



News from the

# National Association of Railroad Passengers

October-November 1995

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Vol. 29

## Amtrak's Fate Still Uncertain

Rail passenger supporters focused much of the year on Congressional action—both on Amtrak's direct general-fund appropriations, and on efforts to help Amtrak cut costs and gain funding from other sources. It's been tough. The federal budget is tightening and powerful special interests oppose virtually every effort to improve Amtrak's bottom line.

### 1996 Amtrak Appropriations

Reportedly, House-Senate conferees on HR 2002 (1996 transportation appropriations) have agreed on these numbers for Amtrak (see chart):

- **Operations:** \$185 million, plus \$100 million for transition costs. The total of \$285 million is 30% below Amtrak's initial 1996 requests for these categories (about 21%, or \$75 million, below Amtrak's latest estimate), and 27% below the 1995 operating grant.
- **Capital:** \$230 million for nationwide capital investment—no change from 1995 except as noted just below, and except up to \$20 million can be spent on Penn Station/Farley.
- **Northeast Corridor:** \$115 million for capital invest-

ment—vs. \$200 million in 1995—with the proviso that up to \$15 million of nationwide capital could be transferred to the Corridor if necessary.

• **Mandatory payments:** \$120 million in retirement and unemployment payments to non-Amtrak employees, for which Amtrak is liable under relevant "non-experience-based" laws. This is \$15 million less than Amtrak's estimated need. These payments are not discretionary so any shortfall would eat further into Amtrak's already-tight operating budget.

The conferees allotted more (\$635 million) in four basic Amtrak categories (operating, transition, capital, mandatory payments) than did either the House (\$628 million) or the Senate (\$605 million). Also, House language requiring final passage of Amtrak authorization before money could be appropriated to Amtrak was stripped.

### Amtrak Flexibility: A Question of States' Rights

Will states be given the discretion to spend ISTEA Surface Transportation Program and Congestion Mitigation/Air Quality funds on intercity passenger rail? The Senate voted 64-36 for this on July 21, but what counts is the outcome of a House-Senate conference committee on the National Highway System bill. House Transportation and Infrastructure Chairman Bud Shuster (R-PA) has strongly opposed this provision, but there was a ray of hope October 17 when Senate conferees voted by a 2-1 margin to continue to support the Senate's position on this.

On certain highway issues, the conferees adopted states'

(continued on page 2)

### ON THE SENATE PROPOSAL FOR A HALF-CENT OF THE GAS TAX FOR AMTRAK CAPITAL:

"...Congress should support the plan. The benefits of passenger rail service cannot be measured solely in terms of commercial profit and loss. It provides a form of transportation valued by millions of Americans and produces reduced highway and airport congestion and cleaner air, amply justifying some public expense..."

"To hold customers and attract new ones, Amtrak needs the kind of dependable capital financial structure that the highway industries enjoy through a dedicated trust fund. It is an investment the country should make."

—New York Times, September 16

"...Maintaining [Amtrak] will keep a balance in transportation for this country, which is too wedded to the automobile. It is fitting that Amtrak use some of the federal gasoline tax because Amtrak is a mass transit system that should be encouraged..."

—St. Petersburg Times, September 26

"...Citizens seem to want to keep Amtrak from derailling. A poll by the National Association of Railroad Passengers shows that most Americans would favor part of their federal fuel tax going toward a dedicated railroad fund..."

—Daily Gazette, Schenectady, NY, September 12

### AMTRAK APPROPRIATIONS

#### HR 2002, FOR FISCAL 1996

(\$ millions)

Category	Actual 1995	1996 Amtrak Request	1996 House Bill	1996 Senate Bill	Likely 1996
• Operating	392.0	260.0	216.0	185.0	185.0
• Transition (1)	0.0	150.0	62.0	100.0	100.0
• Capital (2)	230.0	365.0	230.0	200.0	230.0
• Mandatory payments (3)	150.0	135.0	120.0	120.0	120.0
• Northeast Corridor	200.0	235.0	100.0	130.0	115.0
• Penn/Farley	21.5 (4)	50.0	0.0	25.0	0.0
<b>TOTAL</b>	<b>993.5</b>	<b>1,195.0</b>	<b>728.0</b>	<b>760.0</b>	<b>750.0</b>

#### NOTES:

(1) One-time corporate restructuring—including severance—costs.

(2) Portion can be diverted—see story text.

(3) Federal railroad retirement and unemployment costs in excess of Amtrak's demands on system, therefore not part of true cost of operating Amtrak system.

(4) Post-rescission level, redirected to safety items in/near Penn Station.

## Amtrak's Survival

(from page 1)

rights policies which jeopardize safety. Hopefully, they will favor states' rights on Amtrak flexibility. That would improve transportation-system safety, balance, and responsiveness to the interest of the general public (rather than the road lobby).

### The Amtrak Half-Cent

Sen. Trent Lott (R-MS), chairman of the Subcommittee on Surface Transportation of the Senate Commerce Committee, proposed—and the full committee included in its Amtrak authorization bill (S 1318)—earmarking one-half cent of the Highway Trust Fund (HTF) for Amtrak.

This half-cent shifted October 1 from deficit reduction to the HTF mass transit account. NARP has a long history of strongly supporting transit. However, even if Amtrak promptly spends all the money the half-cent generates, at the end of the year 2000, there would still be \$8 billion in the account.

The half-cent must go through the tax committees. Though Senate Finance Chairman William V. Roth Jr. (R-DE) did not include the half-cent in his "chairman's mark" for the budget reconciliation bill, he spoke strongly for it in an open October 19 committee meeting, as did Senators Baucus (D-MT), Bradley (D-NJ), Moynihan (D-NY) and Nickles (R-OK).

### Fuel Tax Equity

"[Third-quarter] earnings at almost every airline have exceeded expectations. Even though we're heading into a slow part of the year, it's clear that airlines are still in control of their destiny," said Analyst Ray Neidl in the October 19 *Wall Street Journal*.

Amtrak, intercity buses and other transportation, of course, have for two years paid a 4.3-cent-a-gallon deficit reduction tax from which airlines were exempt until October 1 (August *News*). The airlines are working hard to regain that exemption, despite their continued prosperity. One ray of hope—a letter circulated by Sen. Charles Grassley (R-IA) and co-signed by Max Baucus (D-MT), John Chafee (R-RI) and John Breaux (D-LA). The letter urged including Amtrak and intercity buses in any renewal of the exemption for airlines.

### Other Issues

Amtrak hoped for early enactment of a new authorization

## BADGER STATE DOINGS

- Wisconsin and Amtrak agreed July 17 to keep the six daily Chicago-Milwaukee *Hiawathas* running through September 1996. The state will pay \$2.3 million, partly from federal Congestion Mitigation and Air Quality funds, in a deal approved by the U.S. DOT in June. Next, Wisconsin will consider contracting out the service after 1996, and testing a diesel multiple-unit train (self-propelled cars) on the route.

- No progress on Madison or Green Bay service has been made since 1993 approval of \$50 million in state bonds (Dec. '93 *News*). That law required Amtrak to agree to operate the service, but Amtrak was unable to commit equipment or operating costs. The transportation budget now before the Legislature would amend the 1993 law to allow parties other than Amtrak to operate the trains. The question of how to cover the capital costs beyond the bond money (about \$26 million more) still remains.

Retention of Senate-passed language in the National Highway System bill allowing states to spend some ISTEA money on intercity passenger trains (Sept. *News*) certainly would help here.

bill containing various cost-cutting and revenue-enhancing measures. By mid-October, however, both the House and Senate Amtrak authorization bills had yet to reach the floor.

- The Senate bill (S 1318), as passed in committee, would let Amtrak escape from purchasing high-cost electric power for the Northeast Corridor—potentially cutting Amtrak's costs from 12 cents to as low as 3 cents per kilowatt-hour. The bill also would let Amtrak transmit and resell power, a potentially lucrative business. Some electric utilities are fighting this hard.

- The Highway Users Federation opposes any use of HTF funds for Amtrak and is particularly vociferous in opposing flexibility.

- The American Public Transit Association strongly opposes the half-cent for Amtrak.

- Labor's role is discussed in a separate article. ■

## OAKLAND SERVICE RESTORED

Passenger rail service to Oakland, CA was restored May 22 with the opening of a new station at 245 Second St., at Jack London Square. The station was dedicated to the memory of C. L. Dellums (1900-89), co-founder, with A. Philip Randolph, of the Brotherhood of Sleeping Car Porters, the first labor union created and led by African Americans. He was the first chairman of the California Fair Employment Practices Commission, and the uncle of U.S. Representative Ron Dellums (D-Oakland).

The \$15-million project was supported by the Port of Oakland and the California DOT (Caltrans). It was designed by VBN Architects of Oakland and San Francisco.

The glass-and-steel station replaces the old Southern Pacific station at 16th St. in West Oakland, which was badly damaged in the 1989 earthquake. A temporary facility was opened there, but closed in August 1994. After that,



—VBN Architects

Emeryville (opened August 1993) was the Amtrak stop nearest Oakland. A pair of massive pine benches from 16th St. was moved to the new station.

## TRAVELERS' ADVISORY

October 29, new non-Northeast Amtrak timetable:

**Florida Service:** Sanford (non-Auto Train) is unstaffed. The Tampa-Clearwater-Treasure Island Thruway bus is eliminated.

Amtrak had planned to eliminate Hollywood as a stop, which NARP protested. However, this has been postponed at least 30 days.

**Michigan:** The state transportation commission voted to restore daily Chicago-Grand Rapids *Pere Marquette* service. While it also voted to cut the Chicago-Lansing-Toronto *International* from daily to four days a week, and to eliminate all food service (!), Amtrak will delay such changes while options are examined.

Royal Oak is added as a stop on Pontiac line.

**Lake Shore Limited:** Amtrak adds Waterloo, IN as a stop (plus Dunkirk, NY in April).

**Crescent:** The tri-weekly New York-New Orleans through-trains get a first-class upgrade and dining car. But the other trains ending in Atlanta (#819-820) get downgraded and lose capacity and dining service. NARP has protested that, and Amtrak is reviewing it.

**Texas Eagle:** Stops added at Carlinville, Pontiac and Dwight, IL.

**Missouri:** Washington, MO now a regular stop.

**San Diegans:** Caltrans and Amtrak extend one train (current #576/579) from Los Angeles to Santa Barbara and San Luis Obispo. On weekdays, trains 771 and

780 will have some stops eliminated between Los Angeles and San Diego, running about 0:30 faster.

**Thruways:** The Phoenix-Flagstaff night bus connecting with the *Southwest Chief* are dropped. The operator of this scheduled (not charter) run is changing schedules due to light use of the night trips.

New bus service leaves Dubuque, IA 8:00 am, return leaves Chicago 2:30 pm.

Previous changes:

**Pennsylvania:** The New York-Pittsburgh *Three Rivers* got checked baggage service October 1—an improvement to an unpleasant connection to the *Capitol Limited* at Pittsburgh. The *Pennsylvanian* already had it, though that has not been reflected in timetables. *Three Rivers* added stops at Tyrone and Latrobe.

**Desert Wind:** Amtrak suddenly eliminated dining car service between Salt Lake City and Los Angeles September 30. First class passengers get box meals.

**Silver Meteor** now has a guaranteed 0:50 southbound connection at Washington from the *Vermont*. Southbound *Silver Star* leaves New York 10:10 am (0:32 earlier; no changes Washington and south). Northbound *Star* runs about 1:20 later up through Washington (arriving 12:50 pm), but arrives 2:03 later in New York (5:53 pm).

**Transit:** A new Metrolink commuter rail line opened October 2 between Irvine and Riverside, CA (44 miles). It will be extended to San Bernardino in January.

## Amtrak

### Thoughts on Management, Labor

**Management:** While NARP does not agree with everything Amtrak CEO Tom Downs has done, we think he is an effective leader who really wants to save a *nationwide* rail passenger network. Some criticism directed at him reflects no appreciation of the environment in which he is working.

Most rail passenger supporters will applaud his selection of Robert C. VanderClute, who has been with the company since its inception, as Interim CEO of the "Intercity" business unit. Intercity CEO is a tough job, with responsibility for the Chicago-based corridors that need faster speeds, and for almost all long-distance trains.

The former CEO, Art McMahan, who resigned effective October 15, apparently worked hard and imbued his staff with a healthy respect for the bottom line, but focused on cost reduction almost to the exclusion of revenue growth.

Under VanderClute, for example, prospects seem brighter for running longer (higher-capacity) long-distance trains, which is what top management initially said would be done to retain revenues in the wake of frequency reductions.

In response to NARP's pleas, VanderClute moved quickly to improve handling of passengers and mail at Pittsburgh; we may even see through New York-Pittsburgh-Chicago passenger cars as NARP requested last summer.

We also expect VanderClute to take a new, critical look at Amtrak plans to eliminate the *Pioneer* and to reduce Denver-Salt Lake City frequency from daily to tri-weekly.

**Labor:** Interest groups rarely give up a benefit without a

fight, but it has been frustrating to watch labor define "victory" as minimizing change in the labor aspects of the authorization bills while—in contrast with previous years—largely ignoring the crucial appropriations process.

Indeed, some workers regard Downs as the enemy, forgetting his need to maintain credibility with pro-Amtrak Republican legislators who see the need to make labor reforms if they are to save Amtrak.

The low point came when House members left on their August break with bad feelings because labor raised last-minute objections to wording which had been in the bill for four months—and which since has been accepted by labor and adopted by the committee—that had the outside potential to reduce labor protection benefits for freight railroad workers from six to four years.

The labor protection controversy did not begin with the November election and in fact explains why last year the then-Democratic leadership did not bring an Amtrak authorization to the floor. Reps. Joel Hefley (R-CO) and Joe Barton (R-TX) shrewdly recognized that trains are popular but generous labor protection provisions are not. Hefley and Barton targeted the latter. The key goal for Amtrak supporters must be to secure policies that save jobs and create more of them—see lead story.

In fairness to labor, we conclude by noting that—since management worked to keep labor protection payments at a minimum—only a handful of the more than 1,500 who left Amtrak actually received labor protection, which applies only in limited situations such as *elimination* of a route and *closure* of a shop facility. ■

**ON AMTRAK AND THE APPROPRIATIONS BILLS:**

"...Unfortunately, both the House and Senate bills [HR 2002] reduce subsidies for Amtrak and commuter-rail systems, as well as to intra-city transit. Yet aid to highway construction increases slightly.

"The result is a vicious circle: Transit systems raise fares. Ridership falls. The needy feel the pinch. And public policy then makes no sense..."

—Miami Herald, August 26

"...The United States has become a decidedly car-oriented society: We raise our speed limits, keep gas prices low and put pitifully little money into intercity public transportation..."

—Daily Gazette, Schenectady, NY, September 12

**ON AMTRAK PRIVATIZATION**

"...While sentiment to eliminate Amtrak's subsidy sounds grand in theory, no intercity passenger railroad is profitable. There's no proof Amtrak can be privatized—and no clamor from the private sector. Congress' own experts say Amtrak needs \$4 billion to modernize. That...is being ignored..."

—The Sun, Baltimore, September 18

**HOW TO BE A NARP DIRECTOR**

To become one of NARP's 70 regional directors, send us your name, address, home and office telephone numbers, and a statement about your background and your interest in being a director. This statement will go to members, and must not exceed 75 words. Send it to "NARP Candidate" at our office address (not the P.O. box!), postmarked by January 2, 1996—or hand-carried, faxed or e-mailed by January 5. Please include nothing else in the envelope!

Ballots with candidates' statements will be sent to NARP members shortly thereafter, with elections taking place at regional meetings (and by mail). Regional directors serve two-year terms. Upcoming board meetings include Rockville, MD April 25-27, 1996 (and April 1997) and St. Louis in October 1996.

**NARP's NEW E-MAIL ADDRESS:**

narp@worldweb.net

We were hooked up September 22. This address will reappear every month in the masthead below.

**A NEW WAY TO TRY THE TRAIN**

In 1994, on I-95 in Dade, Broward and Palm Beach Counties, the Florida Highway Patrol issued over 24,000 speeding tickets. Between July and September 1995, besides speeding tickets, state troopers were to hand out 20,000 Tri-Rail commuter train passes. "We're trying to be helpful by getting some of these impatient drivers off the roads and onto the trains," FHP spokesman Ken Howes told the Miami Herald June 25. The program may even save lives—on I-95 in South Florida in 1994, 37 people were killed; 26 already in 1995.

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