



# NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

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(No. 6 was mailed August 2)

RETURN REQUESTED

## AMTRAK REDUCES SERVICE

URGENT!

EDITORIAL

Please write to your Senators, your Representative, and your President, asking them to support a supplemental appropriation which will provide Amtrak with the full amounts authorized for Fiscal 1978, including \$545 million for operations and \$130 million for capital improvements (as opposed to the \$488.5 million and \$108 million appropriated so far).

If your state or district is hurt by the cutbacks listed below, be sure to let your legislators know that, too. NARP's Washington office always appreciates receiving copies of the replies which you receive from your legislators.

The Honorable \_\_\_\_\_  
U.S. Senate  
Washington, D.C. 20510  
Dear Senator \_\_\_\_\_ :

The Honorable \_\_\_\_\_  
U.S. House of Representatives  
Washington, D.C. 20515  
Dear Rep. \_\_\_\_\_ :

Amtrak has announced unprecedented service reductions effective September 8. The moves were described as an effort to reduce losses and "to operate within a lower federal subsidy". The changes are:

- "The Inter-American", running between Chicago and Laredo via St. Louis, Little Rock, Dallas, Austin, and San Antonio, will revert to tri-weekly operation south of St. Louis. The move comes one month after the train was "Amfleted" to insure reliability of air-conditioning, and three months after Amtrak had made the entire run daily (the Chicago-Ft. Worth segment has been daily since Oct. 31, 1976). It also comes at a time when the Missouri Pacific has somewhat improved its handling of the train, perhaps in response to intense pressure in the press.
- The New York-St. Petersburg "Champion" will be discontinued until Dec. 14. This is the first time that only one daily round-trip will be linking the Northeast Corridor with Orlando and the Florida west coast, and the first time that major Northeast cities will have no late afternoon/evening departure on that run. Columbia, SC, and Raleigh, NC, will lose the new second daily round-trip which had been boosting ridership there. The remaining train, "Silver Star", will have new stops at points served exclusively by the "Champion": Palatka, FL; Camden, SC; and Southern Pines, NC. (In a related move, Walter Diem of the Florida Association of Railroad Passengers is urging that the "Champion" serve Sarasota and Venice when it is restored in December.)

(continued on p. 2)

Rail passenger service is in greater danger now than ever before. NARP—and, until recently, Amtrak President Paul Reistrup in most of his speeches—has advocated increasing the frequency of Amtrak service in order to make it more attractive and to reduce the deficit per passenger mile.

Now, as this News reports, Amtrak is moving in the opposite direction, reducing the frequency of four services, with rumors of more cutbacks to come in October, both on long and short haul routes.

It seems irrefutable that Amtrak's forward momentum has been halted, and there is a danger that a "negative snowball"

### More Proof: People Want Convenient Trains!

Aided by an extension of service from Superior into downtown Duluth, and by a schedule change, Amtrak's Minneapolis-Duluth "Arrowhead" posted a ridership increase in May of 248% over the same month last year, averaging 166 passengers per train.

has been set in motion.

The economics of the industry dictate that most routes with only one round-trip per day (or less!) will always be in trouble because of the high proportion of fixed costs—that is, costs which do not vary, or vary only slightly, with the number of trains operated. This includes the cost of manning and maintaining stations, but it also includes the cost of employing people full-time who, due to contractual restrictions or practical necessity, are charged entirely to Amtrak for doing a small fraction of a day's work.

Similarly, on a systemwide basis, the costs of certain overhead functions (i.e., top executives' salaries; the computerized reservations and information system) are relatively fixed regardless of how many trains Amtrak operates. Therefore, the more well-patronized trains Amtrak has, the smaller the portion of overhead costs which could be allocated to individual trains, and the smaller their deficit per train or passenger mile.

Conversely, as runs are eliminated, the economics of the remaining trains will look more unfavorable.

NARP pointed out earlier ("Senate Warns Amtrak", Jan. News) that, up to a point which has not yet been approached, increasing Amtrak's total subsidy would permit a more efficient use of the funds because the deficit per passenger mile would be reduced.

One illustration of this involves the United States Railway Association's Final System Plan proposal for the establishment of "corridor-type" rail passenger services on a network of routes in the general area served by ConRail (March, 1975,

(continued on p. 2)

## Amtrak Reduces Services *(cont'd. from p. 1)*

- The Oakland-Bakersfield, CA "San Joaquin" will be reduced from daily to "quad-weekly" service. The train will run on the busiest days, southbound Thursdays through Sundays and northbound Fridays through Mondays. Ridership on this newly Amfleted run is higher than ever before. In April and May, there were averages of 163 and 185 passengers per train, respectively 54% and 66% above the same months in 1976.
- Through New York equipment of Southern's Washington-Atlanta-New Orleans "Southern Crescent", which had been running as a separate train between New York and Washington, will be combined with the Amfleted Boston-Washington "Patriot". We hope that Amtrak will run these trains separately whenever necessary to eliminate delays which might otherwise hurt the performance of both the "Crescent" and the "Patriot".

Amtrak projects that these four changes will save approximately \$5.5 million. More service cuts are being considered, since Amtrak will have to save about \$50 million to live within the figures approved so far. The press release announcing the above cuts concluded: "Amtrak will determine if other reductions will be required during the upcoming fiscal year and has begun to review costs and ridership on other routes."

Also on Sept. 8, as reported in our last issue, the "Empire Builder" (Chicago-Minneapolis-Seattle via northern Montana) will for the first time be reduced from daily to quad-weekly. Amtrak has already discontinued turboclub service on the Chicago-Milwaukee line, and is apparently contemplating reduction from daily to tri-weekly service on the Chicago-Oakland ("San Francisco Zephyr") run west of Denver, and reduction of service on several other routes including the Northeast Corridor.

### NEW OAKLAND-SACRAMENTO TRAIN

Amtrak's Board of Directors has approved spending \$150,000 for improvements on the Oakland-Sacramento line and the Oct. 30 startup of a new "403(b)" train. California's Department of Transportation (Caltrans) will pay for half of the \$300,000 improvements—primarily for station work—and half of the operating costs.

Amtrak says it committed itself to the operation of this train before the severity of the current budget crisis became apparent. Caltrans undoubtedly did also, hoping to provide a convenient two-trips-per-day pattern in conjunction with the "San Francisco Zephyr"—only to learn later that the "Zephyr" may shrink to tri-weekly at the same time that the new service begins!

### EDITORIAL *(cont'd. from p. 1)*

*News*). All of the big-city stations required for this network are now manned and in daily use by Amtrak. But, in most cases, they are used by one daily round-trip long-haul train. The result: inefficient use of the stations and unnecessarily high station costs allocated to those long-haul trains.

This discussion has focussed on costs, but a parallel argument exists for revenues: increased service frequency will result in a proportionally larger ridership increase due to the greater convenience of more frequent service, and especially the new practicality of making *convenient* round-trips. This was most recently demonstrated on the LA-San Diego line (March *News*).

Stated bluntly, it is irresponsible to fund the basic foundation for a nationwide system, and incur all those fixed costs, and then refuse to pay for operation of a meaningful level of service.

Amtrak, as the operator of the service, is the agency best able to translate the above generalities into specific numbers. Its most basic responsibility to the Congress and the Administration is to report the facts of its operations in a manner useful for policymakers, recognizing that the Amtrak Board is not the only body in which Amtrak policy is formulated.

This year, as the likelihood of a serious budget crunch became clear, Amtrak did not begin to report the specific consequences of the operating budget levels under consideration until two days after Congress recessed in early August, and the full impact of the budget approved by Congress is still unknown.

The belief that Amtrak is inefficiently managed may have played a role in the refusal thus far of Congress and the Administration to provide adequate funding for Fiscal 1978. But perhaps the two most important inefficiencies—both requiring more, not less, money for correction—are:

- The failure to engage in a massive program to convert older long-haul rolling stock to more reliable, cheaper electric heating and air-conditioning;
- The failure to run more than one daily round-trip on most routes and to establish corridor services on several new routes, including those designated in the Final System Plan.

The level of service problem has been dealt with at length above. The equipment problem deserves more comment.

Converting old equipment to electric "hotel power" would be cheaper than buying new equipment; operating the converted cars would be cheaper than operating old equipment unmodified. Failure to move on this program now means that most long-haul routes will suffer one of the following blights indefinitely: unreliable, costly operation of steam-heated cars, or conversion to Amfleet equipment which will anger long-haul patrons, since it means the use of coaches not properly designed for the service, and the elimination of diners and lounges. (Even the 60-seat Amcoaches are inappropriate: too cramped; windows too small; unnecessarily high seatbacks create feeling of isolation.)

The Congress and the Administration need (whether they want to or not!) to know what the cost of such a massive conversion would be. They also need an analysis of the relative productivity of the funding approved for FY 1978 and of supplementals aimed at (1) preserving roughly the existing service, and (2) establishing, in addition, a basic pattern of additional service on existing routes and/or USRA-annointed corridors.

Now is the time. The budget crunch will get worse, not better, in the future. Indications are that the Administration's figure for FY 1979 will be \$500 million for Amtrak's operating budget—not even enough to run the present system in FY 1978!!

## Chicago-Detroit Slow Orders

In testimony before the House Subcommittee on Transportation and Commerce, chaired by Rep. Fred Rooney (D-PA), the Michigan Dept. of State Highways and Transportation has charged ConRail with neglecting much-needed track maintenance on its Jackson-Kalamazoo line, thus jeopardizing the success of Amtrak and state-supported trains serving Michigan.

Amtrak owns the Kalamazoo-Michigan City, IN, segment, and with the help of State funds has raised passenger speeds there to 79 mph. While these improvements have been underway, however, the Jackson-Kalamazoo line has deteriorated to the point that, as of July 12, 27.7 miles of the westbound main track and 4.7 miles of the eastbound were under 30 mph speed restrictions, and the State fears that if new ties are not installed soon some sections will have to be reduced to 10 mph. Passenger trains now consistently arrive 30 to 60 minutes late, and the State believes this to be the primary reason for a ridership decline on the Chicago-Detroit trains this year.

ConRail is obligated under its agreement with Amtrak to maintain tracks to the level of utility which existed on April 1, 1976. Amtrak has threatened to take legal action against ConRail if the latter's noncompliance with this agreement continues. There is some indication that ConRail intends to do the trackwork after all.

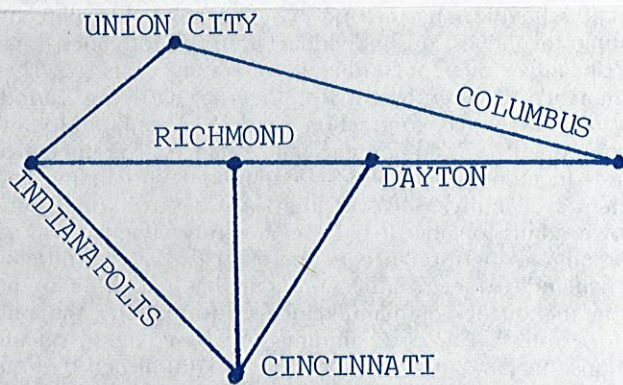
## NATIONAL LTD. THREATENED

Unless there is Congressional action, it appears that after Oct. 1 Amtrak's "National Ltd." will bypass Dayton, OH, and Richmond, IN, and run on a slower schedule through Union City while being subjected to more freight interference and becoming less reliable. The train currently links New York, Philadelphia, Washington, and Pittsburgh with Columbus, Dayton, Indianapolis, St. Louis, and Kansas City.

NARP fears that the loss of Dayton might put the "National" on Amtrak's "hit list" if budget problems continue. Since Amtrak began serving the city at reasonable hours on April 24, Dayton ridership has soared and has surpassed that of Columbus, which is handicapped by a bad "temporary" station location and somewhat less attractive train times. Dayton's May on/off count was 246% higher than in May, 1976.

If Amtrak vacates Dayton's excellent downtown station, who knows what obstacles might prevent Amtrak's return if Ohio corridor services ever get off the ground?

Most outrageous of all, if the "National" is forced onto the Union City bypass—which all agree would be an unsatis-



factory interim solution—Amtrak might have to pay ConRail for further improvements to that line to avoid painfully slow schedules. Or, as ConRail President Richard D. Spence put it in a letter to Amtrak's President Reistrup: "In view of the volume of freight traffic on this line, it may well be that Amtrak will want to consider a capital expenditure for train control."

When the Final System Plan was being written, Amtrak planned to reroute the "National" via Cincinnati. This plan is not feasible now because the Cincinnati-Indianapolis line has not been upgraded, and NARP does not believe the plan makes sense at all.

NARP Executive Director Ross Capon told the Ohio Rail Transportation Authority, in testimony before ORTA's well-attended Aug. 1 Dayton hearing, that rerouting the "National" via Cincinnati would make the train slower and less attractive for long-distance travelers while not providing the reliability needed for short-haul traffic.

Capon suggested that, once Chicago-Indianapolis trackage is restored, Indianapolis-Cincinnati service (by the "Riley" and any new corridor trains) might be provided via Richmond and the Norfolk and Western's Richmond-Cincinnati line. This would be more economical because it would make use of existing mainlines and not require the total rejuvenation of the 109-mile direct Cincinnati-Indianapolis line.

**NARP members are urged to write to Sen. Russell Long (D-LA), Chairman of the Commerce Committee's Subcommittee on Surface Transportation, and to Sen. Birch Bayh (D-IN), Chairman of the Appropriations Subcommittee on Transportation, and ask them to take steps to see that the "National" is not forced off its present route. Send copies to your own Senators. Note the threat which the problem poses to continuation of the "National", the only train to serve several important cities, including Columbus and Indianapolis.**

## "Floridian" Comments Requested

Amtrak is now soliciting public comment on the future of the Floridian, which is in danger of being discontinued because of high losses and low ridership. The operation of the Floridian is currently being examined under the criteria and procedures for making route and service changes approved by Congress last year. The request for public input is part of this review process.

Prior to discontinuance, Amtrak must ascertain whether changes in services, routing and schedules will result in improved performance. Amtrak has listed five alternatives regarding the present service which are under review for implementation after December 31, 1977. They are:

- Continue present route with possible schedule and/or service modification.
- Reroute service to operate via Chicago, Nashville, Birmingham, Atlanta, Macon, Savannah, Jacksonville, Miami/St. Petersburg.
- Reroute service to operate Chicago, Nashville, Chattanooga, Atlanta, Macon, Savannah, Jacksonville, Miami/St. Petersburg.
- Reroute service to operate Chicago-Atlanta (via either Chattanooga or Birmingham), then Macon, Albany, Jacksonville, Miami/St. Petersburg.
- Discontinue service over entire route.

(NARP can support only the third alternative above.)

**Amtrak must receive comments on or before October 12 either in written form or through a special toll-free number made available for this purpose. Written comments should be addressed to Mr. H. L. Graham, Project Officer, Amtrak, 955 L'Enfant Plaza North, S.W., Washington, D.C., 20024. The toll-free number, which is in operation between the hours of 9 a.m. and 6 p.m. EDT, is 800/424-7966.**

NARP has consistently maintained that the Floridian is one of the most poorly routed and most poorly managed trains in the Amtrak system. Not only does the train fail to serve the largest metropolitan area in the South (Atlanta), but it also succeeds in missing all connections with other trains in Chicago. At the very least, these two conditions should be met prior to any thought of complete discontinuance.

In a related development, Amtrak and Auto-Train have announced the termination of their experimental joint service between Louisville and Sanford, Florida, which has been operating since last October. The last northbound combined train will operate September 2, and the final southbound train will leave Louisville September 3.

While the combined effort appears to have been operationally viable, Amtrak noted that it "has made no significant contribution to reduce Amtrak's substantial deficit on the Floridian". The Amtrak Board on July 27 was told that a major problem was the payments which Amtrak had to make for the use of Auto-Train locomotives between Louisville and Sanford. This was necessary because of the slow orders placed on Amtrak's SDP-40 locomotives.

Auto-Train will initiate a weekend operation beginning on Sept. 9. Amtrak will continue its present schedule and will lease space in Auto-Train's so-called Louisville station and provide operating support service. The station, 13 miles from the city, may be fine for Auto-Train patrons who are by definition drive-in passengers, but its inconvenience for those without cars is just one more obstacle preventing development of the "Floridian" ridership.

Termination of the joint operating agreement restores to Amtrak the freedom to flip the "Floridian" schedule back to night-day-night, permitting same-day connections in Chicago with all major trains. We urge Amtrak to make this change.

# GAO Raps Amtrak Incentive Payments

The U. S. General Accounting Office, in its annual report on Amtrak issued June 8, 1977, stated that incentive payments made to railroads operating Amtrak trains have generally not resulted in improved service to Amtrak passengers.

According to the report, between July 1, 1974 and June 30, 1976, Amtrak paid out to ten railroads that had signed special incentive contracts a total of \$34.1 million for improvements in ontime performance and in the quality of equipment maintenance. The GAO study concluded, however, that ontime performance has improved "mainly because of a more liberal definition of 'ontime' and because of loosened schedules, not because of incentives," and that incentives "have had virtually no effect on improving the quality of equipment maintenance."

The original agreements between Amtrak and the participating railroads failed to link payments to the railroads with the quality of service provided. Consequently, the railroads were not motivated to introduce service improvements, particularly since they regarded the reimbursement for providing Amtrak service to be inadequate. A lower service quality, therefore, meant less losses attributable to passenger-related activities.

After Congressional prodding, Amtrak signed new two-year agreements after June 30, 1974 with ten participating railroads, amending the original contracts and including incentive payments and penalties directly relating to the quality of railroad performance in the following areas: schedule adherence, recovered time and excessive delays, schedule improvements, car cleanliness, equipment operability and equipment availability. The GAO agreed that the rationale behind incentive/penalty provisions is essentially sound. "Traditionally, incentive contracting has been an effective method of obtaining extra management effort." The report points out, however, that because of basic defects in the design of the incentive clauses and in the enforcement procedures, these provisions have not been effective.

**Ontime Performance Incentives.** Those railroads which signed "first amendment" agreements and operated Amtrak service prior to such agreements had averaged a fifty-five percent ontime performance before the institution of incentive provisions. After the incentives were introduced, the signatories averaged eighty-seven percent ontime. In spite of this apparently impressive improvement, the GAO asserted that these figures are highly misleading.

At the beginning of operations, Amtrak trains were regarded by management as late if they arrived at their respective destinations more than five minutes late. On January 1, 1974, Amtrak adopted a more liberal ontime criteria based upon those set forth in the Interstate Commerce Commission's Adequacy of Intercity Rail Passenger Service (Ex Parte No. 277). This meant that a train would be considered late if it arrived more than 5 minutes after its scheduled arrival time for every 100 miles of operation, or a total of thirty minutes, whichever is less. In addition, Amtrak renegotiated schedules with several incentive contracting railroads, adjusting their running times upward. Based upon these two aspects alone, the report shows that Amtrak paid out considerable sums for only a minimal increase in performance and actually paid Southern Pacific \$3.7 million for decreased performance in comparison to pre-incentive standards. The report notes further that Amtrak established a sixty-five percent baseline from which ontime incentive payments were computed for most railroads, thus virtually assuring that these railroads "would receive substantial incentive payments without increasing performance." Amtrak also combined statistics from all the passenger routes operated by a specific road instead of computing payments on an individual train basis, utilized times reported by the railroads themselves, and ignored arrival times at intermediate points. On this latter

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**Raymond A. McGill is NARP's Acting Assistant Director during August and September while Tom Crikelair is on leave. Ray has considerable experience in the rail passenger field, having previously worked as Chief of Correspondence for Amtrak and Chief Correspondent for the U.S. Railway Association.**

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point, the ICC requires that its ontime criteria be applied to intermediate points as well as to the terminus.

By June 30, 1976, Amtrak had made payments to the railroads of \$32.6 million for these "improvements." Amtrak's current management is, however, seeking to rectify the defects in the "first amendment" agreements. "Second amendment" agreements were signed this year with the Milwaukee Road, the Burlington Northern, and the Grand Trunk Western, and these agreements are being used as a basis for contract negotiations with other railroads. Improvements in the new contracts will evidently make it more difficult to earn incentives by instituting a stricter method for determining ontime arrivals, tightening schedules, raising the baseline to eighty percent, computing incentives on individual train performance, and varying incentive rates according to operating costs.

**Maintenance Quality Incentives.** Over a two-year period, Amtrak paid incentive contract railroads \$1.5 million to improve the quality of equipment maintenance. The incentive categories include car cleanliness, equipment operability, and equipment availability. However, the GAO has confirmed Amtrak's own admission that it has had no truly effective way to monitor railroad performance in these areas. As a result, the report concludes, the incentive program has had little or no effect on the quality of maintenance performed by the railroads for Amtrak. The GAO findings are based upon on-site inspections, personal interviews, and records furnished by both Amtrak and the railroads. Needless to say, these very same conclusions could be easily reached by any seasoned Amtrak traveler.

The GAO notes that Amtrak has also recently concluded "second amendment" agreements in this area with the Milwaukee Road and the Burlington Northern, purportedly designed to eliminate the major deficiencies in the "first amendment" agreements. Essentially, the new agreements do away with the old incentive provisions, which Amtrak has stated are unenforceable, and replaced them with "new preventive maintenance provisions." For example, in the case of the Burlington Northern, incentive payments and penalties are tied directly to railroad performance of periodical heavy, or "E" cleaning, of cars and preseasonal air conditioning and heating inspections. No penalties are assessed for the railroad's failure to perform other required work for Amtrak, such as short turnaround and layover car cleaning and repairs. In addition, while an Amtrak inspector must inspect the "E" cleanings and the preseasonal maintenance work, "he has no authority to force a railroad to redo the work or penalize it for doing work improperly." Payments, therefore, are apparently being determined by quantity and not quality. We join the GAO in questioning the adequacy of such agreements. Amtrak, of course, continues to assert that the major difficulties currently experienced will be alleviated after it completes its takeover of all maintenance facilities and personnel. The GAO is not convinced, since inspection revealed the same deficiencies at Amtrak facilities as were found at those of the railroads.

Generally, however, the GAO believes that Amtrak is making significant gains in its negotiations with the railroads. This is one area in which NARP has been particularly critical of Amtrak management, and we hope that the GAO is correct in its assessment. A more aggressive stance than in the past will be needed by management to successfully resolve the major issues which have recently arisen in Amtrak-railroad relations.