



## NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

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# NARP Pushes Unified Fund

## NARP HONORS REP. LEHMAN



—Photos by Charles A. Dunn

At an Apr. 8 ceremony at the Miami Amtrak station, NARP honored Chairman William Lehman (D-FL) of the House Appropriations Subcommittee on Transportation for his strong and longstanding support for Amtrak and transit. Above, he holds NARP's George Falcon Golden Spike Award as NARP Exec. Dir. Ross Capon and Dade County Commissioner Clara Oesterle look on. Top (l. to r.): Amtrak District Manager Barry Sullivan, Capon, Lehman, Oesterle, and NARP Member/Private Car Owner/Philanthropist Mitchell Wolfson Jr.

## Claytor Supportive; AASHTO Opposed

In House and Senate testimony on Amtrak's reauthorization—the first such hearings in 3 years—NARP's Ross Capon supported a \$650 mill. a year Amtrak authorization. (The Senate committee requested testimony on a 3-year bill, FY '89-'91; NARP supported \$650 mill. for each of those years.)

Capon explained the \$20 mill. difference from Amtrak Pres. W. Graham Claytor Jr.'s \$630 mill. request by quoting Claytor's own testimony ("We're asking for no increase though we desperately need one") and emphasizing Amtrak's need to increase its earning power by enlarging its car fleet immediately.

Capon suggested a unified transportation fund as the long-term solution to America's problem of "unbalanced" transportation and neglect of rail investment. Claytor similarly endorsed "the inclusion of Amtrak in a Transportation Trust Fund, along with the several commuter railroads with which it works closely."

The hearings were chaired by Rep. Thomas A. Luken (D-OH) Feb. 25 and by Sen. J. James Exon (D-NE) Mar. 17. Rail labor also testified in support of Amtrak funding, as did William T. Druhan of the American Assn. of State Highway and Transportation Officials (AASHTO). He said, "In supporting an authorization for appropriations for Amtrak, it should be clearly understood that AASHTO is unalterably opposed to having the appropriated funds be derived from the highway trust fund. AASHTO believes that it is imperative that the integrity of the highway trust fund be maintained. AASHTO opposes the withdrawal of funds from the highway trust fund for purposes other than the support of the federal-aid highway and public transportation programs. AASHTO also opposes any additional motor fuel taxation which would be used for purposes other than the support of the federal-aid highway and public transportation programs."

Druhan did call Amtrak "essential to national transportation." He said Amtrak "assists in alleviating highway and airport congestion in a cost-effective and energy-efficient manner" and is vital to many communities and individuals

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### POLICY FLYING IN CIRCLES

"The air ticket tax paid by someone flying from Boston or Providence to New York can be used to improve air facilities anywhere in the country but not to upgrade the train services that might do the most to relieve congestion and safety problems at the terminals and in the airways the traveler actually used."

—NARP's Ross Capon, in Feb. 25 testimony before a House Energy and Commerce subcommittee

## Former State Official Plugs Cross-Boston RR Link

"The opportunity of a lifetime that may never come again." That's what Guy D. Rosmarin, consultant and former Massachusetts assistant transportation secretary, calls present chances for a railroad connection between Boston's North and South Stations—chances he thinks have been enhanced by the 1987 federal highway law that specifically prohibited use of Interstate construction money for depressing the "Central Artery" freeway that runs between the two rail passenger stations.

Speaking to NARP Region 1 in Boston Feb. 6, Rosmarin said that, if the costly freeway depression is to go forward without 90% federal funding, the state should develop an integrated transportation project with a minimum of 2 railroad tracks and then decide on the best funding method. The Associated Industries of Massachusetts (affiliated with the U.S. Chamber of Commerce) supports the integrated approach.

State officials have argued that there is insufficient room for both an Interstate-standard highway and a rail line, but—without 90% federal funding—the highway need not be so wide. The state must use federal funds from the "Interstate reconstruction" account, which only has \$30 million in 1988 for the entire state. Pricetag for the artery depression will be \$0.6-\$1 billion (Rosmarin thinks \$2 bill.).

Nevertheless, absent strong citizen pressure, Rosmarin

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### COMMUTER & TRANSIT RAIL

Providence-Boston commuter rail service resumed Feb. 1 after a 7-year absence. 5 round-trips operate daily Mon.-Fri. This MBTA service was made possible by a Massachusetts-Rhode Island agreement whereby each state contributed \$11.3 million in federal transit funds.

Long Island Rail Road officially opened its 23.5-mile, \$168 million 3rd-rail electrification extension from Hicksville to Ronkonkoma, NY, Jan. 18. On that date, all Hicksville-Ronkonkoma diesel commuter trains were replaced by electrics, resulting in dramatic time-savings for commuters (due largely to elimination of transfers between diesels and electrics). Average Ronkonkoma-Manhattan trip times were cut from :97 to :71. One express train makes the run in :57! This has slashed an hour from many commuters' daily round-trip, and ridership is surging. Many trains were added in conjunction with the project: Ronkonkoma now sees 53 daily trains, versus 39 when the project began in 1985. This is the biggest expansion of LIRR electrification since the Jamaica-Babylon segment was electrified in 1925, and was paid for by federal (61%) and local (39%) sources.

San Jose's light rail system (Phase I) opened Dec. 11.

Atlanta's heavy rail system grew by 2.7 miles with the Dec. 19 opening of the North Line's Brookhaven-Chamblee segment.

Service hours were recently expanded on Buffalo's light rail and Baltimore's heavy rail system—particularly weekend hours.

Metro-North Rr. has agreed to keep its 4th track between Spuyten Duyvil (Harlem River) and Croton, NY, but will remove its power rail. Amtrak diesel and turbine trains will thus be able to continue using it. Removal of this track would have reduced this busy route's capacity and flexibility, and hurt efforts to increase train speeds and frequencies in the future.

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### A GREAT IDEA THAT WON'T GO AWAY!

"Building a short crosstown railroad tunnel connection which would break the ancient bottleneck between North and South Station railroad lines should be made Boston's No. 1 transportation project.

"If I were asked what could be done for the smallest investment to produce the greatest returns in improved transportation for the Boston metropolitan area, and indeed for all of New England, I would put this project at the head of the list...."

"Boston's stub-end North and South Stations remain the Victorian landmark of a delightful but slow-moving past while the breathless present rushes by. Only by removing these impediments (or making them 'through stations') and forging a modern high-speed New York-New England route can the transport and commerce of Boston and New England get the shot in the arm they so desperately need...."

"Through passenger trains could be run from New York to Portland, ME, for example, making brief stops in all principal cities en route. Indeed, the possibilities of vastly improved commuter and through passenger service for all of New England that might be developed by the completion of this simple Boston tunnel are fascinating."

—Stanley Berge, Professor of Transportation,  
Northwestern Univ. School of Business,  
The Boston Globe, Aug. 26, 1960

"The expensive plan to rebuild the Central Artery underground through downtown Boston, with new railroad tracks linking North and South Stations, he [former & present Mass. Transp. Sec. Frederick P. Salvucci] considers to be 'the opportunity of the century.' The opportunity, if rejected, 'will not come again,' he said, and would leave the region with 'inadequate railroads, inadequate highways, and an inadequate city.'"

—The Christian Science Monitor, Dec. 21, 1975

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fears the state will continue trying to fund the freeway-only approach, possibly by utilizing turnpike tolls or by including in the next federal highway law a "swap" between the artery and the airport tunnel (the airport project currently is eligible for 90% funds but might more easily be switched to alternative funding).

A North-South Station railroad connection would benefit all of New England by greatly enhancing the practicality of establishing intercity passenger trains to New Hampshire and Maine. A commuter rail system that is already a big success

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### MBTA FORGING AHEAD

Yet another reason for a North-South Stations rail link: its added track capacity would help handle new services Mass. Bay Transportation Auth. is considering—all but one using S. Sta.: Millis branch of Needham line; these line extensions: Stoughton-Taunton, Franklin-I 495, Framingham-Worcester, and (from N. Sta.) Ipswich—Newburyport. That's on top of the 3 "Old Colony" branches (to southeast suburbs) MBTA hopes to open between 1991 and 1993! The Boston Globe reported Jan. 24 that all this would "create the possibility of severe rail congestion outside South Station."

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(June '87 News) would become even more useful, since northside commuters would gain direct access to Back Bay and South Station and southside commuters would gain direct access to North Station.

**Since Gov. Dukakis is particularly receptive to mail from all over America, why not write him about this?** (See also *NARP News*, Aug. & Dec. '83; Apr. & July '84. The relevant NARP Board resolution is in the Dec. '83 issue.) ■

### **NARP Testimony** (continued from page 1)

who lack alternative transportation. He supported an Amtrak authorization "sufficient to compensate for revenue deficiencies from operations and for an adequate capital improvement program."

AASHTO is funded with your taxpayer dollars, so please tell both your governor and your state's top transportation official that you appreciate AASHTO's congressional testimony in support of Amtrak, but favor a unified transportation fund and thus oppose AASHTO's stand against using gasoline tax money for Amtrak. AASHTO also might be urged to replace its vague support for "adequate" Amtrak funding with NARP's \$650 mill.—or at least Amtrak's \$630 mill.

Finally, AASHTO should be asked to reconcile its support for adequate Amtrak funding with opposition to the most obvious and logical way to provide that funding. Today's mostly-mode-specific transportation funding process, though popular with the interest groups that benefit, seems likely to mean continual cuts in Amtrak funding. Even if Amtrak funding is frozen (at \$581 mill.) over the long-term, Amtrak would still be forced to "eat" \$50 million or more inflation costs per year and eventually reduce service for lack of capital investment.

A White House aware of Amtrak and transit's current and potential relevance to airport and highway congestion would help, but even a sympathetic U.S. President would have a hard time changing transportation priorities with every

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### **CURVY, HILLY RAILBEDS; MODERN HIGHWAYS**

**"By 1910, Congress had given the ICC power over rates, but the ICC, beset by conflicting demands from different user groups and the railroad industry, could do nothing more than preserve the status quo in the rate structure . . . during a time of rapid inflation. Railroad arguments that rates must be adjusted for rising prices were futile. Thus railroad profits fell even as railroads invested heavily in facilities to improve productivity and keep abreast of rising traffic.**

**"These trends frightened investors . . . Railroad credit fell, and railroads could no longer obtain capital necessary to expand terminals and track capacity . . . Continuing traffic increases brought ever smaller profits and deteriorating service. User groups had succeeded in depressing railroad rates but remained frustrated and angry [with] worsening service.**

**"Government highway programs were born in this atmosphere and were seen by user groups partly as a means out of the stalemate. By the early 1920s, local, state and federal governments eagerly pursued highway development, which was under their control, while they turned their backs upon street railway systems and intercity railroads, over which they had little control. Thus rail infrastructure was underdeveloped and highways overdeveloped compared to a situation of their both having been privately or publicly developed."**

—Gregory Lee Thompson, 1987 dissertation (see text)

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### **AMTRAK'S HERITAGE:**

#### **PRIVATE SECTOR INEFFICIENCY**

**"During World War I, when the nation's railroads... were operated by the federal...United States Railway Administration (USRA), the USRA's major passenger policies were to cut unnecessary passenger operations and costs, so as not to hinder freight moving for the war effort....[USRA] ordered elimination of competitive passenger trains, consolidation of city terminals and ticket offices, curtailment of...extra sections of Pullman trains....Passenger rates rose 20%....As a consequence of these measures, passenger service was more profitable than freight service when Congress returned the railroads to private control on 1 Mar. 1920....**

**"[But] competitive pressures between railroads were too strong to allow continuation of [these efficiencies]...in spite of Congressional encouragements. Carriers claimed they needed to restore their individual corporate identities. Duplicative and luxurious passenger trains, terminals and ticket offices were one means for doing so.**

**"Railroad managers anticipated that their actions would increase passenger expenses, while decreasing occupancy and hence revenue-generating capability of passenger trains. Because the ICC did not want freight shippers to shoulder these added costs, it encouraged railroads to substantially increase passenger fares....**

**"Although introduction of the [higher] fare structure coincided with [the auto's rise and] the beginning of the great passenger exodus from railroads, it remained in effect well into the 1930s."**

—Gregory Lee Thompson, 1987 dissertation (see text)

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aviation—and almost every highway—user-tax dollar earmarked for more investment in the collecting mode, and with strong pressures to increase spending on AIDS research, education, space, and drug abuse (as in the House-passed FY '89 budget resolution).

#### **Some History Behind Amtrak's Subsidy Needs**

Capon said Amtrak inherited a system that had suffered not only from heavy government support for competing modes, but also from a long history of private management decisions not aimed at efficient *passenger train* operations and of rate regulation which prevented needed capital investments. He cited a 1987 dissertation by Gregory Lee Thompson, then at the University of California, Irvine, *The American Passenger Train in the Motor Age: Archival and Econometric Analyses of Explanations for the Decline in California, 1910-1941*.

"Railroads," Capon said, "saw passenger service as a showcase for executives of major freight shippers rather than as a profit center in its own right. (In other words, an executive who preferred a particular railroad's passenger trains was more likely to give his freight business to the railroad.)"

Thus railroads maintained duplicative passenger services (see "Amtrak's Heritage" box). "Indeed, one of Amtrak's major contributions has been to restore coordination and eliminate duplication, just as USRA did 70 years ago."

Capon also quoted Thompson on the harmful effects of the Interstate Commerce Commission's (ICC) rate regulation (see "Curvy Railbeds" box).

#### **Foreign Actions, U.S. Opportunities**

Capon and Claytor noted that Margaret Thatcher's Conservative British government includes, in its 1988 public-expenditure statement, a 5-year, \$1.05 billion a year British Rail capital program—one of its "most intensive renewal

### TRAVELERS' ADVISORY

"Silver Star" reroute won't come before Sep. 18, possibly not this year. On May 15: Amtrak adds 3 peak-travel-day Niagara Falls round-trips a week (partial reversal of Jan. '86 service cut), inaugurates Jamestown-Buffalo connecting "Ambuses," and—due to deteriorating Soo Line track—slows "Empire Builder" 90 minutes St. Paul-to-Chicago, breaking connection to "SW Chief." (Slowdowns—less severe westward—were decided so late that schedules west of St. Paul weren't changed and westbound "Builder" may be late daily.)

programs"—including "electrifying lines and adding new terminals and rolling stock." (*Journal of Commerce*, Jan. 21). Similarly, Spain plans to invest \$19 bill. in its rail network over the next 12 years (\$1.58 bill. a year) (*J of C*, Mar. 1).

At the Senate hearing, Capon submitted a Mar. 7 *J of C* article reporting the surprise of a Northeastern University professor who surveyed 123 firms and found 45% indicating they would use 2-hour-45-minute Boston-New York trains even though, as the surveyor noted, the subjects were accustomed to air travel.

Other fast-train opportunities obviously exist around Chicago where, Capon testified, Illinois DOT has found 50% of O'Hare Airport flights serve cities within 400 miles and 13% serve cities on just 3 Amtrak routes (those to Milwaukee, St. Louis, and Chicago). To demonstrate that Chicago-St. Louis tracks are deteriorating today, Capon's testimony quoted in

### A STATE "AMTRAK CAPITAL" FUND?

**"To maximize non-federal contributions to Amtrak's capital needs, we seek a meaningful matching funds program for states. Today, states face overwhelming pressure to focus all transport investment on aviation and highways, since federal funds are readily available for those modes but not for rail. This encourages states to ignore rail even where it could do the job better."**

*NARP's Ross Capon, testifying at House and Senate Amtrak authorization hearings*

full a letter from a NARP member whose relatives had recently experienced such a rough ride on that line that they said "never again."

### Long-Distance Trains Also Vital

Mayor Hal Smith Jr. of Hastings, NE, appeared at the Senate hearing to emphasize Amtrak's importance to small communities including his own. He said Hastings' air service is "not reliable nor is it quality service. Any change in weather will bring flyovers to Hastings. . . . If we have to be someplace and we know we have to be there, Amtrak is the service we use." He also said Hastings has nursing homes and the area's largest hospital and many visitors to the city do not drive.

Finally, he noted that Hastings' unattractive train times (2:37a west; 4:16a east) were not a problem. "We know the train has to go through somewhere at night. If you were going to fly you'd have to go to Lincoln or Omaha and probably get up at that hour anyway."

NARP's testimony included a list of 11 "Amtrak benefits," most of which apply to long-distance trains.

### Conclusion

Only Federal Railroad Administrator John H. Riley opposed reauthorizing Amtrak, but even his testimony was helpful: as usual, he praised the quality of Claytor's management. Riley also said "A company that loses \$600 mill. a year is not going to be a candidate for privatization in the near term."

### NARP ON AMTRAK

"If [the decline in Amtrak capital investment] is not turned around, there will be a future manager who, even though he might be as competent as [Amtrak Pres.] Graham Claytor, might be unable to continue improving things because he will be reaping the 'benefits' of the reduced capital investment of the past few years...."

"We would like to see...a unified transportation fund. We think mode-specific trust funds and the lack of one for rail explain why we do not have balanced transportation. Passengers are not mode-specific. I had to drive to Annapolis yesterday [ed.: due to lack of convenient public transport, though a light rail link to Maryland's capital is often discussed], yet almost 90% of the federal gas tax I paid was earmarked for building more roads...."

"If there must be separate trust funds, they should be on a functional basis—intercity, commuter, etc.—rather than mode-specific."

"Highway interests complain of a shortage of funds because states, particularly in urban areas, are trying to build too many roads. I know from citizen involvement in Maryland, which is a leader in the use of gasoline tax money for transit, that the State Highway Administration there has money burning a hole in its pocket. This makes it very difficult to get them to look at rail transit alternatives in many corridors."

"Some of the hard budgetary choices Secretary Burnley talks about should mean less money for air and roads and certainly more than the President has recommended for transit and Amtrak."

*—NARP's Ross Capon, in Mar. 17 testimony before a Senate Commerce subcommittee*

Chairmen Luken and Exon seemed very supportive of Amtrak. Luken called Amtrak's privatization "rather fanciful if not an outright hoax." Exon seemed very receptive to NARP's attempts to put the Amtrak subsidy in perspective, noting that "\$650 mill. sounds like a big item on one line of a budget, but is quite miniscule when you look at the overall functions of the federal government and what we do in other areas."

Rep. James J. Florio (D-NJ), Luken's predecessor and still a subcommittee member, said: "All the arguments that were persuasive in the past are equally persuasive today. The administration should accept that you can't privatize Amtrak and not include a bogus \$1.6 bill. in savings in its budget."

Nor would comments from the other side of the aisle have cheered White House "hatchet-persons." Bob Whittaker (R-KS), ranking House subcommittee member, said: "I am not convinced that privatization is a viable option. In any event, it is unlikely to occur overnight."

Rep. Tom Tauke (R-IA) told Claytor he and his associates "can take pride in what they've achieved" and urged Claytor to switch "California Zephyr" from Burlington Northern to Chicago & North Western tracks in Iowa. C&NW, he said, serves the "most densely populated areas; You've got to hunt where the ducks are." Similarly, Sen. Larry Pressler (R-SD) expressed hope for Amtrak service to Aberdeen, SD.

While the appropriations committees will determine the exact amount Amtrak gets, competition for funds remains tough, and we have a long way to go before the federal funding process changes, Amtrak supporters should draw encouragement from the positive tone of this year's authorization hearings. The members noted above deserve particular thanks for their supportive comments. ■