



Amtrak: Interest, Travel Both Rising

Amtrak travel volume seems headed for an increase in 1997, after three straight annual declines. Also, crowds are flocking to view modern trains in places not known as Amtrak strongholds. Meanwhile, politicians and pundits are engaged in a furious—often uninformed—debate about whether intercity passenger rail should even exist.

At the Ticket Window

For the first seven months of fiscal 1997 (October-April), travel on Amtrak Intercity (most long-distance trains; all Chicago-based corridors) was up 5% (measured in passenger-miles) vs. a year earlier. [A passenger-mile is one passenger carried one mile.]

In the same period, travel was up 9% on Amtrak West (*Coast Starlight*; California and Pacific Northwest corridors). This is remarkable in light of winter, flood-related service interruptions. Travel was down 16% in January, but up 23%, 28% and 12% in the following three months.

Over 10,000 people toured the IC3 Flexliner train at St. Louis, Kansas City and Jefferson City the first weekend in April. The IC3 is an articulated, three-car, self-propelled diesel train used in Denmark, Israel and elsewhere. For the rest of April, the train was in St. Louis-Kansas City revenue service (*Mule* schedule). Those trips were practically sold out, and passenger revenues on that route were up 45% for the month (with the *Ann Rutledge* also picking up extra riders).

The IC3 spent May in Oregon (below), and is in Wisconsin during June and September. Gov. Tommy G. Thompson (R)

rode a special IC3 trip June 3. Said the next day's *Milwaukee Journal Sentinel*: "Thompson said he would like to see the Flexliner running permanently between Milwaukee and Chicago—and between Milwaukee and Watertown. Then he urged anyone who agrees to lobby Congress to earmark 0.5 cent per gallon of the federal gas tax for Amtrak."

This is not the first time that the public has demonstrated new trains will drive demand through the roof even with existing running times. Certainly higher speeds are important, but one generally needs a constituency to push for major track improvements. The public's eagerness for flashy, new trains at today's speeds can help development of that constituency.

In the Furious Debate

Rep. Sam Hoyt (D-Buffalo) engineered a strong, pro-Amtrak letter signed by 60 New York state legislators. The letter asks the state's congressional delegation "to support a stable and efficient future for Amtrak and for high-speed rail." The letter cites all Amtrak services in the state, including the Boston-Albany section of the *Lake Shore Limited*.

Small-city mayors who have worked on passenger rail have done well in re-election bids. On May 3, as the Texas legislature debate over the Amtrak loan was at its climax, every Texas mayor involved was re-elected (except in San Antonio, where the incumbent did not run).

On June 3, Mayor John Robert Smith (R) of Meridian, MS, one of the nation's most prominent Amtrak boosters, was re-elected with 64% of the vote.

But the *Mobile Register* ran three negative editorials (April 8 and 18; May 31) attacking both Amtrak and Rep. Sonny Callahan (R-AL). The newspaper is attacking Callahan's conservative credentials because he favors "the continuation of a socialized business" (i.e., Amtrak).

The *Register* talks of "stop[ping] all federal subsidies to Amtrak and privatiz[ing] it"—as if some passenger trains would survive the change. Similarly, Elizabeth Dole, Reagan's Transportation Secretary, told a Senate subcommittee on February 21, 1985: "I do believe that creative methods [of running

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—Robert E. Krebs

The IC3 Flexliner visited Oregon in May (shown above at Portland May 5), including revenue runs on the Portland-Eugene segment of the *Cascadia*. It was a big success there, with May ridership far above any previous month (9000, vs. a normal 5000). Another 3000 rode special trips. Unfortunately, this is the same *Cascadia* segment threatened by expiration of state funding June 30 (see *Travelers's Advisory*, p. 4).

From 1985 to 1995, Western Europe's rail passenger-miles (commuter rail and intercity, not local transit) rose 3%. The biggest increases were the Netherlands (55%), Italy (33%), Austria (32%), and Ireland (30%). The biggest decreases were Portugal (16%), France (11%), and Greece (10%). A million people commute into London every day—over 70% by train.

—Commission of the European Communities, 1996

Cost-Cutting Progress: Electricity and Reservations

While some pundits and freight railroads do their best to paint Amtrak as "a lost cause," management continues to chip away at the operating-grant needs many expect to disappear in five years. Some new examples: a deal with the huge energy firm Enron, and plans for two new Reservations Sales Call Centers (RSSC's).

Amtrak and Houston-based Enron have signed an

agreement allowing Amtrak to buy its Northeast Corridor electricity at reduced rates. Amtrak now spends about \$40 million a year on electric traction, paying an average seven cents per kilowatt hour, which is high for an industrial consumer. Estimated savings from the Enron deal: 30% the first two years, 50% thereafter, some to be passed on to commuter authorities who pay Amtrak for the electricity their trains use.

For the agreement to become effective, Enron must ask the PJM and New York Power Pools for transmission service. If the power pools refuse, then Enron would ask the Federal Energy Regulatory Commission (FERC) to order the power pools to provide that service. If, in any FERC proceeding, the power pools question Amtrak's status as a wholesale power purchaser, FERC would review that issue. Amtrak hopes the savings will begin by October.

Amtrak owns a near-new RSSC (built in 1994) in Riverside, CA. But the pending expiration of the Chicago lease and the obsolescence of the Fort Washington, PA, RSSC (near Philadelphia) led the Amtrak board on May 29 to authorize management to finalize lease negotiations for new RSSC's in Chicago and Philadelphia.

An Amtrak release said the decision "was based on an economic analysis of the real estate and operational costs of over 40 potential RSSC sites, including Jacksonville." Chicago and Philadelphia won largely because "those two cities and their respective states provided significant economic incentives to retain Amtrak jobs. In addition, labor leaders of the Transportation Communications Union (T.C.U.) worked with management on work rule changes which would avoid the disruption of the workforce."

The release quoted appreciative words by Amtrak President Tom Downs on the efforts of Governor Ridge (R-PA), Philadelphia Mayor Rendell (D), Representative Borski (D-PA), Chicago Mayor Daley (D), and Senators Durbin and Moseley-Braun (both D-IL). The Chicago move must be done by March 1, 1998, and Philadelphia shortly thereafter. ■

RETURN TO KANSAS CITY UNION STATION?

Amtrak and the developers of Union Station in Kansas City have a tentative agreement to move Amtrak back into that historic building. Amtrak in 1985 moved into a pre-fab building under the adjacent Main St. viaduct. Now a plan to make Union Station into a science museum (Oct. '94 News) could place Amtrak in the former drugstore and soda fountain area.

That would give Amtrak much more visibility. Amtrak officials are looking at the logistics of the proposal, which would put the Amtrak waiting room further from the tracks than the current station. Amtrak President Tom Downs, who grew up in Kansas City, made a personal visit to help end what he has called Amtrak's status as a "troll under the bridge" there.

Amtrak Debate

(from page 1)

trains without federal support] will be devised. I'm optimistic that the Northeast Corridor especially will survive."

However, on April 23, 1985, Secretary Dole told a House subcommittee that a private takeover "was one of the things we wanted to look at early on and I think, in the time that has intervened, we have had a chance, really, to focus on that. I don't think realistically that is likely to happen."

Of course, passage of healthy appropriations and the long-awaited reform authorization bill would give the taxpayer better value for money. ■

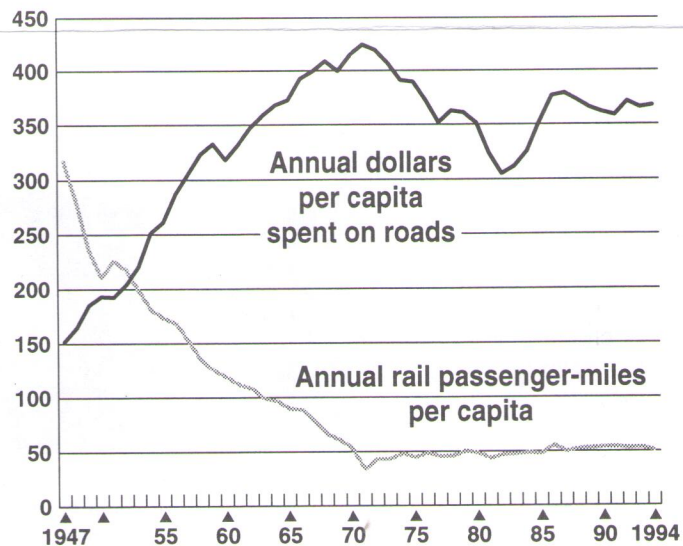
DID TRAINS REALLY BECOME MERELY PASSÉ?

"People voting with their accelerator pedals...have really taken away from what had been the rail passenger [market]," said one guest on a March 31 PBS television show on Amtrak. But is that how it really happened?

It's more of a "chicken-and-egg" situation—which came first, passengers abandoning trains, or governments building roads for them to drive on instead? At right is a chart drawn from the Federal Highway Administration and other sources. It shows a clear, inverse relation between highway spending (all levels of government, adjusted for inflation) and passenger train use (intercity and commuter).

As public-sector road spending (per capita) climbed from 1947 to 1970—surprise!—private-sector passenger train traffic (per capita) declined. As road spending leveled off after 1970, and as governments began also to partially support trains, the decline in rail traffic was halted (and traffic rose a little).

People will use trains where a good, improved service is offered. Certainly increased service frequencies, improved stations, and new equipment help explain the 312% growth in Amtrak ridership in the Pacific Northwest since 1982. But it's no surprise that people will not use trains in great numbers where service is spotty or deteriorated (or in any numbers where it is non-existent) and where governments have done all they can to steer them towards choosing to drive—if "choosing" is even the right word.



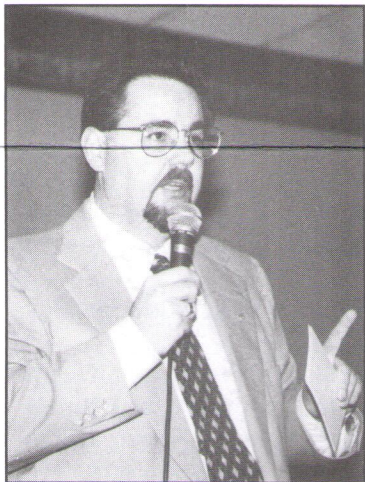
—Scott Leonard

NOTE—Dollars are inflation-adjusted (1996) dollars

Amtrak Northeast President Addresses NARP Board

[The following is based on Amtrak Northeast Corridor President George Warrington's April 24 talk to the NARP Board of Directors, and on May interviews with him.]

In three years, the Northeast Corridor bottom line has improved by about \$200 million—thanks to cost reductions and major efforts to increase passenger *and* non-passenger revenues and develop partnerships. In fiscal 1995, the Northeast Corridor Business Unit's net financial impact on Amtrak was minus \$98.2 million. The 1997 impact is an estimated plus \$101.8 million. (The 2002 target is plus \$326 million.)



—John A. Ross

George Warrington

of high-speed rail, ridership growth, power savings and further asset developments.

Increasingly, says Warrington, "I get more complements than complaints. My policy is to talk to or send a personal letter to [an employee whom a customer has praised]. I do 15 or 20 of those a day."

Warrington says recent Northeast ridership losses have been primarily in New England, where—to facilitate electrification work—frequencies were reduced and a popular 6:30 am Boston departure was moved to 5:40 am. Ridership apparently is responding to the May schedule, which restored a frequency and the 6:30 am departure.

He says Amtrak Northeast has done more market research in the past two years than all of Amtrak had ever done. High-speed rail has been a big research focus. As a result, those familiar with European high-speed rail service may compare Amtrak's trains to the customer-focused interiors of the AVE [Spanish high speed service] rather than to TGV or Eurostar. Research findings have guided decisions on interior colors and materials, ADA features, bistro and first-class car designs, seat selections and branding and name options.

Employees are Warrington's pride and his frustration. "One of the most encouraging things is their dedication to the company—it's hard to find in lots of [other] organizations...[but] the thing that frustrates me the most is...how we have not prepared our employees through training, mentoring and day-to-day coaching. Consequently, I often see a reluctance to take risks and in general, a lack of empowerment. I don't

blame the employees...I think we desperately need to invest in training for first- and second-level supervisors. In fact, it is my personal goal to establish such training, which I have included in the NEC business plan."

These figures include \$52 million of Intercity costs but exclude \$115 million in corporate costs which are allocated to Northeast.

George Warrington, the unit's president, cited procurement efficiencies, improved retail leases and commercial agreements, "in-sourcing" work at the Delaware Shops, staff reductions, food sponsorships, route and service adjustments and pricing actions. Further improvements are projected in the future with the introduction

of high-speed rail, ridership growth, power savings and further asset developments.

Warrington says he talks to Intercity President Mark Cane "almost daily," and that the two business units work hard to make Amtrak's service appear "seamless."

During his 12 years at New Jersey Transit, he found Amtrak "impossible to deal with"—a "highly-centralized chain of command incapable of making any decisions in a quick, speedy, responsive or customer-sensitive way." Today, he thinks Amtrak is far more responsive to its ticketed customers, as well as commuter and state partners.

Some examples he cited:

- Introducing monthly passes (SmartPass) in all NEC markets in late January, which increased pass sales significantly.
- Adding stops at Parkesburg and Coatesville, PA (when SEPTA ended service there);
- The improved appearance of the nation's busiest Amtrak station under the Penn Station Pride Program;
- Close cooperation with all the states the NEC serves.

As for improved partnerships with commuter railroads and states, items not previously reported here include station improvements at Wilmington and Baltimore, and a high-speed rail station grant from Pennsylvania.

Warrington said, "We may not always do what one particular group or person wants, but I and members of my team are committed to listening and reviewing the facts, and making decisions that are fair to all those involved. This is the spirit of responsiveness that we should strive for each day. ■

TO THE EDITOR, U.S. NEWS AND WORLD REPORT:

"I was appalled at James Glassman's diatribe against Amtrak in your March 31 issue. My work periodically requires traveling 3-4 hours each way to our state capital. I value my time far too much to waste that much of it driving. Even though the trip by train is longer because the nearest station is an hour away, it's worth it because time on the train is productive. (Air is not a viable option here). Our European and Asian competitors understand the significance of productive travel time—something our 'love affair' with the car apparently has blinded us to.

"Mr. Glassman's statement that Amtrak only survives because of politics is a strange twist. Actually, our rail passenger system is only rudimentary because the federal government decided to invest billions in interstate highways and jet airports in the 1950's and 60's, while doing nothing to improve railroads (even though we paid to rebuild European railroads after World War II through the Marshall Plan). While we neglected our rail system, European and Asian governments were upgrading all three modes. As a result of all these political decisions, many of our competitors have efficient, balanced transportation systems; we do not.

"We need to build up Amtrak, not destroy it."

—Frank Barry, Groton, NY, March 31

TRAVELERS' ADVISORY

Texas Eagle: Normal consists (three coaches, two sleepers, diner, lounge) have been restored. Through-cars have not (despite what appeared here in May). Amtrak says through passengers can occupy the *Eagle* (rather than the station trailer) during the night.

Oregon: State funding for the Portland-Eugene *Cascadia* runs out June 30; Amtrak said absent more funding, service would end July 8. The legislature's budget for the 1998-99 biennium did not contain \$5.6 million requested by Gov. John Kitzhaber (D); alternate funding is being considered by the legislature.

Hiawathas: The Danish IC3 Flexliner is running in revenue service on certain Chicago-Milwaukee schedules through June 29. Amtrak and Wisconsin on May 14 signed a contract to continue the *Hiawathas* at least through June 2000.

Night Owl... becomes the extended, upgraded *Twilight Shoreliner* July 10. Northbound it leaves Newport News 4:30 pm, Washington 8:45 pm, New York 1:10 am and arrives Boston 6:00 am (6:10 weekends). Southbound it leaves Boston 8:00 pm, New York 1:30 am and arrives Washington 6:15 am and Newport News 10:50 am.

Cardinal: A dining car was added the first week in June; a second sleeper the second week.

Stations: Hayward, CA, became a *Capitol* stop May 29...Palm Springs, CA, became an unstaffed *Sunset Limited* stop June 3...Carpinteria, CA, becomes a *San Diegans* stop June 22.

San Joaquins: As of May 11, three of the four round-trips have California Cars and unboxed bike carriage. All have checked baggage.

Thruways: A bus as of June 23 connects Denver (bus—not Amtrak—terminal), Colorado Springs and Pueblo with the *Southwest Chief* at Trinidad, CO. It leaves Denver at 6:45 am. This makes possible again Denver-Los Angeles Amtrak travel—and though the *Desert Wind* provided a direct rail trip, the bus-*Chief* combination runs daily and actually is faster. It also makes Amtrak travel possible for the first time from Denver to Albuquerque and Flagstaff. The Amtrak Explore America Fare western region has been extended to east to allow one-zone travel from Denver to the west via Trinidad.

Many thanks to NARP and ColoRail members who worked so hard on this through the spring.

Ticketing Experiments: The three-day test hold limit for the *Crescent* is raised to seven days, like other reserved trains (except Metroliners; Mar. News). The non-refundable fares test on the *City of New Orleans* has ended (though tickets issued under that test remain non-refundable).

Transit: Dallas DART light rail extension opened May 31, Illinois-Ledbetter (2.9 miles).

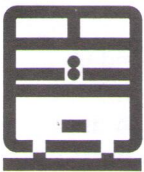
Bikes on Trains: Unboxed bikes are allowed on Kansas City-St. Louis trains (limit four per train), as a three-month experiment through September 15. Reservations must be made at least 24 hours ahead (\$10 charge).

MORE "F59" LOCOMOTIVES FROM GM

Amtrak on April 15 announced the order of 21 diesel-electric locomotives from General Motors' Electro Motive Division of LaGrange, IL. These F59's will be similar to those used in California, built in 1994. The total cost is \$46 million, with spring 1998 delivery. They will replace older F40's (some 20 years old) on Amtrak corridors in California and the Pacific Northwest (including future Talgo service; Apr. News).

AMTRAK IN THE BUDGET RESOLUTION

In recent budget negotiations, Sen. William V. Roth, Jr. (R-DE) successfully fought for pro-Amtrak language. "Under the Roth brokered plan," said a June 5 release from his office, "Congress would be able to increase capital funding for passenger rail service by over \$400 million for each of the next five years—without increasing the deficit." More details will follow in the July newsletter. If you'd like those details sooner, send NARP an **s.a.s.e.**



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