



## Committees Advance Amtrak, Broader Rail Bills

*"It is finally time to send a signal that we are going to continue rail passenger service. For too many years, no one was sure what Congress was going to do. Now they know."*

—Rep. Wayne T. Gilchrest, (R.-Md.), member, House Transportation and Infrastructure Committee

House and Senate authorizing committees both have approved \$2 billion a

year bills for Amtrak. At the same time, they made initial moves towards establishing federal support for rail infrastructure development.

### Amtrak

The appropriations process will determine whether Amtrak gets its 2004 request of \$1.8 billion, but positive actions by both authorizing committees certainly

are helpful, particularly since some members have been critical of Amtrak. These actions also suggest Congress is moving beyond a few of the biases in the Vuchic table (this page, lower left).

The House Committee on Transportation and Infrastructure on June 25 approved H.R.2752, a three-year, \$2 billion a year Amtrak authorization. Don Young, (R.-Alaska), chairman of the full committee, opened the session by thanking Jack Quinn (R.-N.Y.) "for his untiring work on behalf of a healthy rail system." Quinn, chairman of the Subcommittee on Railroads, said the bill would fund "the first three years of [Amtrak President and CEO] David Gunn's five-year plan, and would allow Congress to make any adjustment at about the halfway point."

Quinn noted the bill requires Amtrak to submit a capital plan each year, as well as bimonthly progress reports. When Rep. Bill Pascrell, Jr. (D.-N.J.), complained about bad Northeast Corridor on-time performance, Quinn said he thinks "Gunn is the right person at the right time. But you get what you pay for. I believe over the years we have given Amtrak just enough money to fail."

James Oberstar (D.-Minn.), ranking

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## Report—Modernize, Don't Reorganize

"Amtrak Privatization: The Route to Failure" is a report by Elliott Sclar, published by the Economic Policy Institute (EPI), of Washington, D.C., a nonprofit, nonpartisan think tank.

Sclar is Professor of Urban Planning and Public Affairs at Columbia University, where he directs graduate programs in urban planning. His book, *You Don't Always Get What You Pay For: The*

*Economics of Privatization*, won the Louis Brownlow Award for Best Book of 2000 from the National Academy of Public Administration, and the 2001 Charles Levine Prize from the International Political Science Association. Governance Magazine cited the book as a major contribution to the public policy literature.

Sclar's new report sheds light on why U.S. passenger rail compares unfavorably with trains in other, advanced countries. "Passenger rail has been slowly strangled by depriving it of desperately needed capital investment. Politics, not efficiency considerations, are the basis for the chronic underinvestment in rail, with the result that service falls well below the potential realizable using contemporary technology. Apolitical analysis points to a completely different approach: **unify and extend the system, rather than fragment it**; invest sufficiently so that passengers can enjoy the full benefits of advanced technology; and expand the system to advance broader economic development."

Another major focus is the fascination of some people with privatization—whatever that is, considering the many different forms it takes around the world. The report looks at the concept of separating Amtrak into operating and infrastructure components, and setting up a "privatized" system of multiple operators who will compete for franchises.

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### ANTI-RAIL BIASES

Table presented by Prof. Vukan Vuchic at June 4 EPI news conference:

HIGHWAYS	RAILROADS
Highway investment	Amtrak subsidies
System (network) financing	Interline cross-subsidies*
"Users pay" claim (subsidies hidden)	"Users should pay"
Minimize out-of-pocket costs	Minimize subsidies/ maximize fares

### CONGRESS

Adopt progressive ISTEA, TEA-21	Keep highway and air modal trust funds
Require inter-modalism	Impose "Amtrak self-sufficiency"
Proclaim Maglev System of Future	Question future of Amtrak

\* Always done in good transportation systems, but commonly called bad for rail.

### RENEWAL ON NEC

Joe Guzzi (below), Division Engineer for Amtrak's Mid-Atlantic Division, stands on newly installed ties on the Northeast Corridor east of Elkton, Md.



The ties were laid by Amtrak's track laying machine, which was brought out of storage this year (see page 2).

—Ross B. Capon

## Northeast Corridor Work Begins

Emphasizing Amtrak President David Gunn's strong commitment to tightfisted budgeting, Chief Engineer David Hughes said his review of the Northeast Corridor—based on input from Amtrak officials with direct responsibility for its upkeep—means Amtrak will be able to address 90% of the most important issues for about \$1 billion less than previously estimated.

For example, Amtrak now expects—without spending \$300 million for “constant tension” overhead catenary between New York and Washington—to achieve 60-70% of the benefits of that investment, including some 150 mph operation.

With careful maintenance, transformers previously expected to be replaced

when they reached 75 years of service now will be kept in service to 85 years.

One area which remains critical is replacement of two movable bridges in Connecticut, over the Thames and Niantic Rivers. Amtrak has spent millions extending their lives, but now they must be replaced.

In boating season, Amtrak must keep these bridges open except when trains approach—an unusual practice by world standards, reflecting the power of area pleasure and fishing boaters. Amtrak fears one day the bridges will get stuck in the open position, halting rail traffic.

In the past few months, Amtrak's track laying machine (TLM) has been reactivated for the first time in three years. Reporters, as well as people from DOT, the Office of Management and Budget and Capitol Hill have been shown the TLM in action, as it replaces wooden ties with concrete ties—which require much less maintenance.

The result is a more reliable railroad, and greater ability to run around problems. The third main track that extends 21 miles west of Wilmington had wood ties and had been 110 mph with many 60-mph slow orders. Within a few months after reopening with concrete ties in early July, the track should provide a reliable 125 mph. Amtrak hopes by 2007 to have concrete ties on all NEC high speed tracks. ■



Amtrak's track laying machine, spreading the rails apart, removing wood ties, and inserting new concrete ties (above). A gantry crane (below) runs back and forth along the string of flat cars holding ties—delivering concrete ties to the TLM and removing wood ties from it.



—Ross B. Capon (all)

### POSITIVE OREGON EDITORIAL

**“Expanding transportation up and down the Willamette Valley is every bit as important to Oregon's future as any other state program. That is why the Legislature has an obligation to do everything possible to continue the state subsidy of passenger rail service between Portland and Eugene.**

**“Some leading legislators have responded this way: Fine, we'll save the trains if you can tell me which schools to close and which elderly citizens to cut off from their medicines, and which ones to let die.**

**“No, telling legislators this is not the job of advocates for sensible transportation planning. That is the job for which members of the Legislature have run and which they were elected to do themselves...**

**“This amount [the \$4 million a year Oregon spends on Portland-Eugene trains] is nothing compared to the overall transportation budget. To be fair, the trains also carry only a tiny proportion of the traffic in the Interstate 5 corridor. But their use has been growing, and it will be of greater importance as the valley's population grows and I-5 is increasingly choked by the number of cars.”**

—Albany Democrat Herald, June 19

**FOR MORE FREQUENT NEWS, NARP has a weekly update on its web site, <[www.narprail.org](http://www.narprail.org)>—Click on Hotline in the left margin. There is also an archive of messages going back a few years (with searchable text).**

### TRAVELERS' ADVISORY

**Stations**—The station at Ardmore, Okla., was rededicated June 14, after its renovation. It is served by Amtrak's *Heartland Flyer*.

Renovation of the Dunsmuir, Cal., station was celebrated as part of Dunsmuir Railroad Days, June 14. It is served by the *Coast Starlight*.

**Transit**—BART opened its Colma-Millbrae extension (8.7 mi.), June 22. Millbrae has a connection to Caltrain. Also opening is a short BART spur to

San Francisco International Airport. Caltrain passengers can use this spur from Millbrae to reach the airport.

St. Louis MetroLink opened a 3.5-mi. light-rail extension, Belleville Area College-Shiloh/Scott, both in St. Clair County, Ill., June 23.

PATH reopened its Exchange Place station, Jersey City, N.J., June 29. It had been closed since the September 2001 terror attacks. Exchange Place has a connection to Hudson-Bergen light-rail.

## Report

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This is roughly the model followed in Britain, and advocated by the Amtrak Reform Council (ARC)—and now by the Bush Administration.

The ARC argued that Amtrak's mission of running trains nationwide and maintaining the Northeast Corridor was "too complex," though it offered little to quantify that point. Sclar says, "Remember: providing complex services always means coordinating multiple tasks. There is no good reason in experience or theory to conclude that any particular organizational slicing is 'better' or 'worse.'"

While ARC argued that "organizational overreach" has "deterred innovation and efficient management at Amtrak," Sclar finds lack of "active, sustained, and sufficient public subsidy and public investment in new technology" as a likelier explanation for Amtrak's woes.

Sclar also questions the ARC-favored strategy of fragmentation. "ARC's organizational proposal slices Amtrak into component parts and then relies on what is essentially a complex set of contractual relationships among those newly disconnected parts to carry out the same job Amtrak was doing in the first place. From an economic point of view, this makes no sense at all."

EPI's informal, June 4 news conference in Washington to release the report also included Vukan Vuchic, Professor

of Transportation at the University of Pennsylvania, in Philadelphia.

Sclar said much current thinking on passenger rail is based on a search for the "precisely correct answer to the wrong question—should Amtrak be reorganized to look more market-driven? Let's instead get an approximate answer to the right question: How is America going to have an overall transportation system that is safe, convenient, time-competitive, minimizes environmental damage and oil dependence, helps make the nation more competitive, and—in light of national security needs—redundant?"

Vuchic said the Amtrak discussion is poisoned by word, data and policy choices (see his table), and that no passenger transportation system is profitable overall. The highway system is viewed as a system, with no serious consideration of dropping 'unprofitable' segments.

## Committees

(from page 1)

member of the full committee, called the bill "a good start," adding, "I don't think this is the time to reshuffle Amtrak's structure, but it is time to make a down payment."

John Mica (R.-Fla.), a believer in reshuffling, talked about—but did not introduce—his amendment that would leave Amtrak in charge of the long-distance trains, and spin off everything else: Auto Train, the Northeast Corridor, commuter rail responsibilities, and "specialty" trains. Mica said several committee members had already agreed to support his amendment. He said he would offer it "as an amendment in the future or we'll pass it in some way."

The next day, June 26, the Senate Committee on Commerce, Science and Transportation approved on voice vote Kay Bailey Hutchison's (R.-Tex.) Amtrak authorization of \$2 billion per year for six years, as an amendment to the Committee's portion of TEA-21 (highway/transit) reauthorization.

Chairman John McCain (R.-Ariz.) opposed such funding without "reform." Hutchison said, "I know we have disagreements, [but my amendment] starts the process for reform of Amtrak. We can fill in the placeholder with the details [later]."

She and Ranking Member Ernest Hollings, Jr., insisted on including her amendment in the TEA-21 legislation, because it is seen as "must-pass"

Sclar noted that federal agencies promote other modes of transportation, whereas the Federal Railroad Administration "is there to slice and dice Amtrak."

Answering a question about "\$400 per passenger subsidies" on long-distance trains, Sclar said such figures are based on fully allocated costs and thus wildly overstate what costs might be saved if a line actually was dropped. Also, those figures look "in the rear view mirror. Instead, we need to look ahead," anticipating a properly funded system.

NARP's Ross Capon said the very use of subsidy-per-passenger rather than per passenger-mile—the standard measure for most intercity travel—was another example of anti-train bias. ■

The full report is available for \$8.95 from Economic Policy Institute, 1660 L St., N.W., Suite 1200, Washington, DC 20036, 202/775-8810, <<http://www.epinet.org/cgi-bin/shop/shop.cgi>>.

legislation in a year when the Senate calendar is extremely full. McCain offered a July hearing on Amtrak but rescinded that after the committee approved Hutchison's Amtrak amendment.

### Railroad Infrastructure

The House Committee—also June 25—approved H.R.2751, the Railroad Infrastructure Development and Expansion Act for the 21st Century" (RIDE-21), with up to \$60 billion for development of new high speed corridors and other rail investment. The bill:

- Has \$12 billion each (over 10 years) in tax exempt and tax credit bonds;
- Expands the Railroad Rehabilitation Improvement Financing (RRIF) loan program from \$2.5 billion to \$35 billion—raising the amount for "primary benefit" of smaller freight railroads from \$1 billion to \$7 billion, and clarifying that magnetic levitation systems are eligible;
- Reauthorizes and expands the Swift Act at \$100 million a year, changing the emphasis "from technology development to corridor development" and allowing "acquisition of locomotives, rolling stock, track and signal equipment with program grants."

Hutchison's "placeholder" Amtrak amendment also establishes a "Rail Infrastructure Finance Corporation...to support rail transportation capital projects through the issuance of rail capital infrastructure bonds." Hutchison and her colleagues will negotiate the details. ■

### RSI TESTIFIES ON RAIL PLAN

**Tim Gillespie, testifying for the Railway Supply Institute's Passenger Transportation Committee, urged the House Railroads Subcommittee to consider creating a "private...federally chartered Rail Finance and Development Corporation (RFDC)...to issue tax-credit bonds for capital investment in rail-related infrastructure not generally eligible for transportation trust fund expenditures under TEA-21. Our proposal was the subject of a feature article in the June 2003 issue of *Railway Age*." NARP supports it.**

**He said RSI is suggesting that RFDC issue the bonds because states, already burdened with high debt, are reluctant to issue bonds themselves (as provided for in H.R.2751; see lead story).**



# Explorer Train Running This Summer

Oregon's Lewis and Clark Explorer train began revenue service May 23, and runs four days a week through September 2. The service is one of the ways the state is observing the bicentennial of the famous cross-continent trek.

The train's status was in doubt after Amtrak determined that its participation would require the U.S. Department of

Transportation's approval. The 2002 loan—and the appropriations law—require Amtrak to get approval before planning or operating new services. Amtrak focussed on this new constraint too late to meet the state's start-up target.

Thus, Oregon suddenly lost access to railroad property (including a BNSF segment in Portland and Portland Union Station) and insurance. But the state DOT quickly reached agreement with the

Portland and Western Railroad to use its tracks between Linnton (just outside of Portland) and Astoria (92 miles); a shuttle bus links Union Station with Linnton.

Amtrak continues to provide reservations and tickets, as previously planned.

The train uses rail diesel cars (RDC's) Oregon bought from British Columbia. ■

For more information, see the Oregon DOT Rail Division web site at <<http://www.odot.state.or.us/rail/>>.



—Scott Leonard



—R. Immel

The Lewis and Clark Explorer train crosses Blind Slough, about 15 miles east of Astoria, Ore., on the Portland and Western Railroad.

## HALF THE HOUSE CALLS FOR FULL FUNDING

A bipartisan letter supporting Amtrak's request for a \$1.8 billion 2004 appropriation garnered 219 signatures (including 33 Republicans); two other members wrote separate letters endorsing that amount. The letter was sent to House appropriations leaders on June 25.



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