cancellations and delays March 26-April 6 between Washington and Richmond for final phase of cut-in for the new Quantico Creek bridge (Aug. 2006 *News*). First phase was Feb. 17-23 and included many cancellations and delays; Amtrak has pledged to do more to mitigate cancelled service for the second phase.