



## Gunn Out; Hughes In; Board Scrutinized

David L. Gunn was “released” as President and CEO of Amtrak on November 9.

Amtrak Chairman David Laney announced that David J. Hughes would be acting president and CEO. Hughes has been chief engineer since August, 2002 (*NARP News*, p. 3, December, 2002).

Among Amtrak supporters on Capitol Hill, reaction to Gunn’s termination was swift and negative from both sides of the aisle. Nov. 15 saw a hearing on “Current Governance Issues at Amtrak” in the Railroads Subcommittee (Chairman Steven LaTourette, R-OH) of the House Transportation and Infrastructure Committee.

Democrats dominated the hearing because Don Young (R-AK), chairman of the full committee, wanted to avoid the quorum that would have allowed the issuance of Democrat-sought subpoenas to absent Amtrak board members and for all communications between Transportation Secretary Norman Mineta (and DOT General Counsel Jeffrey Rosen, Mineta’s representative on the Amtrak board) and other board members since June 28, 2001, when Mineta joined the board.

Democrats tied Administration passenger rail policy and the Gunn firing to broader Administration credibility problems. Rep. Jerrold Nadler (D-NY) referred to “the FEMA-tization of Amtrak.”

Rep. Michael Castle (R-DE), appearing as a witness, said he would introduce a bill to enlarge the board from seven to nine members, in line with S.1516 (the Lott/Lautenberg bill). Castle and others noted lack of a quorum on the board, and criticized the White House for not doing more board nominations.

And Rep. Spencer Bachus (R-AL), a long-time rail supporter, dealt harshly with Rosen, and expressed concern both about Gunn’s firing and the board’s Northeast Corridor resolution (Oct. *News*): “I think everyone realizes that selling off the Northeast Corridor would be an attempt to kill the rest of the system.” Laney again insisted that the board contemplates no such sale.

Only Rep. John Mica (R-FL) supported the Administration and criticized Gunn. In a bizarre twist, Mica denigrated Gunn’s accomplishment of carrying more passen-

gers with fewer employees, saying, “You lost employees! We should be expanding! Isn’t that right, Mr. Laney?”

Laney’s comment was encouraging: “We need to expand.” But there is a disconnect between Mica’s words and the relentless pressure for Amtrak to lower its federal operating grant requirement.

Explaining Gunn’s dismissal, and Laney’s own warm testimony about Gunn in September, Laney said: “From the day he arrived at Amtrak, and for the next 12-18 months, David did a terrific job. As of two months ago, he was not the right man for the job. I was polite about it [at a September 21, 2005 hearing before the same subcommittee]; he was still

*(continued on page 3)*

### Amtrak: \$1.315 Billion with Strange Footnotes

Congress approved \$1.315 billion for Amtrak in fiscal 2006. House and Senate action came Nov. 18, just before a two-week adjournment. President Bush was expected to sign the bill. Sen. Patty Murray (D-WA), ranking member of the relevant appropriations subcommittee, said the bill “categorically rejects [the Administration’s bankruptcy] approach and preserves all current rail routes so a meaningful debate on reform can continue without the threat of a crisis.”

The Amtrak section provides:

- \$495 million for operations (not less than \$5 million is for developing a “managerial cost accounting system [with] average and marginal unit cost capability”);
- \$780 million for capital investment and

debt service (latter not to exceed \$280 million); and

- \$40 million “for a new Efficiency Incentive Grant program,” to be administered by the DOT Secretary. However, Amtrak may need much of this to offset the low operating figure, and \$8.3 million “shall be made available immediately upon enactment...only for a revenue service demonstration of not less than 5,500 carload shipments of premium temperature-controlled express.”

#### Bonanza for ExpressTrak

This apparently means a roughly 300% increase in unprofitable ExpressTrak carloads Amtrak must handle. The FY 2005

*(continued on page 2)*

“There is one major disappointment in this [huge bill], however, and that is the administration’s posture on Amtrak funding and reform. I have no problem with reform and indeed recognize its need. But the sad fact is, the administration has failed to provide adequate guidance and/or leadership on this issue.

“Even more troubling is the administration’s position that even were adequate reform to be proposed, OMB would not provide the budget amendment to supplement the \$360 million recommended in the administration’s 2006 budget, and \$360 million is likely not even enough to support the cost of bankruptcy for Amtrak which would be a tremendously costly financial and economic burden to the Nation and send Amtrak into chaos and great consternation for the people throughout the Nation.”

—Sen. Christopher Bond (R-MO)  
Senate Floor, October 18

# Senate Votes 96-3 for Passenger Rail

The Senate voted 93-6 for S.1516, the bipartisan rail passenger reauthorization bill on November 4. The vote was on an amendment that added S.1516 to the Deficit Reduction Omnibus Reconciliation Act of 2005 (S. 1932).

The vote showed powerful, bipartisan support for passenger rail. It also reflected hard work by Senators Trent Lott (R-MS, Sept. News) and Frank Lautenberg (D-NJ). They cosponsored the amendment.

Speaking on the floor, Lott said, "If we want a national rail passenger system, we have to figure out exactly what we

want, how much are we willing to pay for it, and how that will happen. I don't think we can do it with appropriations bills each year...Some people say we should cut out food service and sleeper trains. Are you going to get on a train traveling overnight from Florida into Washington, DC, and not have any food, not have a sleeper option?"

Lautenberg praised the bipartisan efforts to craft the bill and said, "One of the lessons we learned on 9/11 was that our Nation cannot afford to rely entirely on one mode of transportation. When our aviation system shut down that day,

Amtrak was able to reunite thousands of travelers with their families."

Not until about 2 AM on Nov. 18 did the House pass its budget bill, on a 217-215 vote. With big differences between the House and Senate versions, both final agreement on a budget cut bill and the fate of S.1516 are uncertain.

**Senators Lott and Lautenberg continue to seek ways to enact both S.1516, and SA 1627 (the bonding provisions that would provide needed funds; Oct. News, p. 1). Your legislators should hear support for these efforts.** ■

## Appropriations (from page 1)

total was under 1,500 and might have been zero, but for an order from the judge overseeing the ExpressTrak bankruptcy. Amtrak had sought to end carload express as unprofitable and antagonizing to the freight railroads. So much for the grand talk on Capitol Hill about the need to reduce Amtrak's losses.

### Operational Savings Required

Amtrak's high point came Oct. 20 when the full Senate approved \$1.45 billion and Sen. Christopher Bond (R-MO), the bill's floor manager, accepted an amendment by Sens. Trent Lott (R-MS) and Frank Lautenberg (D-NJ) to strike micromanaging food service/sleeping car language (August News).

Later, however, House-Senate conferees restored a new version of micromanagement, requiring:

- Amtrak to "achieve savings through operating efficiencies,"
- the DOT Inspector General (IG) to issue quarterly reports beginning Jan. 3... "with estimates of the savings accrued as a result of all operational reforms," and
- if the IG "cannot certify that [Amtrak] has achieved operational savings by July 1, 2006," federal funds may not be used after that date "to subsidize the net losses of food and beverage service and sleeper car service."

Much effort has gone into negotiating a new Amtrak/Gate Gourmet contract, which—if approved—should produce savings in short order. Due to the time required to modify equipment, bigger savings based on redesigned, diner-lounge cars should begin late next summer.

Special thanks go to Sens. Conrad Burns (R-MT), Arlen Specter (R-PA) and Patty Murray (D-WA) for strong support of adequate funding, and to Chairman Bond both for taking their concerns seriously and for another eloquent statement about the folly of the Bush Administration's enthusiasm for an Amtrak bankruptcy (see box, p. 1).

Bond did say: "We can no longer afford to pay for that luxury (losses on food service) while failing to address the operational shortfall and serve infrastructure needs in the Northeast corridor." Obviously, the bill makes it vital that Inspector General Kenneth Mead be impressed by the progress Amtrak makes.

### Innovative Discounts Prohibited

Amtrak cannot offer a discount greater than 50%, even on a limited basis on the internet, where Amtrak and many private companies often do this. Claims that Amtrak has been "buying market share with cheap fares" are wrong. Amtrak's average yield (fare per passenger-mile) rose 2% in FY 2005 vs. 2004 even though Acela Express was out several months; the yield on long-distance trains rose 4%.

### DOT To Set Commuter Fees

The DOT Secretary gets broad authority to revise what commuter rail operators pay Amtrak for use of the Northeast Corridor. Past "reform" efforts have assumed those operators should pay more.

### A Tight Budget

The DOT Secretary can use incentive grant funds to "maintain...existing routes [and] avert [Amtrak's] entry into bank-

## NARP Board Passes Resolutions

Meeting in Minneapolis before the legitimacy of Amtrak's board made the newspapers, the NARP Board of Directors on Oct. 22 approved two resolutions.

One urged "President Bush to move quickly to nominate candidates sufficient to bring the board to a full complement of seven voting members, including some candidates acceptable to Republican leaders on Capitol Hill, and some acceptable to Democratic leaders on Capitol Hill."

NARP also joined "the U.S. Conference of Mayors in expressing 'deep concerns regarding the Amtrak [Board's] decision'" to consider a subsidiary to own Northeast Corridor infrastructure, "and in urging 'Congress to... begin hearings on the actions of the Amtrak Board of Directors.'"

ruptcy." Unfortunately, only up to \$31.7 million is available, since at least \$8.3 million is for ExpressTrak (see above).

Yet Amtrak's board-approved FY 2006 operating budget assumes \$540 million in federal funds, which includes \$46.3 million in "undefined budget savings." The \$540 million compares with \$570 million in FY 2004, \$560 million in the board's April strategic plan and \$495 million now approved by Congress. ■

on the team, and I was trying to make it work. He is a terrific operating man. He is not the strong strategic planner and implementer that we need right now.”

The law says Amtrak’s board “shall consist of seven voting members appointed by the President, by and with the advice and consent of the Senate...” There are four voting members. Floyd Hall and Enrique Sosa are recess appointments that expire when Congress adjourns in December, which would leave just two members—Laney and Mineta (Rosen). There has been speculation that the White House would do more recess appointments—including “re-recess appointing” Hall—after Congress adjourns.

Hughes’ impressive career includes Boston and Maine (assistant to the president; chief engineer), Bangor and Aroostook (president), Maine Chamber of Commerce (chairman) and Association of American Railroads (board member). He helped found Regional Railroads of America and was its first chairman. He consulted worldwide on rail infrastructure and has been a member of numerous railroad industry organizations. ■

## Making Tracks in Ohio: All Aboard!

By Mark Carlson, All Aboard Ohio (and NARP) Board Member

A few years ago the Ohio Association of Railroad Passengers (OARP, Ohio’s only state-wide consumer advocacy for passenger trains) embarked on an aggressive program to reinvent itself.

It all began by seeking grants and donations. With funding, OARP addressed its stagnation by hiring its first full-time employee, Executive Director Dominic Liberatore. Then it opened a Columbus office, established an instant-alert system for members, commissioned a professionally-designed Web site, initiated more-aggressive membership recruitment and improved contact with its members.

Now, membership is up, outreach has improved, phone banking permits quick reaction to issues, and brush fires can be fought on more than one front. OARP can mount sustained activity that was not possible before.

To appeal to outsiders, reflect its new attitude and become more effective, a new name was needed. Drawing on the conductor’s call to climb on board, OARP adopted the trade name, All Aboard Ohio.

But many challenges remain. There is,

of course, the Amtrak battle and the need for a long-term rail funding solution. All Aboard Ohio also must win the battle to construct the long-planned Ohio Hub regional rail network of corridor trains linking major cities in the state and in the region. That is equivalent to running a full-blown, state-wide political campaign.

At the same time, All Aboard Ohio continues by building on its strengths, such as its newsletter and Web site. And by fundraising, since nothing will happen without funding. It’s a daunting challenge, but it must be met.

All Aboard Ohio and NARP have a positive, healthy relationship. Both associations share ideas while drawing from each others’ strengths.

All Aboard Ohio plans to work with counterparts in other states to help build their organizations. Last November, Hutchison and Liberatore held a State ARP Leadership Conference at Toledo. The third in the series was held on Sunday, October 23, 2005 in Minneapolis, MN, the day after the NARP board meeting.

Visit All Aboard Ohio on the web at <<http://www.allaboardohio.com>>. ■

## NARP President Chilson: “Passenger rail greater than any single individual”

Dear Fellow NARP Member:

I am writing to explain the position NARP has taken in the aftermath of David Gunn’s dismissal as Amtrak’s president. Our mission is to represent the passenger and to advocate for the improvement and expansion of passenger train service throughout the nation. That mission is greater than any single individual or even Amtrak itself.

I believe that David Gunn was the right man at the right time. He saved Amtrak from certain collapse, implemented significant reforms and reframed the debate about intercity passenger train service. Most importantly, he restored Amtrak’s credibility on Capitol Hill, achieving a string of favorable votes in Congress this year, culminating with the stunning 93-6 vote in the Senate last month to reauthorize Amtrak. The strong and growing Congressional support has upset Administration plans to “reform” Amtrak in ways that would eliminate intercity passenger train service for most or all Americans.

Gunn opposed the Administration’s plan, so it was only natural that his termi-

nation raised suspicions. Was his firing part of a larger scheme to break up Amtrak and eliminate the national network? The uncertainty created a firestorm of criticism. NARP did not join this chorus because our research indicated that Amtrak Board Chairman David Laney is setting a direction that is independent of the Administration’s destructive agenda and that Gunn’s dismissal did not result from a conflict over policy. Indications:

- The board asked for \$1.8 billion when the Administration proposed zero;
- The board approved a plan to upgrade the *Empire Builder* even though Secretary Mineta incorrectly characterized all long distance trains as unneeded and unused;
- The board selected David Hughes—a highly regarded former railroad president who was one of Gunn’s early hires at Amtrak—as acting president and CEO. It is unlikely that Hughes would have accepted this assignment if the board expected him to reverse course.

• Chairman Laney stated under oath at the November hearing that the board

planned no sale of NEC assets and will not create a separate infrastructure subsidiary if further study makes the idea appear unwise or impractical;

• Laney has also made a public commitment to expand service.

Your Association will be monitoring board actions closely, particularly:

- The selection of the next president;
- Approval of investments needed to make food and beverage service on the long-distance trains more efficient;
- Outreach efforts to the Congress and the states;
- The continued absence of any 180 day train-off notices.

NARP is recognized as a responsible advocacy organization. We must maintain a professional demeanor so that we are in a position to work effectively with Chairman Laney, the Amtrak Board and Amtrak’s President.

—George L. Chilson

Chilson’s Nov. 9 statement is at <<http://www.narprail.org>> or by S.A.S.E.

## TRAVELERS' ADVISORY

**Katrina service disruptions**—*Sunset Limited* returned to service San Antonio-New Orleans on November 2 (eastbound) and November 4 (westbound). *Sunset* restoration east of New Orleans awaits reopening of the severely damaged railroad, still months away. Sightseer Lounge cars returned to the *Sunset* and the *Texas Eagle*. The *City of New Orleans* again has both diner and lounge.

**Santa Cruz back**—San Jose-Scotts Valley-Santa Cruz Thruway bus returned November 3 after striking drivers returned to work.

**Amtrak's Oct. 31 Timetable** was printed before restoration of New Orleans services. Major highlights:

- *Palmetto* leaves Savannah one hour later (8:00 a.m.);
- Last *Clockers* eliminated (three one-way trips), and Amtrak stopped honoring New Jersey Transit tickets;
- *Keystone* schedule shuffle, including more New York City through service;
- Cornwells Heights now served by Amtrak *Regional* trains;
- *Hiawatha* service has quiet cars—designated coach is the last in the consist (in the direction of travel) and checked baggage offered on all trains;
- *Palmetto* and *Cardinal* again serve Trenton (*Cardinal* not in timetable);
- Westbound *Lake Shore Limited* carries local passengers New York City-

Albany and makes all local stops, except Yonkers;

- New Buffalo, MI stop now made on Chicago-Detroit (*Wolverine*), rather than Chicago-Grand Rapids (*Pere Marquette*) trains; city now has two frequencies per day to/from Chicago.

- Greensboro, NC service returned to refurbished Southern Railway depot downtown; schedules for *Carolinian*, *Piedmont*, and *Crescent* adjusted slightly to reflect new running times.

- *Carolinian* and *Piedmont* schedules shortened by about 10 minutes, Raleigh-Charlotte thanks to NCDOT-funded track improvements.

- Southbound afternoon *Pacific Surfliners* on the north end (Santa Barbara, San Luis Obispo) swap slots, later departure from San Luis Obispo. New Santa Barbara-San Francisco Thruway Bus added. Minor changes on San Diego-Los Angeles service.

**New Star stop**—Construction of a new platform permits *Silver Star* to serve Cary, NC, beginning February 16.

**Boarding at Vancouver, B.C.**—U.S. Customs and Border Protection authorities require that passengers enter the secure inspection area in Pacific Central Station no later than 10 minutes prior to departure. No tickets will be sold after 5:45 p.m. (for a 6:00 p.m. departure), no exceptions.

## Rail Travel Tips

### Tip #13—Use Travelers Aid.

TA works to reunite families separated in transit, give food or shelter to those stranded without cash, and provide emotional counseling. TA is in 23 airports; train stations in Boston, Los Angeles, San Diego, Toronto, Washington; and in or near 10 bus terminals. An "e-help" feature at <[www.travelersaid.org](http://www.travelersaid.org)> lets you type in a problem and get an individualized response.



—Ross B. Capon

**BART Capitol Corridor Managing Director and NARP Board Member Eugene K. Skoropowski (r) receives *Railway Age's* W. Graham Claytor Award for Distinguished Service to Passenger Transportation on Oct. 19 in Washington from Editor William Vantuono. Skoropowski was recognized for the successful Sacramento-Bay Area Capitol Corridor that he oversees, and his great relationship with Union Pacific (nearly 90% on-time trains). Congratulations, Gene!**



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