

News from the

National Association of Railroad Passengers

August 1995

8
Vol. 29

Low Appropriations; Authorization Delay

Need for Capital Funding and More Labor Progress is Underlined

Because the federal budget is so tight—and to maintain credibility with key, sympathetic Congressional leaders—Amtrak sought a 34% cut in its federal operating grant for Fiscal Year (FY) 1996 (which begins October 1, 1995). But the House- and Senate-passed appropriations bills imply a 45 to 53% cut (see table at right). **Appropriators hit Amtrak with bigger percentage funding cuts than any other major transportation program.**

The Senate did *not* condition funding on passage of an authorization, but the low numbers intensify the need for an Amtrak authorization law that improves the company's cost-effectiveness and gives Amtrak the gasoline-tax half-cent.

Even this year—with a much higher federal grant—Amtrak again will borrow from private lenders to survive the end of the fiscal year. For next year, Amtrak's options are few. As

Amtrak President Thomas Downs said in April, "We are down to what we think is the defensible foundation of service" (April *News*). The other key possibilities involve long-awaited progress in:

- Establishing new capital investment funding sources; and
- Key labor reforms, including train crew size and job descriptions in the maintenance shops.

PASSENGER RAIL APPROPRIATIONS HR 2002, FOR FISCAL 1996

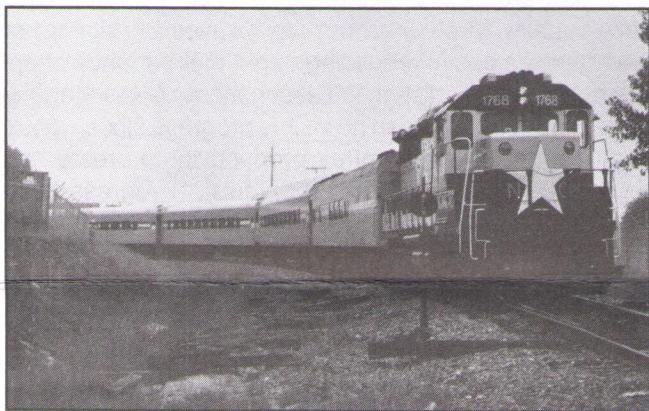
(\$ millions)

Program	Actual 1995	1996 Amtrak Request	1996 House Bill	1996 Senate Bill
Amtrak: Operating	392.0	260.0	216.0	185.0
Transition (1)	0.0	150.0	62.0	100.0
Capital	230.0	365.0	230.0	200.0
Mandatory payments (2)	150.0	135.0	120.0	120.0
Northeast Corridor	200.0	235.0	100.0	130.0
Penn Station/Farley	21.5 (3)	50.0	0.0	25.0
High Speed Rail (4)	23.3	—	20.4	35.0
PASSENGER RAIL TOTAL	1,016.8	1,192.2	748.4	795.0
Federal Transit Admin.	4,613.5	—	3,992.5	4,078.9
Federal Aviation Admin.	8,392.2	—	8,343.1	7,906.3
Federal Highway Admin.	19,878.6	—	20,401.1	19,459.0

NOTES:

- (1) One-time corporate restructuring—including severance—costs.
- (2) Federal railroad retirement and unemployment costs in excess of Amtrak's demands on system, therefore not part of true cost of operating Amtrak system.
- (3) Post-rescission level, redirected to safety items in/near Penn Station.
- (4) Includes some research.

NORTH CAROLINA'S NEW TRAIN



—Michael L. Shermetta

The long-awaited *Piedmont* began revenue service May 26, with a ceremonial run the day before. The state-supported train connects Charlotte and Raleigh, NC on a schedule opposite the existing *Carolinian*. North Carolina bought its own train set and paid for its refurbishing. This very attractive set was ready in February 1993, but there were lengthy delays in procuring rights-of-way for wye tracks in Charlotte and Raleigh (Apr. '93 *News*). The train is shown above turning on the Charlotte wye on May 26.

When the *Piedmont* was proposed in 1990, NARP proposed to Amtrak and NC DOT that it run north of Raleigh on an overnight schedule to New York. Former Amtrak President W. Graham Claytor, Jr. wrote "I rather liked the idea of an overnight train from Charlotte to New York, but unfortunately the numbers just weren't there" (December 12, 1991). NARP was not convinced then and believes the state and Amtrak should review the question again, now that the *Piedmont* is running.

Most observers think progress on *those* labor reforms will come after resolution of labor protection and contracting-out, issues which have become "lightning rods" on Capitol Hill.

Progress on them requires enactment of an Amtrak authorization bill and was delayed again in early August. After House Transportation and Infrastructure Committee Chair Bud Shuster (R-PA) halted his June 14 mark-up (July *News*), he wrote a compromise bill, moving far towards labor's positions—even eliminating binding arbitration.

Nonetheless, less than 48 hours before a planned August 2 mark-up, labor objected to three-months-old language they feared *might* eventually reduce labor protection for freight workers involved in future mergers (not BN-Santa Fe) from the now-customary six years to four. With Democrats unwilling to promise they would not seek the change labor wanted, and Shuster unwilling to make yet another pro-labor change or subject Republicans to the possibility of another "anti-labor" vote, Shuster cancelled the mark-up. On August 8, union

(continued on page 2)

leaders decided to stand firm. It is unclear what, if any, progress will take place next month.

New Funding Sources

- **A Gasoline-Tax Half Cent:** The Amtrak authorization bill passed by the Senate Commerce Committee July 20 would give to Amtrak one-half cent of the gasoline tax currently going to deficit reduction and scheduled under current law to begin flowing on October 1 into the mass transit account of the Highway Trust Fund. This could yield about \$500 million a year, vastly simplifying the annual appropriations problem.

[NARP is pro-transit, but the transit account does have a balance of \$9 billion which cannot be spent now, \$5 billion of which is not committed to any projects.]

The committee's bill also establishes an "Intercity Rail Passenger Account" (IRPA) for Amtrak capital investment into which the half-cent and certain other funds would flow.

- **Equity on the 4.3-cents-a-gallon deficit-reduction tax** (see table at right): On October 1, 1993, all transportation—except airlines, which got a two-year exemption—began paying a new, deficit-reduction tax of 4.3 cents a gallon. The

AIRLINE PROFITS ARE "ROARING BACK"

"[The major airlines] are roaring back with profits industry analysts call astounding. UAL, parent of United Airlines, reported record second-quarter earnings 52% higher than Wall Street expectations.... Southwest Airlines announced earnings of \$59.7 million, more than 20% above forecasts."

—USA Today, July 26

"Delta...posted record net income of \$251 million, or \$4.49 a share....compared with a year-earlier loss of \$250 million....The consensus Wall Street estimate for earnings [for the quarter]...was \$2.82 a fully diluted share. Delta posted \$3.21 [Ed.: 14% better]."

—The Wall Street Journal, July 28

airlines want their exemption made permanent, although they first got it because of their bad financial conditions—now much-improved. On January 31, Reps. Mac Collins (R-GA) and Jennifer Dunn (R-WA) introduced HR 752, to make the airline exemption permanent. HR 752 has 218 co-sponsors.

NARP wrote the committee chairs and ranking Democrats of the Senate and House tax-writing committees on July 6, urging them to give Amtrak and intercity buses the exemption if the airlines' is extended. NARP said the modes' relative energy efficiencies and average passenger incomes mean there is no public policy justification for giving Amtrak and buses less favorable treatment (for copy, send \$2 and s.a.s.e.).

The budgetary impact of exempting airlines is \$530 million a year vs. about \$8 million for Amtrak and buses combined. Moreover, budget rules mean HR 752 would force Congress to identify an "offset"—\$530 million of new spending cuts.

Amtrak also pays the 2.5-cent-a-gallon fuel tax imposed on surface transportation December 1, 1990. For highway users, this shifts to the Highway Trust Fund October 1, 1995, but for railroads including Amtrak, this tax is cut to 1.25 cents and continues to go the deficit reduction.

Deficit Reduction Fuel Taxes—By Mode

(cents per gallon)

		Airlines	Amtrak	Intercity bus
Before	Dec. 1, 1990	0.00	0.00	0.00
Effective	Dec. 1, 1990	0.00	2.50	2.50
Effective	Oct. 1, 1993	0.00	6.80	6.80
Effective	Oct. 1, 1995:			
Equity—current law		4.30	5.55	4.30
Equity—another way		0.00	1.25	0.00
Airlines' proposal (HR 752)		0.00	5.55	4.30

Under all Oct. 1995 options shown, Amtrak alone among passenger carriers would still pay the 1.25-cent "railroad" tax.

Fuel taxes have a direct *cost* impact on individual trains—plus a *revenue* impact (the exemption lowers air fares)—so they hurt Amtrak more than the figures imply. Amtrak paid \$5 million in FY 1994, or about \$744,000 for each cent of tax.

- **Selling Electric Power:** The Senate Commerce bill gives Amtrak new flexibility regarding sale of surplus electric power and power transmission services.

- **Flexibility—the Roth-Biden Amendment:** The Senate-passed National Highway System bill would let states spend certain highway funds on Amtrak. However, as the Highway Users Federation fails to note in its massive anti-Roth-Biden advertising campaign, this *guarantees* nothing. It simply gives governors a choice they currently lack.

Labor Reforms

While rail workers' "labor protection" privileges are unusual, changing them would bring Amtrak only minor benefits, absent a binge of route eliminations. Likewise, increasing Amtrak's ability to contract out work saves big dollars only where it avoids costly rebuilding of old maintenance shops.

Train-crew size and shop job descriptions desperately need change, yet there has been no visible progress since we wrote of the need for greater Amtrak productivity to create "more service and more jobs" (Oct. '93 News). Progress here is long overdue.

Senate Transportation Appropriations Leaders Mark Hatfield (R-OR) and Frank R. Lautenberg (D-NJ) both say 1997 budget cuts will make the big cuts of 1996 look like a picnic. Is anyone listening? ■

SENATOR LOTT, A CARING "QUICK STUDY"

The Senate Commerce Committee passed its Amtrak reauthorization 17-2 on July 20, with John McCain (R-AZ) and Bob Packwood (R-OR) the "no" votes. During the session, Trent Lott (R-MS), chairman of the Subcommittee on Surface Transportation and Merchant Marine, displayed a strong commitment to saving Amtrak—evident from his well-informed, sympathetic discussion of the complex issues.

For example, the bill includes a "trigger" for commencing a shutdown of Amtrak in late 1998 if economic projections are not met. Responding to concerns about this, Lott said if Amtrak is "80% there," he did not believe Congress would let it shut down.

AMTRAK: A TEN-MONTH PROGRESS REPORT

Travel—measured in passenger-miles—in June and July, respectively, *rose* 2.0% and fell 1.5% vs. year-earlier months. Train-miles fell 11.2% and 12.4%; seat-miles only 7.0% and 2.1%. [October train-miles will be down 19%—reflecting September 10 service cuts—vs. 26% planned; states “bought back” much service.]

From October to July, Amtrak improved its profit-and-loss bottom-line by \$103 million, 60% of plan. By September (end of fiscal year 1995), Amtrak foresees total improvement of \$154.4 million, 89% of plan (i.e., \$18.6 million short).

RAIL-VOLUTION...

...is a national conference bringing together citizen advocates and government and business leaders from the U.S. and Canada who share a vision of communities made more livable partly with rail transit. It is September 16-18 in Portland, OR. Sponsors include the City of Portland, Federal Transit Administration, Tri-Met, Oregon DOT and Surface Transportation Policy Project. A keynote speaker will be Senate Appropriations Chairman Mark Hatfield (R-OR). Call 800/788-7077 for more information.

PROGRESS IN MAINE

A crucial vote in the Maine Senate in late June cleared the way for creation of the Northern New England Passenger Rail Authority. This allows the State of Maine to begin spending money needed to restore Boston-Portland passenger service. The June 28 *Portland Press Herald* gave Wayne Davis (NARP Director and chairman of TrainRiders/Northeast) a great deal of credit for the progress, saying he gives “new definition to *indefatigable*.”

Cardinal Saved, Broadway Doubtful

NARP has had many discussions with Amtrak on how to make the September 10 service cuts (Apr. *News*) less severe but still cost-effective (see also May *News*, p. 3):

- **Cardinal.** NARP wrote Amtrak April 4 and July 3 urging connections at Washington giving “better-than-*Night Owl*” times at New York, Philadelphia, etc. and retention of the Cincinnati-Chicago segment. Amtrak in June finished clearance work on one of the two tracks under Washington’s Capitol Hill—soil problems put costs above budget and the second track won’t be done. Still, this let Amtrak confirm on August 9 that the *Cardinal* will get Superliners September 10. As NARP urged, it will run Washington-Chicago, with sleepers (but *Hoo-sier State* will cease). Westbound, it leaves Washington at 11:00 am (connects from the 6:20 am conventional and 7:00 weekday Metroliner from New York), but the announced east-bound arrival—8:10 pm—connects only with the *Night Owl*.

- **Broadway Limited.** NARP wrote to Amtrak July 14 attacking longstanding *Broadway* mismanagement. NARP urged saving Philadelphia (etc.)-Chicago business with New York-Chicago through cars running on the *Capitol Limited* west of Pittsburgh. Amtrak is studying this but we are not hopeful.

The *Broadway* threat activated an Amish community at New Wilmington, PA (near New Castle), who ride from Youngstown to Amish communities near Lancaster and in the West. They also seek a stop at New Castle. Ohio eventually may fund the Ravenna Connection (needed for *Capitol* to serve Youngstown). The *Broadway* passes through New Castle, as would trains using the Ravenna connection if it is built. ■

NARP’s *Broadway* letter and *Cardinal* letters are available for \$2 per train plus s.a.s.e.

NARP news releases—starting with those of June 22, July 3, August 1—now go via PRNewswire, and are in many computer data bases (permanently in Nexis, used by many journalists).

SUNSET LIMITED REROUTE LOOMS; PHOENIX-LOS ANGELES RAIL LINK IN JEOPARDY

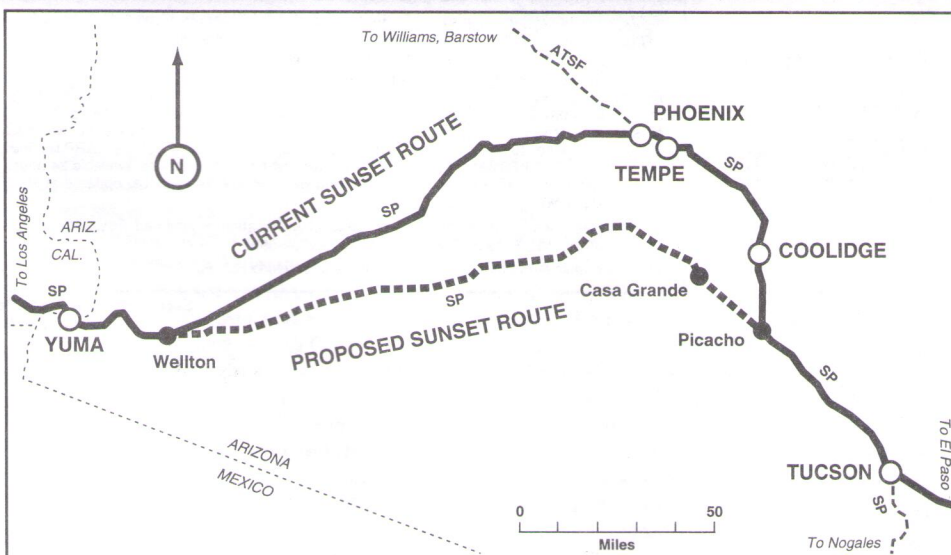
By next May 1, Amtrak may abandon Phoenix (“...The nation’s 14th-largest urbanized area. Phoenix would replace 35th-ranked Columbus, Ohio, as the nation’s largest urbanized area without rail passen-

ger service,” from July 21 NARP-to-Amtrak letter, available for \$1 plus s.a.s.e.). The *Sunset Limited* uses a Southern Pacific secondary line from Phoenix to Wellton (37 miles east of Yuma) with little freight traffic. SP says upgrading the 138-mile line to passenger standards would cost \$27 million, and foresees \$2.5 million a year for maintenance.

Amtrak says economics force it to change routes. SP’s mainline—which also bypasses Tempe and Coolidge—is about 41 miles and two hours faster (partly due to slow orders on the current route). Amtrak plans a stop at Casa Grande and a bus link to Phoenix (*The Arizona Republic*, June 17 and 24).

Noting also the negative impact of the reroute on plans for Phoenix commuter rail, and public statements that Amtrak’s departure might be imminent, NARP urged Amtrak not to leave Phoenix before May 1. We are optimistic that our request will be honored.

The Union Pacific-SP merger—and freight congestion on SP’s main line—means UP may review the abandonment.



—Scott Leonard

TRAVELERS' ADVISORY

Good news about the *Cardinal*—see page 3.

California Zephyr gets new days of operation starting October 29—Depart Chicago Sunday, Tuesday, Wednesday, Friday; Oakland Monday, Wednesday, Friday, Saturday. The *Desert Wind* also changes, running—as now—on “non-Zephyr” days.

Chicago Union Station: In May, an enclosed walkway (open 5 am-1 am) was opened between the station and Amtrak's Canal & Van Buren parking garage.

In June, Ziosk, Inc. (of St. Petersburg, FL) installed two “Ziosks” across from the baggage carousel. They are private rooms, rented by the hour by calling Ziosk from a phone outside the room and paying by credit card. The 68 sq. ft. rooms have phone, fax, computer hook-up, air conditioning, desk, chairs and a sofa. The ones in Chicago also have sink and vanity. The cost is \$12.95 for the first hour, then \$6.98 per hour.

Ziosk also offers a model with a toilet and shower. This version was not installed at Chicago Union Station, but is in Amtrak's plans. Until several years ago,

Amtrak passengers could use public shower facilities in the station, which was useful for people making long trips with a day-long layover at Chicago. Today, only passengers in Superliner sleepers have on-board shower access.

San Diegans: Train 572 now leaves Los Angeles at 8:35 am and Commerce at 8:51 am, 0:05 earlier than in timetable.

Fare discounts: After August 1, Amtrak is part of the Students Advantage Card program; which gives university students discounts on many products. Amtrak does not sell the card, but students can call the program directly for information (800/333-2920). The card costs \$20 a year. Bearers get 15% off Amtrak rail fares (not good on peak weekday Metroliners and first-class supplements). This replaces a successful Philadelphia-area pilot (May News).

Transit: The Los Angeles Green light rail line opens August 12, Norwalk-Redondo Beach, 20 miles. Transfer station with the existing Blue Line is Imperial/Wilmington. Free shuttle bus from Aviation Blvd. stop to Los Angeles International Airport (10-minute trip).

AMTRAK BICYCLE CARRIAGE POLICY—effective July 18, 1995

• **San Diegans** (San Diego-Los Angeles-Santa Barbara): On trains with baggage cars, take unboxed bike along platform to baggage car and give it to on-board baggage crewperson. Only works at stations with baggage service (marked in timetable) and when travelling on same train as bike.

• **Capitol Corridor** (San Jose-Oakland-Sacramento-Roseville): New California cars each have spaces for three unboxed bikes. On-board crew can instruct how to use rack. These are unreserved trains, but a system for bike reservations (and charges) may be set up later. Unboxed bikes allowed on Emeryville-San Francisco Thruway buses (in holds, bike owners assume risk for damage), but bikes must still be boxed and checked when using other Thruway buses for connections.

• **San Joaquins** (Emeryville-Bakersfield; #712, 717 only): Same as Capitol Corridor, other trains added as new equipment arrives.

• **Mount Rainier** (Seattle-Portland-Eugene), **Mount Adams** (Seattle-Portland): Superliner coaches retrofitted with spaces for five

unboxed bikes per train. Passenger and bike reservations required; bike space costs \$5 per trip.

• **Vermont** (Washington-New York-St. Albans): Vermont paid to retrofit baggage cars (also allowing checked baggage service). Space for 20 unboxed bikes per train through October 31 and again in April (racks to be used for skis and skiboards in season). *No local bike carriage* Amherst and south—bikes must be coming from or going to Vermont points Brattleboro and north (but not Claremont Jct., NH). Passenger and bike reservations required; bike space \$5 per trip between points north of (and including) Springfield and \$10 for points Windsor Locks and south.

• **Rest of System:** Standard bikes only allowed as checked baggage (on trains and at stations with such service), boxed (boxes provided if needed), handlebars turned, pedals removed, \$5 charge each way, checked in an hour before departure. Folding bikes allowed on all trains if folded and not put into overhead luggage racks.



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