News from the
National Association of Railroad Passengers

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1
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House Passes Amtrak Authorization 406-4

"This bill is the product of all the parties—labor, management, and Members—sitting down and hammering out a fair and reasonable compromise."

—Chairman Bud Shuster (R-PA) of the Committee on Transportation and Infrastructure

The House gave rail passenger service a strong vote of confidence on the House floor November 30 by passing HR 1788, the "Amtrak Reform and Privatization Act of 1995."

The lopsided vote reflected a successful effort by Transportation and Infrastructure Committee leaders, notably Chairman Bud Shuster (R-PA) and Railroads Subcommittee Chair Susan Molinari (R-NY), to appeal to legislators with widely varying priorities (e.g., the survival of Amtrak; labor reform). [The "Amtrak half-cent" is not in HR 1788, but is still alive.]

A Financial Mountain to Climb

Amtrak's challenge is big because funding remains tight, while the extent of financial relief Amtrak can expect will be less—and come later—than originally hoped:

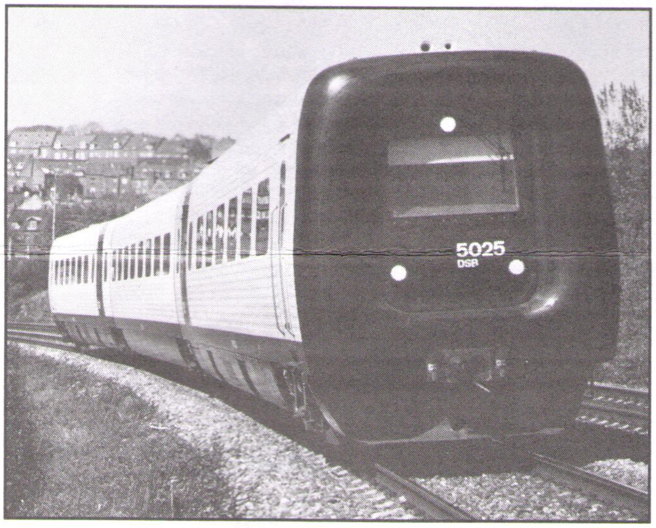
- **HR 1788 has $922 million a year** for fiscal years 1996-1998, but an *authorization* is a ceiling for the appropriators, not "money in the bank." The 1996 *appropriation* was just $750 million. HR 1788 itself cuts funding one-third in 1999, to $613 million. S 1318, the Senate counterpart, has the same numbers, less what HR 1788 earmarks for Farley/Penn Station ($21.5 million in 1995; $10 million a year in 1996-1999).
- **Enactment could come as late as February or March** if there is no floor action on S 1318 in late December.
- **After pressure from Northeast commuter rail operators using Amtrak-owned tracks,** a requirement that they pay Amtrak fully allocated costs was dropped from HR 1788; the parties would negotiate after existing contracts expire. (S 1318 keeps the status quo for two years, then imposes standards—less than fully allocated, more than current payments.)
- **Liability law,** it is widely believed, must be changed to permit cost-effective, new Amtrak/freight railroad agreements. (Most current agreements expire May 1, 1996.) The liability provisions of HR 1788 were modified in committee, but apparently remain workable, although the trial lawyers still could change this. HR 1788 limits punitive damages to three times economic loss or $250,000, whichever is greater; "non-economic damages" to economic loss plus $250,000.
- **The advance notice** Amtrak must give to states affected by route discontinuances is lengthened from 90 to 180 days.
- **HR 1788 puts off the long-awaited resolution of labor issues** until 254 days after enactment—probably close to Presidential election day—with negotiations starting 60 days after enactment (see "Board," below). S 1318 calls for resolution by 180 days after enactment.

Board of Directors

S 1318 does not change the board. Under HR 1788, the board would be replaced 60 days after enactment with a new

(continued on page 4)

VERSATILE IC-3 TO VISIT NORTH AMERICA



—ABB Traction

Two ABB Traction IC-3 Flexliners may be tested in revenue service here in 1996-97. Extended demos are likely in California and elsewhere. (To co-sponsor a demo, an agency should contact Amtrak or ABB.) The IC-3 is a "high-tech," three-car, articulated (i.e., cars permanently coupled), self-propelled, diesel train-set with good ride quality even on mediocre track. Great acceleration and 100+ mph capability make it suitable for multi-stop *and* express runs. IC-3's can run coupled together or to the electric IR-4, and can couple/uncouple in seconds (even while moving). IC-3's dominate Denmark's intercity service (above); run in Sweden, Israel and Germany; and are coming to Spain and Belgium.

"SUNSET COMMISSION"

S 1318, the Senate counterpart to HR 1788, says that—by the fifth anniversary of enactment—Amtrak shall operate without any Federal operating grant. Moreover, an Amtrak Reform Council would have the power, on the third anniversary, to order the beginning of an Amtrak shutdown process ("sunset trigger"), if the Council sees a "likelihood" that Amtrak would continue to need an operating grant after the fifth anniversary. NARP has urged deletion of this provision, since various proposals aimed at improving Amtrak's bottom line have been killed or delayed.

MORE BRITISH PRIVATIZATION PROBLEMS

"The main paradox on the financial front is that while...BR [British Rail] cost the taxpayer about £1 billion ($1.56 billion) a year in subsidies [previously], the privatised railway will cost the taxpayer up to £1.7 billion ($2.65 billion). This was the conclusion of an all-party committee of members of parliament...

"This annual sum will...be in addition to the [one-time] costs of privatisation which have been calculated by opponents of the process at about £1 billion ($1.56 billion). In September, a Labour MP said the government had spent more than £100 million ($156 million) on consultants' advice on rail privatisation. Lawyers are also major beneficiaries as they wade their way through the production of an estimated 15,000 contracts. As one American observer interested in buying into railway freight operations commented: 'This privatisation is designed by consultants for the benefit of lawyers.'

"It is also difficult to see where future capital investment will come from to sustain and improve both infrastructure and rolling stock, except where major savings are guaranteed. What incentives do Railtrack [infrastructure company] and the Roscos [rolling stock leasing companies] have to invest, especially if franchises are granted for no more than seven years? *[Service costs are high partly because separate Roscos were created and then allowed to capture the substantial difference between the book (depreciated) and market value of the rolling stock, leading them to charge more for its use.—ed.]*

"But for all the criticism and uncertainty...the government is pressing ahead...

"'I have never claimed that the privatisation process would be quick or easy,' said Mr John Watts, minister for railways and roads, with mind-blowing understatement. The government has clearly invested too much money and credibility in privatisation policy to back down now. The worry is what sort of rail legacy [Prime Minister John] Major will leave to the country. It will be complex and it will be expensive. It may yet prove to be deeply inefficient."

—Editor-in-Chief Mike Knutton,* International Railway Journal, *Falmouth, U.K., November 1995 issue.

"In the past, with the exception of some discount fares, a rail ticket could be used on any train...[but] already there are a number of routes where different operators will not accept the tickets of their 'rivals.'

"At a time when for practical and environmental reasons rail needs to be taking traffic off the roads, the reverse looks likely. The nearest comparison to rail privatisation is [local] bus deregulation. And since the buses were broken up, passenger numbers in the big cities (with the exception of regulated London) have fallen by a third.

"It should be remembered that in general, rail is an extremely safe form of transport...However, the fragmentation of the rail network and shortage of investment is increasing the potential for accidents. In 1993, the Health and Safety Inspectorate warned that the break-up of the railways could lead to '...an increase in the numbers, and possibly the severity, of accidents.'"

—"A Rail Users Guide to Rail Privatisation," Save Our Railways (a coalition of Transport 2000, the Railway Development Society, labor and municipalities in Britain).

Mallery Reports on Amtrak West

Gilbert Mallery, CEO of Amtrak West since January 1995, addressed the NARP board at Seattle on October 28. A former director of state passenger rail programs in Washington and Oregon, Mallery has gotten much praise for his leadership of Amtrak West, and appreciation for his commitment to resolving Amtrak's financial problems by expanding revenue and improving service quality (rather than just cutting service). The most visible example is the upgrading last May of Amtrak West's only long-distance train—the *Coast Starlight.*

Through "word-of-mouth, editorial support and travel agents...the message got out that the *Starlight* is a superior train, despite no advertising [yet] in [calendar] 1995," Mallery said. He inherited no fiscal 1995 marketing dollars. He plans $1.8 million in *Starlight*-specific advertising in fiscal 1996.

Another success story: the emerging Pacific Northwest corridor, to which Washington and Oregon have contributed (going back to Mallery's days there). He sees continued growth here. He has board approval for $10 million to buy new equipment for the *Cascadia*, adding on to a planned state order to reequip the *Mt. Adams* and *Mt. Baker International.*

Also, Mallery's budget includes a Portland first-class lounge—the first one west of Chicago. (Other West-Coast lounges are held up by the need for broader renovation at Seattle and anticipated changes to the space Amtrak uses at Los Angeles.) Capital investment in Amtrak West's 1996 budget totals $24.5 million—about twice what Amtrak invested in the region before creation of the "strategic business units."

Mallery anticipates the arrival of ABB's IC-3 Flexliner (page 1), including an extended *San Diegan* line revenue service test, and introduction of new California cars on that line. ■

—John A. Ross

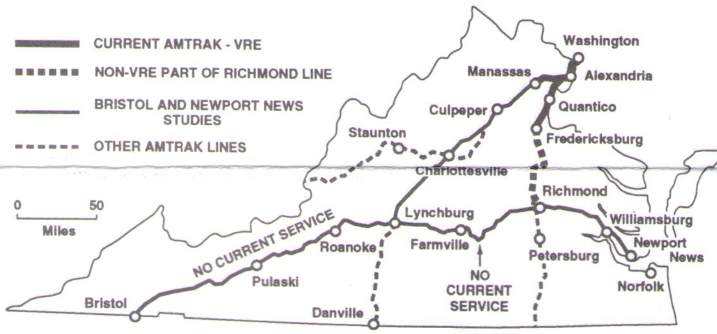
NARP President John R. Martin (right) presents to Amtrak West CEO Gil Mallery a commemorative plate (yet again, donated by NARP Director Ned Williams of Dandridge, TN).

***Mass Transit* (Nov.-Dec.) has an article by NARP Pres. John R. Martin critical of Amtrak, citing parallels between recent years' service cuts and earlier private railroad actions that drove off customers. Martin is encouraged that Amtrak seems to be addressing some of the problems the article covered.**

Virginia Looks Ahead

The Virginia General Assembly, in its 1993 budget bill, directed two state departments (Transportation, Rail and Public Transportation) to study passenger and freight needs on the Richmond-Washington, DC rail corridor. The departments found that parallel I-95 was congested, and that rail improvements could provide a greater benefit, for less cost, than highway expansion (see box).

Various levels of travel demand (based on future population growth) and various levels of incremental service improvements were studied. Currently, the top speed on the rail line is 70 mph. Implementing phases 1-3 would cut 23 minutes from the schedule, raise the top speed to 90 mph, and cost about $14 million. Signals would be added and curves straightened or banked higher.



—Scott Leonard

Phases 4-6 would cut out 17 more minutes, raise speeds to 110 mph, involve tilt trains and cost $349 million more. A third track would be added south of Alexandria (and a second track where a single-track bridge was built at Quantico in 1988). A seventh phase would cut another 20 minutes, raise speeds to 135 mph, and eliminate all grade crossings.

Population growth, shorter running times, and more train frequency would raise corridor ridership from about 700,000 now to as much as 2.2 million in 20 years (phases 1-6).

RICHMOND CORRIDOR IMPROVEMENTS
Highway vs. Rail

	Capacity (Persons/Hour)	Construction Cost (millions)
Rail— One Additional High-Speed Track	5250 (75% Load Factor)	$1.5-3.5 per track-mile
Highway— One Additional Interstate Lane	2300 (1.14 persons/vehicle)	$2.5-5.0 per lane-mile

—Virginia Department of Rail and Public Transportation

Plans to improve the existing Richmond station at Staples Mill, and the rebirth of Main Street Station downtown as an intermodal terminal (Aug. '92 *News*), would be coordinated with the other corridor improvements. Ridership at Staples Mill has doubled in the last ten years, to 265,000 in fiscal 1995.

Funding

Phase 1-3 improvements to the Richmond-Washington line could have been covered by Virginia with $2-4 million a year in ISTEA Surface Transportation Project (STP) funds over four years. But an attempt to include intercity passenger projects in STP failed during Congress' National Highway System bill conference (see Dec. *News*)—even though Sen. John Warner (R) was a conferee and Gov. George Allen (R) wrote the conferees in favor of inclusion. Since many of the improvements benefit commuter rail (VRE serves the Washington-Fredericksburg segment), and are already eligible for STP funds, work still can begin in the north.

Where all that leaves the rest of this good project is unclear. The state study acknowledges that Amtrak, which runs the line's intercity passenger trains, does not have the resources to make these improvements. Broader ISTEA flexibility would have been a very beneficial tool to avoid costly highway expansion by investing in rail over the entire Richmond-Washington corridor.

Other Work

The state is working on a study of twice-daily passenger rail service from Bristol in far western Virginia to Roanoke, Lynchburg, Charlottesville and Washington. At Lynchburg, the train would split with one section going to Farmville and Richmond (Main St.). Fossil fuel tilt trains would be used at a top speed of 79 mph, for a Bristol-Washington running time of 6:41 (6:15 to Richmond). The total capital cost would be $54 million.

Also underway is work on identifying potential high-speed corridors with other southeastern states (North Carolina, South Carolina, Georgia, Florida), and improvements to the Richmond-Newport News line. ■

AND A LITTLE FURTHER SOUTH...

"...Funny though, you rarely hear policy-makers complaining about the direct and indirect public subsidies of such other forms of transportation as ferries, ports and roads. For instance, [North Carolina] DOT officials say tolls [and fares] provide about 7% of the operating cost of the state's ferry system, about 30% of the cost of local transit systems, and about 63% of passenger train operating costs. Obviously, the taxpayer subsidy is considerably less for rail passenger service than for some other components of our total transportation system. The point is not to argue subsidies, but to recognize the public stake in the entire transportation network. We all stand to gain if the state can provide first-class rapid, intercity rail travel and avoid the horrendous cost of widening our superhighways ad infinitum...

"The *Carolinian* and *Piedmont* are more than an experiment. They likely are part of the solution to North Carolina's long-term transportation problems. Each year North Carolina's highway fund accumulates more than $1 billion for transportation programs, but the state spends only $3.9 million of that on passenger trains. It's worth sticking with them for the long haul."

—Editorial, The Charlotte Observer, *October 12, 1995*

TRAVELERS' ADVISORY

In response to strong comments by NARP, the *Pioneer* and daily Denver-Salt Lake City service are safe at least through September 30; the Amtrak Board approved such management recommendations December 6. A NARP protest was answered December 14 with restoration of *Desert Wind* dining car service west of Salt Lake City (it had ended September 30, 1995).

***Vermont:* Amtrak added Windsor (for Mt. Ascutney) as a *Vermonter* stop December 15.**

***Slumbercoaches:* Slumbercoach service ends January 1 on the *Lake Shore Limited* and January 15 on the *Silver Meteor.* Space permitting, already-ticketed passengers making no other changes will be reaccommodated, with the full first-class package. The *Meteor* will get another Heritage 10-roomette, 6-double-bedroom car (regular First Class rates).**

***Crescent:* *All* sleeping cars on diner-less trips—*none* on trips with diners—have "Slumber Plus" service (low rates in 10-6 sleepers). NARP Pres. John R. Martin met with Amtrak officials November 17 in Chicago, primarily to press for better *Crescent* capacity and service. Some coach fares for trips local to Birmingham-New Orleans dropped one third November 30. Coach and sleeper capacity increased December 14. Last trips for the fourth weekly New Orleans round-trip (Oct. Advisory) may be February 24-25, unless ridership is strong. Martin protested continuing unawareness of this trip by some Amtrak reservation agents.**

***Transit:* BART opened an extension from Concord to North Concord/Martinez (3 mi.), December 16.**

DOT REORGANIZATION

NARP and 24 other groups co-signed a Surface Transportation Policy Project letter to Secretary Peña urging him not to proceed with a pending DOT reorganization proposal to replace the railroad, transit and highway administrations with an Intermodal Transportation Administration and make parallel budgetary changes. There is widespread belief that the result would increase the power of highway interests.

House Amtrak Bill Passes *(from page 1)*

one appointed by the President, who must "consult with" the Speaker of the House and the Senate Majority Leader regarding two members each, and with the House and Senate minority leaders on one member each. *Board members could not be Amtrak or federal employees or rail labor or management representatives.* Undoing a 1981 improvement in the law, the company's president no longer would chair the board. Moreover, he or she would not even sit on the board.

If there is no new board in 60 days (quite likely, given partisan politics), the board's duties would fall to one person—a "Director General" appointed by the special court created in 1973 to handle Northeast rail freight reorganization.

House Republicans fear today's board would not let Downs bargain forcefully with labor. This is strange, given labor's anger at Amtrak for supporting legislative labor reforms. NARP fears this part of HR 1788 would bring back management uncertainty similar to what Amtrak endured towards the end of the late President Claytor's tenure, and bring a "scorched earth" approach to service cuts.

Temporary Rail Advisory Council

Consisting of transportation and management experts subject to the same "could-nots" as the new board (see above), this seven-member group would:

- evaluate Amtrak's performance and its business plan;
- suggest more ways to improve Amtrak's bottom line; and
- "recommend appropriate methods for adoption of uniform cost and accounting procedures throughout the Amtrak system, based on generally accepted accounting principles."

The council's interim report is due 120 days after enactment; the final report 270 days after enactment.

Four "No" Votes: Not Anti-Amtrak

Two members—Floyd H. Flake (D-NY) and Melvin L. Watt (D-NC)—voted "no" to protest the 161-249 defeat of a Cardiss Collins (D-IL) amendment striking the bill's limitation on non-economic damages. Anthony C. Beilenson (D-CA) felt that the bill represents a degradation of government policy toward passenger trains. Doug Bereuter (R-NE) believed that the bill's deletion of the requirement to run a national system endangers the long-distance trains. ■

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