



Shutdown Crisis Averted—Temporarily

For much of June, there was a threat of an early-July Amtrak shutdown, due to a cash shortage. As the seriousness of this gradually sank in, media attention grew. A shutdown would not affect Amtrak trains alone; it also would paralyze commuter and freight service on Amtrak properties in the Northeast, and around Chicago, Los Angeles and San Francisco.

Amtrak has ended recent fiscal years by borrowing from private-sector lenders. By June 14, it was clear that such would not be possible this time. Lenders were uncomfortable, as auditor KPMG did not certify Amtrak as a “going concern.”

During the week of June 10, Gunn said he needed \$200 million to keep the system running through September 30. On June 14, Chairman Patty Murray (D.-Wash.) of the Senate Appropriations Subcommittee on Transportation announced a June 20 hearing. Bush Administration

officials did not want this hearing.

On June 17, after giving up on a private loan, Amtrak filed a loan guarantee application for \$200 million with the Federal Railroad Administration. At Murray’s hearing later that week, Gunn said failure to receive the funds would force him to shut down the system in July.

The immediate threat ended late June 28 when Amtrak and the Administration reached agreement on a loan guarantee of \$100 million (from the Railroad Rehabilitation and Improvement Financing Program). The agreement had a series of conditions that included a commitment by Amtrak not to expend any resources through September 30, 2003, on planning or operating new services, and to “provide a list of at least \$100 million in operating reductions,” presumably for fiscal 2003 (quote from Transportation Secretary Norman Y. Mineta’s June 28 statement).

The threat initially appeared to lift late June 26 when Secretary Mineta announced agreement in principle with Amtrak. June 27 newspaper reports said the terms were not onerous—things Gunn already had committed to do—like providing clear, frequent reports, or things Amtrak could do easily.

However, June 28 newspapers ominously reported that no deal had been reached. But late that day agreement was reached, with the Administration agreeing to let Amtrak continue to enter labor agreements that inhibit new contracting out of work, and Amtrak agreeing to the tall cost-cutting order.

The Amtrak Board helped prevent a worse outcome. It met June 24 at Mineta’s request. Chairman John Robert Smith remained engaged the whole week.

According to the June 25 *Washington Post*, “Sources said many members of the Bush Administration had become angry at the independent, straightforward style of

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NARP Report—Rail Must Be Developed

In a report released June 20, NARP urges a bold approach to upgrading and expanding the nation’s “largely neglected...rail system to modern 21st Century standards,” thereby making rail a real travel choice for Americans.

In the new report, “Modern Passenger Trains: A National Necessity; Analysis and Recommendations,” NARP favors creating a “broad long-range vision for an expanded intercity rail network that connects all regions and metropolitan areas of the country and serves all important transportation routes,” and funding that vision partly through creation of a rail trust fund.

Regarding Amtrak’s cash crisis, the report urges giving Amtrak “an immediate emergency grant” to insure maintenance of “all current routes and services” and the “repair and return to service [of] all passenger rolling stock now idled...”

The report is consistent with statements of DOT Inspector General Kenneth Mead,

who says the cost of running long-distance trains is “chump change” compared with Northeast Corridor infrastructure investment needs. NARP favors transfer of ownership (but not control) of Amtrak infrastructure to the Department of Transportation, emphasizing that the Secretary would be “responsible for funding the maintenance and development of these assets as publicly owned facilities to support” all forms of rail service.

The report urges mandating “that Amtrak’s Board of Directors be appointed to represent all regions” and inclusion of “elected officials, business leaders and consumers.”

NARP supports improving and expanding all types of intercity passenger rail services: “Even though public use of Amtrak’s existing trains is high, lack of adequate capital funding over the three decades of Amtrak’s existence has greatly limited its ability to satisfy the nation’s

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HOLLINGS ACCEPTS NARP AWARD



NARP President Alan M. Yorker (left) and Executive Director Ross B. Capon (right) present the Association’s George Falcon Golden Spike Award to Senator Ernest F. Hollings, Jr. (D.-S.C.), chairman of the Committee on Commerce, Science and Transportation. The presentation took place May 7 in his office; Debbie Hersman of his staff earlier accepted the award on his behalf at NARP’s Washington reception April 25 (May News).

Amtrak Crisis (from page 1)

Gunn, blaming him for turning the problem into a national spectacle. One purpose of Mineta's call for an Amtrak board meeting was to determine whether the Amtrak board would back Gunn or would undercut him. The Amtrak board has

ADMINISTRATION'S PASSENGER RAIL "PLAN"

In what the *Washington Post* called a "hastily arranged" news conference at the U.S. Chamber of Commerce on June 20, Secretary of Transportation Norman Y. Mineta outlined principles for passenger rail policy. The timing was designed to come before Senator Murray's hearing that afternoon.

Below, DOT's five principles are in quotation marks, followed by NARP editorial comments:

- "Create a system driven by sound economics." This means no federal operating grants, pushing operating losses to states, who would be unlikely to fund multi-state, long-distance trains, and whose budget problems make it difficult to pay for corridor trains.

- "Require that Amtrak transition to a pure operating company." This is already the case for nearly all Amtrak services away from the Northeast Corridor.

- "Introduce carefully managed competition to provide higher quality rail services at reasonable prices." The Administration says rail use is not bigger because of "higher unit costs;" NARP says it's because of lack of service offered. Freight railroads vigorously oppose franchising out entire routes.

- "Establish a long-term partnership between states and the federal government to support intercity passenger rail service." NARP supports an 80-20 federal-state partnership for passenger rail, as is common for other modes.

- "Create an effective public partnership, after a reasonable transition, to manage the capital assets of the Northeast Corridor." The NEC should be transferred to the federal government, not to a vague coalition. Amtrak should keep control of dispatching and investment.

often been criticized on Capitol Hill as weak and easily affected by political considerations. However, sources said the board backed Gunn so solidly that several veteran observers were surprised."

Surviving Through September

The June Amtrak/Administration agreement would provide Amtrak with a loan guarantee for \$100 million, enough perhaps to operate into mid-August.

In July, DOT and Amtrak jointly will ask Congress for another \$100 million in emergency appropriations and/or loan guarantees. In order to prevent another shutdown crisis in mid-August, Congress would need to take such action after its return from the Independence Day recess (July 9), and before the summer recess (July 26 in the House, August 2 in the Senate).

House-Senate conferees working on the emergency supplemental appropriations bill, H.R.4775, now have a tentative agreement on a government-wide funding total, \$30.4 billion (but still more than President Bush has said he wants).

There also seems to be agreement on including \$205 million for Amtrak. The Senate, when approving its version of this bill on June 7, included \$55 million for Amtrak for security needs and car repair. It's not clear if that \$55 million is still in the bill. Final negotiations will be in July.

At a hearing on a different topic June 27, Mineta was sharply criticized by Senators who resented the Administration's insistence on last-minute, long-term reform demands as a condition for helping Amtrak through its immediate cash crisis.

Chairman Murray objected to "putting Amtrak into any more debt to solve this crisis." Commerce Chairman Ernest Hollings (D.-S.C.) told Mineta, "We've been trying to give you the money, if you would only accept it...We've had no

leadership whatsoever from your department on Amtrak."

Media interest was intense. As one example of Amtrak's nationwide visibility, the crisis was the lead story in the business section of *The Daily Oklahoman* at least twice (June 25 and 29).

The NewsHour with Jim Lehrer did a "newsmaker interview" with Gunn on June 13, and on June 25 had a lengthy Amtrak segment including a discussion with Sylvia De Leon of the Amtrak board, and Thomas Till of the Amtrak Reform Council. NARP was deluged with requests for interviews. NARP's Ross Capon appeared on the CBS Evening News June 22. NARP's on-line, weekly Hotline had a record number of visitors.

Fiscal 2003

It is important that fiscal 2003 appropriations (bills for which have not yet been introduced) provide Amtrak with its full request of \$1.2 billion. The Bush Administration's proposal remains at \$521 million. DOT Inspector General Kenneth Mead testified earlier this year that is a shutdown budget, and it still is.

As a June 29 *New York Times* report indicated, Administration insistence on \$100 million in cost cuts in 2003 may by itself cause a substantial loss of service or a system shutdown. Amtrak, after all, already has eliminated checked baggage service in Michigan and decimated services at long-distance-route stations—even in big cities—with infrequent service.

Advocates apparently must hope that Gunn can find "no-brainer" cuts that his predecessor missed, or that a change in ownership of the Northeast Corridor comes quickly and qualifies for "Bush cost-cutting purposes." n

STREETCAR REVIVAL PAPER

"Bring Back the Streetcars! A Conservative Vision of Tomorrow's Urban Transportation" is a new report by Paul M. Weyrich and William S. Lind, of the Free Congress Foundation in Washington.

The authors define the unique role that traditional streetcar lines can and do play in reviving urban centers. Projects in Dallas, Memphis, and Portland, Ore., are examined in more detail.

The 41-page report can be ordered through the Foundation at 717 2nd St., N.E., Washington, DC 20002, 202/546-3000, or web site <<http://www.freecongress.org/>>.

TEXAN FED UP WITH FLYING

"Flying from Texarkana to DFW and then on to Chicago is too much for me. I am 79 years old and just cannot handle it. So I have been riding Amtrak's *Texas Eagle* (3 times this year). The sleeping car service is fantastic. The car attendants are courteous and very attentive. In the half million miles I have flown, I have never been treated as good. The government has no problem funding the airlines, so why not fund Amtrak. Amtrak must be kept solvent."

—a NARP member, Wake Village, Tex.

Capitol Hill Rally, Letters Supporting Amtrak



NARP joined seven other organizations in planning a May 8 Rally for Rail Day on Capitol Hill. People came from across the



NARP President Alan M. Yorker, at left, addresses the crowd at the May 8 Rally for Rail, near the Capitol in Washington, D.C. Above at left is Rep. Bob Clement (Tenn.), Ranking Democrat on the House Transportation and Infrastructure Railroads Subcommittee. Above (far right) is Sen. Joe Biden (D.-Del.)



country to attend the rally and visit with key legislators in support of passenger rail. Rally speakers included Reps. Quinn (R.-N.Y.) and Clement (D.-Tenn.) and Sens. Carper and Biden (both D.-Del.). Local officials speaking included Mayors Kenneth Barr of Fort Worth, Tex., and Patrick Henry Hays of North Little Rock, Ark., representing the U.S. Conference of Mayors.

A pro-Amtrak resolution was released. The resolution, the long list of organizations endorsing it, and a release about the May 8 event are at www.narprail.org or available from NARP for \$3 and self-addressed stamped envelope.

A June 6 letter to House appropriations leaders asking for \$1.975 billion for Amtrak in 2002 (\$1.2 billion to run the system, plus security funding) in 2003 was signed by 162 Representatives. A similar letter, signed by 52 Senators, asking for \$1.2 billion, was sent June 17. n

Poll Favors Wisconsin Trains

A poll conducted in mid-February, and released June 18, showed strong support among Wisconsin residents for development of passenger rail in that state.

"We were simply overwhelmed by the strong support shown in the survey for more train service," said John Parkyn, president of the Wisconsin Association of Railroad Passengers (WisARP). He is also a NARP regional director. "The public is saying it wants more trains and faster trains, and is willing to help pay for them."

The poll was released at two news conferences; one at the former Milwaukee Road station in Madison, the other at the Amtrak station in Milwaukee. Speakers included Parkyn, Randall Wade of Wisconsin DOT, and Kevin Brubaker of the Environmental and Law Policy Center.

Poll highlights include:

- **76.6% said they would use trains if the nine-state Midwest Regional Rail Initiative** (Feb. '99 *News*) is developed. Around Madison, this figure was 91.7%.
- **63.6% favored state involvement** in expanding passenger rail.
- **54.3% favored use of federal funds** to improve passenger rail in Wisconsin. That's encouraging, but means the message that no state investment is likely to happen without a federal partnership needs broader explanation to the public.
- **Age and income made little difference in the results**, working against the arguments of some that rail is only for the

nostalgic, or wealthy land-cruisers.

The poll was conducted by Chamberlain Research Consultants of Madison, as part of its quarterly Wisconsin Trends survey. Contributing to the cost of the rail part of the poll were WisARP, ProRail (WisARP's Madison chapter), HNTB Consulting (Milwaukee), and the Environmental and Law Policy Center (Chicago).

Previous, similar polls covered in *NARP News* include Ohio (July '01), New York

NARP Report

(from page 1)

growing demand for transportation..."

The report urges a public debate to "focus on strategies that will allow rail to realize its full potential in serving public needs, not on ones that seek only to reduce further—or eliminate entirely—federal support of intercity rail service."

Key recommendations include:

- The previously mentioned "vision" to create an "expanded intercity rail network" would "outline policies for allocating public funds by regions and types of service and establish guidelines for balancing volume growth with farebox recovery."
- "NARP urges the Federal Government to establish a Rail Trust Fund...so intercity rail is not entirely dependent on the annual appropriation process for its funding. The Federal Government would fund 100% of the national system and 80%

State (Feb. '98), and nationwide (July '95).

The Wisconsin poll shows that people are interested in trying and using rail services that do not exist today. This should encourage public officials to make the investments necessary to develop those services—just as they have done for decades with highway and airport investment. n

The poll can be read on-line at <http://www.wisarp.org/BadgerPoll.htm>.

of state sponsored regional services..."

- End the unrealistic "operating self-sufficiency" mandate, and set realistic performance targets based on growth in usage and "realistic farebox recovery levels."
- "Maintain Amtrak as the agency responsible for managing and dispatching the Northeast Corridor as well as the other lines and stations it currently owns..."

NARP President Alan M. Yorker emphasized that the NARP's primary focus is on results. "We are happy to defer to the greater wisdom of Congress if different approaches can produce the truly balanced transportation system we firmly believe America wants, and Americans need." n

The report is available (at no charge) in "pdf" format on the NARP web site, www.narprail.org, or by mail for \$7.

TRAVELERS' ADVISORY

More sleeper changes—In reversing an unusually strange decision, Amtrak restored Viewliner sleeping-car service to the *Twilight Shoreliner* June 21. This will significantly enhance Amtrak's revenues. NARP had urged Amtrak not to remove the sleeper in the first place, but they did on May 20.

The *Kentucky Cardinal* again lost its Viewliner sleeper for the summer, effective June 16.

New baggage policy—Amtrak is now limiting the number of carry-on bags to two per passenger. Exceptions are personal effects like purses, laptop carriers, briefcases, baby accessories (and items put into checked baggage, where that service is offered). Amtrak says the policy will enhance passenger safety.

Amtrak has assured NARP that the new policy will not be enforced gratuitously; that is, when it is reasonably clear that additional bags will not

be a problem on a given run. Also, in cases where passengers have multi-segment trips, they will not be forced to leave "excess" bags behind, mid-trip, if they were allowed to have them on their first trip segment.

Carry-on bags (except those listed above) must have identification tags.

Summer track work—Due to work in Michigan, Amtrak's Chicago-Detroit-Pontiac trains run slower, with endpoint arrivals 30 minutes later than those shown in the April 29 timetable (through September 30).

Also, trains 350 and 353 run Friday-Sunday only during that period (and train 355 originates in Pontiac Monday-Thursday).

In Illinois, work related to the Chicago-St. Louis high-speed project will make some trains run later or earlier through August 9; check with Amtrak before travel.

Stations—Pauls Valley, Okla., dedicated a new station June 14, served by Amtrak's *Heartland Flyer*. It has an

enclosed waiting area, restrooms, parking, and is adjacent to the old station (now a city museum).

Raton, N.Mex., regained checked baggage service (and daily hours) June 19. NARP pointed out the devastating impact of the earlier staffing reductions on business such as Boy Scout groups that use this station.

Anderson/Woburn, Mass., became an Amtrak *Downeaster* (Boston-Portland) stop July 1. It is on MBTA's Lowell Line, is close to I-95/Rte. 128.

Downeaster service to Old Orchard Beach, Me., begins July 12.

Thruways—All Amtrak connecting bus service in South Carolina ended June 30, when the contract carrier ceased operations.

Transit—New Jersey Transit opened a ½-mi. extension of the Newark City Subway, to Bloomfield Ave., June 22.

Dallas DART extended its Red light rail line from Park Lane north to Galatyn Park (in Richardson), July 1.

EVEN BETTER HARRISBURG AIR-RAIL PLANS!

The rail station planned for Harrisburg International Airport (HIA) will be just 150 yards from the air terminal, and the two will be linked by an enclosed, elevated walkway with moving sidewalks. The original plan put the station 300 yards from the air terminal.

The new plan also increases the

amount of parking which also will be served by that walkway. There is enough land for at least 340 spaces before any garage construction is required. Because parking at downtown Harrisburg is difficult, HIA is expected to become the region's main station.

The station will be fully enclosed, with high-level platforms, so

passengers can transfer between train and air terminal with complete protection from rain and snow.

The project totals \$220 million, of which only about \$10.5 million is for the rail terminal. Construction is expected to begin this summer. The target date for opening the facility is summer 2004.



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