



NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

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(No. 6 was mailed June 30)

RETURN REQUESTED

AMTRAK FUNDING ON TARGET

Amtrak funding bills continued to move forward in Congress, with the Administration's attempts to cut back Amtrak funding largely ignored.

APPROPRIATION: A Joint (House-Senate) Conference Committee approved \$420 million in appropriations for Amtrak's nationwide operations in FY 1977, while directing Amtrak to continue all existing services and to move forward with efforts to select and add further experimental routes. The \$420 million represents a compromise between \$414.7 million approved by the House and \$430 million by the Senate. Although the amount is not as great as is likely to be authorized, this may not be a problem since a supplemental appropriation by itself is normally more likely to be passed than both a supplemental authorization and appropriation.

The Conference report on appropriations, which must be approved by both full houses, also includes \$93.1 million for capital grants, \$62.6 million for Northeast Corridor operations, and \$150 million for Northeast Corridor improvements. This latter figure is the full amount requested by the Administration for FY 1977 from the \$1.75 billion authorized for the five-year program.

(The Administration evidently intends to let the first two years go by, waiting until the final 2-3 years before spending major portions of the \$1.75 billion.)

AUTHORIZATION: We have previously reported actions of the full House (June News), and the Senate Commerce Committee (May News) in approving Amtrak authorization bills containing \$430 million for nationwide operations in FY 1977. The Senate version includes an important amendment which effectively

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"When we have enough (equipment) to add more trains, every stop in the Amtrak system should be served not less than twice a day each way on the long distance routes, not less than three times a day each way on the shorter routes, or not at all."

**—Amtrak President Paul H. Reistrup,
in luncheon address before the
Rotary Club of Atlanta**

Conflicts With DOT Continue

The Ford Administration is continuing to hold back portions of the money that Congress has allocated to Amtrak for its nationwide operations. Amtrak has been denied \$9 million for the transitional quarter (July-September), bringing to \$14.75 million the total amount withheld by Secretary of Transportation William T. Coleman, Jr. (Last month, Secretary Coleman held back \$5.75 million.) These actions have made it impossible for Amtrak to pay the full amount of its regular monthly bills to the operating railroads. The Administration hopes in this way to pressure the members of the Amtrak board of directors into backing out of the agreement with ConRail under which they purchased the Northeast Corridor (see June News).

There is, however, little indication that the Secretary will succeed in his attempts to dictate the terms of the Corridor transaction. In its June 30 report (No. 94-1017) accompanying the 1977 DOT appropriations bill, the Senate Appropriations Committee states that the DOT "has impounded" money due Amtrak, and that "sums appropriated to Amtrak to finance passenger service operations shall be available to Amtrak for use in accordance with its agreement with (ConRail) to purchase the Northeast Corridor properties."

Senator Warren Magnuson, Chairman of the Senate Commerce Committee, has asked the General Accounting Office to undertake a formal investigation to determine whether the Secretary's actions constitute an impoundment of appropriated

funds. Impoundment, an action which became increasingly prevalent during the Nixon administration, is illegal. A report from the GAO is expected by early August.

While it seems likely that the question of ownership will be resolved in Amtrak's favor, little progress has been made over the more pressing issues of who is to do the Corridor improvement work and when it is to begin. The Secretary apparently feels that \$1.75 billion (specified under Title VII of the "4R" Act for Corridor improvements) is just too much money to let pass into the hands of an organization in which he does not believe.

Both DOT and Amtrak have insisted that the legislation calls for them to supervise and direct implementation of the improvement program. Negotiations are continuing, but there is little indication that any genuine sense of cooperation has developed. Meanwhile, no major track or bridge work will be started this year. Further legislative action may be required to get work started.

Secretary Coleman is also being criticized for failing to implement Title V of the Railroad Revitalization and Regulatory Reform ("4R") Act of 1976, signed by President Ford on February 5. Title V authorizes up to \$1.6 billion in loan funds for "railroad rehabilitation and improvement financing," of which "up to \$200 million" is authorized for railroads (outside the Northeast Corridor) "for the purpose of improving intercity rail passenger service."

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(Please do not use this form to renew. Members should wait for the coded renewal envelope.)

Amtrak Funding (continued from page 1)

reduces Amtrak's stated need from \$460 million to \$440 million by specifying that Amtrak may use its capital grants to pay off its outstanding loans.

The full Senate was expected to act August 2 on the Commerce Committee's bill which also included \$470 million for nationwide operations in FY 1978; \$120 million in capital grants for each of the two years (FY 1977 and 1978); \$68 million for FY '77 and \$75 million for '78 for Northeast Corridor operations; and \$25 million for '78 with which Amtrak is to make payments on outstanding debts.

The House bill did not authorize FY 1978 operating funds, but did approve \$140 million in capital grants for each of the two years, and is identical to the Senate Committee's version with respect to Northeast Corridor operations and grants for payments on outstanding debts.

Several important amendments to the authorizations have thus far appeared only in the House or Senate version; whether they will be in the final version will be determined, most likely, by a Joint Conference Committee which would meet sometime after the Senate acts. We do not know whether there will still be time to influence such a Committee by the time you read this; you might call the local office of your Congressman or Senator to check. If there is time, and you want to urge support for one or more of the following amendments, ask your legislators to contact members of the Conference Committee on the Amtrak authorization bill, and send copies of your letters to the subcommittee chairmen, Rep. Fred Rooney and Senator Vance Hartke.

The House bill includes the "Dingell amendment" (May News, front page) setting strict standards on the types of "incentive payment" contracts which Amtrak may enter into with railroads. The standards may have to be relaxed slightly to be workable, but the concept is essential, and Rep. Dingell and the House are to be commended for their initiative.

The crucial Senate amendment regarding Amtrak's use of capital grants to pay off outstanding loans was mentioned above. Other Senate Commerce Committee amendments would:

—reduce the amounts that states must pay for "Sec. 403(b) routes" from "50% of total operating losses" to "50% of incremental operating losses", correcting an error in the "4R" Act. The Act, which had been intended to ease the burden on the states would increase it substantially if allowed to stand: it changed the state share from 2/3 of "solely-related costs" per the original law to "50% of total operating losses";

—stipulate that the Secretary of Transportation must not refuse to approve any loan guarantees requested by the Amtrak Board for purchase of the Northeast Corridor. The Committee's accompanying report adds that it wants the purchase dispute to be settled quickly "...so that the required improvement program can move forward in a timely manner";

—make the president of Amtrak an ex officio member of the Amtrak Board of Directors;

—change the legal description of Amtrak from that of a "for-profit" corporation to that of a corporation required to maximize

public benefits for the public costs involved. Such benefits include, according to the wording of the amendment, "...the effects on the environment, energy conservation, safety, and the public convenience and necessity..."; and

—make it clear to DOT that the \$600 million authorized under Title V of the "4R" Act (see article on DOT, this issue) for facilities rehabilitation is available for immediate allocation. Due to ambiguous wording in the law, the Administration has interpreted it as barring the expenditure of any of these funds until after the completion of a 2-year capital needs study also mandated in the law.

FARES AND SERVICES

INTERCITY: The first of seven new Turboliners slated for service in New York State was delivered to Albany on July 22. Another is due to arrive on the 28th. Once test and training runs have been completed, the trains will be placed into regular service, possibly as early as August 16. Amtrak hopes to offer a public showing in the cities along the New York-Albany-Buffalo route on the weekend of August 14-15, prior to the initiation of regular service.

Amtrak has already responded to one of the concerns mentioned in our editorial about the New York-Savannah daylight "Palmetto" (June News). Effective July 19, over half of the slack time was eliminated, as the northbound schedule was reduced by 40 minutes and the southbound by 30 minutes, resulting in Savannah departure and arrival at 7:30 AM and 11:20 PM, respectively.

Weekend service between Los Angeles and Las Vegas (northward on Fridays, south on Sundays), initiated on May 21, will be discontinued on August 8. The State of Nevada, which has been paying a portion of the costs under a Sec. 403(b) agreement, has withdrawn its support. Summertime, it appears, was not a good time to develop ridership.

Starting September 8, Amtrak first class fares will be constructed by adding accommodation charges to the regular coach rail fare. The traditional higher first class rail fare will be eliminated. Accommodation charges will be increased to compensate for the lower rail fare, and Amtrak insists that the changeover will have little impact on the total charge for first class service, while simplifying the tariff books.

Information about various Amtrak stations can now be obtained for passengers by reservation and ticket personnel from Amtrak's computers. Included in the computer's store of available information are such things as station hours, parking information, local directions to the station, taxi availability, baggage handling and storage information, and local travel agent numbers.

Although Amtrak would like to include Atlanta on a Chicago-Florida route, there are no firm plans yet, and it certainly will not happen this October, contrary to a report in the Atlanta Constitution of July 13.

COMMUTER: The BART Board of Directors has decided to postpone indefinitely proposals to provide weekend service on its rail lines in the San Francisco area. The decision comes as part of an attempt to cut \$4.7 million from a previously proposed FY 1977 budget.

PTJ OFFER CONTINUES

Due to the tremendous response, a special offer for NARP members has been extended to September 30, 1976, by PTJ Publishing, Inc. In April, NARP members received an offer by mail from PTJ to subscribe to the bi-monthly magazine, *Passenger Train Journal* (or to extend their subscriptions), or purchase the book *Passenger Train Annual*. For each magazine subscription or renewal (\$16 for 12 issues) PTJ offered to contribute \$2 to NARP. For each sale of the book for \$7.95, PTJ would contribute \$2.50 to NARP.

Please send orders to PTJ Publishing, Inc., 3850 Capital City Blvd., Lansing, Michigan 48906. Be sure to mention NARP when you order, so that NARP can receive credit!

ICC Hearings On Southern's "Piedmont" Set for September 13-17

The Interstate Commerce Commission, based on protests it received against Southern Railway's plan to discontinue the daylight Washington-Charlotte, N.C., "Piedmont", has decided to investigate the proposal and to hold public hearings. The service will continue to operate during the investigation, which must be completed no later than November 23. If the Commission should deny Southern permission to discontinue the train, it could require continued operation for up to twelve months, at the end of which Southern could begin the process again.

The first hearing, which will include presentation of evidence by railroad officials and cross-examination of them, will be at the ICC offices at Washington, D.C. (12th St. and Constitution Ave., N.W.), on Monday, September 13, at 9:30 AM.

Other hearings, all starting at 9:30 AM in rooms to be designated later, will be in Charlottesville, Va., on Sept. 14; Lynchburg, Va., Sept. 15; Greensboro, N.C., Sept. 16; and Charlotte, Sept. 17.

The ICC order states that any person wishing to cross-examine representatives of Southern Railway at a hearing other than the one in Washington "shall either (1) prior to the initial hearing file with the Commission such a request along with justification therefor and a certification that a copy thereof has been served upon the railroad, or (2) appear at the Washington hearing and justify such a request to the Administrative Law Judge. Such a request may be granted or denied by the Commission or the Administrative Law Judge."

The Commission's decision to investigate resulted from a 2-1 vote of its Division 3. Voting in favor were Commissioners Virginia Mae Brown, to whom the case was later assigned, and Robert J. Corber; Commissioner Alfred T. MacFarland voted not to investigate.

In its letter of protest, NARP noted five changes which would help the "Piedmont" get the fair test which it clearly has been

"Among those working to save the Piedmont from oblivion is a lobbying organization in Washington called the National Association of Railroad Passengers. The NARP has offered a reasonable suggestion for Southern's — and the ICC's — consideration: If the company is in earnest about wanting more passengers on the Piedmont, then it might make productive use of the upcoming four-month period (when travel is usually heavy) to experiment with the train's route, making it as attractive as possible to potential passengers. Such experiments would be a gesture of Southern's good faith, for the passenger lobby, among others, feels the company is deliberately scheduling and operating the Piedmont to run it out of business."

—from a Greensboro Daily News editorial

denied thus far: the removal of unnecessary slack time from the schedules; the elimination of restrictions which prevent the train from carrying passengers between many "station pairs"; the addition of stops at Manassas and Orange, Va.; the institution of round-trip discount fares; and a promotional program.

"The Piedmont" is more encumbered with restrictions against carrying passengers than is the faster "Southern Crescent". For example, the "Crescent" will stop at High Point, N.C., for any paying passengers, even if they are riding only 15 miles between there and Greensboro. But the shortest trip one can make out of High Point on the "Piedmont" is Lynchburg, 126 miles.

Similar restrictions helped cut down patronage on the Charlotte-Atlanta leg discontinued last year, notably the prohibition of travel between the college town of Clemson, S.C., and any points in Georgia or the Carolinas — the only permitted points were Charlottesville, Alexandria, and Washington, though the "Crescent" then and now handles revenue passengers at Clemson without restriction.

Though Southern has run occasional ads for the "Piedmont", and others for the "Crescent", there has apparently been no single ad mentioning both the "Piedmont" and the "Southern

Crescent" — a serious omission, since many potential passengers might be attracted by the knowledge that they could make a round-trip by day in one direction, by night in the other.

NARP urged a trial period of operation during which the above improvements would be implemented. The NARP letter of protest noted, with respect to promotion, that Amtrak has received much voluntary support, particularly regarding services considered to be experimental or in jeopardy, and NARP promised to alert its members along the route if such a trial period of improved service were operated.

The trial period concept was endorsed by the Greensboro Daily News in its lead editorial of July 19, "Saving the Piedmont."

The ideal time for such a test would have been August through October, which includes a normally strong time of year for ridership. Southern could withdraw its application to provide such a test. But the ICC would not be able to order it until its investigation is concluded, probably not before October at the earliest.

Good News is Good News!

Press reports on Amtrak at last seem to be more often favorable than not. Perhaps a new high-water mark was achieved in the travel section of the New York Times on Sunday, July 18. Three railroad articles covered the front page and continued inside — two of them about Amtrak, including a delightful piece by NARP member Mary Z. Gray on the joys of meeting people on long-distance trains.

In the August issue of *The Atlantic* magazine, a comprehensive and sympathetic essay, "Trains in Trouble", by Tracy Kidder, features a report on a lengthy interview with Amtrak President Paul Reistrup, whom Kidder accompanied for a ride on the "Lone Star". In a companion piece, "Good Rides & Bad Rides", Kidder had this to say about the impact of arbitrary, unreasonable low speed limits on Amtrak's St. Louis-Laredo run: "It is tempting to say that a traveler should avoid the "Inter-American"...but that is precisely what (Missouri Pacific's) management would like the traveling public to do. The train should be ridden for spite." NARP is pleased to have assisted Kidder in assembling the background for the article.

Minnesota Motorist, the magazine of the Minnesota AAA club, also carried an article complimentary to Amtrak in its July issue. The sub-head read: "If you can afford the time, there's no more relaxing way to see the U.S.A. in this Bicentennial year than by train."

"Railroad inspectors from the Ohio Public Utilities Commission recently inspected almost 700 miles of track throughout Ohio and found the State's main line track network to be greatly improved.

"PUC Chairman C. Luther Heckman said reports received from railroad inspectors were the best reports on track condition in Ohio issued in the last 10 years..."

"Heckman noted that a great deal of work was in progress on the lines...He attributed the marked upgrading in track conditions to the additional federal funds now available following the merger of several railroads into the new ConRail system.

"The Chairman added that the practice of deferred maintenance has significantly diminished.

"He noted, however, that track conditions were determined as the cause of 19 of the 34 derailments reported to the PUC...for the month of May, and added that additional funds will be necessary for Ohio's rail companies to up-grade the track to provide safer, more efficient transportation service in the State."

—National Association of Regulatory
Utility Commissioners Bulletin

Dot Conflicts (continued from page 1)

These funds are to be distributed in two different programs. One would make money available to railroads in the form of "loan guarantees," privately financed loans guaranteed by the Government (up to \$1 billion). The second makes money available in the form of "redeemable preference shares," shares to be purchased by the Government with funds from the U.S. Treasury (up to \$600 million).

Loan guarantees were to provide capital funds at an interest rate generally equal to the prime interest rate (about 8%), and were to be used for improvements that would result in significant cash returns or savings to the participating railroads. Redeemable preference shares, on the other hand, were to be available to the railroads at a much lower interest rate, to be used to finance projects which would not yield cash returns sufficient to justify paying the prime cost of money, but which would result in "public benefits" that would be "sufficient to justify...the public costs of such financing." (Sec. 505b(2)) An important example of the latter type of project is the rehabilitation of tracks and roadbeds, especially those subject to years of deferred maintenance.

A dispute between Congress and the DOT has arisen because the Administration has set the interest rate for the "low cost" redeemable preference shares at 8%, the cost of money to the Government. In setting standards for the distribution of redeemable preference share funds, the Department has passed over the issue of facilities rehabilitation, and focused instead only on programs that would coordinate facilities and improve competition.

In a strongly worded criticism of DOT's position, delivered at a recent symposium in New York City, Senator Vance Hartke, Chairman of the Surface Transportation Subcommittee of the Senate Commerce Committee, said that "the Administration is pursuing a policy clearly intended to undermine the basic intent of the financial assistance program."

Both the Senate Appropriations Committee and Senator Hartke acknowledge that facilities coordination and promotion of competition are important, but they point out that these should be financed by loan guarantees, not by redeemable preference shares. As an example of projects suitable for preference share funding, the Committee cites "deferred maintenance" which,

TECHNOLOGY FOR TECHNOLOGY'S SAKE

"The Massachusetts Bay Transportation Authority is trying to solve one of the major problems that has beset the Red Line ever since the extension to three Quincy stations was opened in 1971. The solution is the abandonment of some \$10 million worth of signal equipment... 'Technology for technology's sake' is how David Gunn, director of operations, describes the sophisticated, computerized, automatic control systems in the modern Red Line cars. Mr. Gunn has decided to convert the vehicles' in-car signal systems to more conventional mechanical-electrical systems with trackside red-yellow-green signals — the kind that have been telling rapid transit cars when to stop, when to start, and where to go for over 50 years... The new system has been designed by and will be built and installed by the MBTA's signals and communications department — 'by the people who use it'.

"The basic reason the (computerized) signal systems were unsuccessful, Mr. Gunn believes, is that they were designed by people who, while they could design good computers and hook them up to trains and signal systems, were not the same people who worked on rapid transit lines and could not be expected to understand the problems of New England weather, different drivers, and — most importantly — the MBTA's perennial inability to begin a program of preventive maintenance rather than failure maintenance."

**—The Christian Science Monitor,
June 22, 1976**

"At no time since Amtrak took over, and for several years before, has the air-conditioning worked dependably. Frequent failures of the cooling and heating systems on sleeping cars, lounges and diners have alienated first class passengers and precluded their investing large sums of money in expensive travel. There is a demand for this class of travel if the equipment is made to work and the investment becomes justified. The answer is to make the equipment functional, not removal of the service."

NARP Director M.D. Monaghan, of Dallas, in one of several protests to the ICC from NARP members which helped persuade Amtrak to withdraw its request to discontinue the Chicago-Miami sleeper

"...New equipment, however, will not solve Amtrak's longstanding maintenance problems. It will be several years before enough new equipment is in operation to appreciably change the age of the fleet. Unless improvements are made in Amtrak's overall maintenance program, the new equipment probably soon will become as rundown, unserviceable, and dirty as its existing equipment."

—Report to the Congress by the Comptroller General of the United States (General Accounting Office), "Quality of Amtrak Rail Passenger Service Still Hampered By Inadequate Maintenance of Equipment"

"when finally undertaken, may earn no return on capital for a railroad but may be essential to the maintenance of rail services required in the public interest." (Report No. 94-1017)

According to Senator Hartke, in setting up the redeemable preference share program, Congress envisioned an interest rate of approximately 2%. At 8%, these funds would be generally too expensive for railroads to invest in carrying out deferred maintenance, especially in the cases where they are most needed.

According to a *Journal of Commerce* report on the symposium, Deputy Secretary of Transportation John Barnum responded to Senator Hartke by saying that the Administration did not like the redeemable preference share concept from the beginning. Despite the fact that Congress has passed and the President has signed into law a "Railroad Revitalization..." bill designed "to provide capital which is necessary to furnish financial assistance to the railroads...for facilities maintenance, rehabilitation, improvements, and acquisitions..." (Sec. 502(b)), the Deputy Secretary has reportedly decided that rail revitalization will not come from government loans, but from reduction of trackage and improved marketing and productivity. According to the *Journal of Commerce*, Barnum said that, despite what Congress may have intended, the Administration plans to interpret the legislation as it sees fit.

If the Administration persists with its current approach to the redeemable preference share program, it seems highly unlikely that any of the \$200 million authorized for passenger-related improvements will actually be allocated by the Secretary for that purpose. Track and roadbed rehabilitation is, without question, as important to rail passenger service as it is to the railroad industry in general. Without adequate rights-of-way, smooth and efficient passenger service is impossible. If adequate rail facilities do exist, arguments for providing (and for continuing to provide) passenger service over those tracks are, in many cases, likely to prevail.

Equally important to the nation is the Administration's definition of adequate rail facilities in the context of freight. DOT, in Congressional testimony last year, in its reaction to the Rock Island bankruptcy, and, now, in putting the preference shares out of reach of the financially weaker railroads, seems bent on achieving a major reduction in trunk line trackage in this country. It is doubtful that such a reduction is in the nation's best interests, particularly in light of the energy problem that will not go away.