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Cardinal Fills Up!

LA-San Diego Bullet Trains in 7 Years?

After more than a year of preliminary work, Amtrak is "optimistic that privately financed high speed trains will come to the U.S. . . . soon." The hope is to assemble the funding in two years and, five years later, begin 59-minute nonstop service between downtown Los Angeles and San Diego, with an extension to LA International Airport (LAX) that would take 15 minutes. Intermediate stops are planned in Orange County and northern San Diego County, and the longest trip-time, LAX to San Diego with all three intermediate stops, would be only 87 minutes.

After concluding that a private company would be necessary to attract private investors, Amtrak brokered the creation of American High Speed Rail Corporation (AHSR). AHSR's formation was announced in Mar. 31 news conferences in New York, Los Angeles, and San Diego that received impressively positive television coverage and positive press reports occasionally tempered by skepticism.

AHSR's president is Lawrence D. Gilson, VP—Corporate Development at Amtrak, and the chairman is Alan S. Boyd, Chairman and President of Amtrak. Other AHSR board members: Richard Duchossois, Chairman of the Board of the Thrall Car Manufacturing Company; William C. MacMillen, New York investment banker; and William J. Quinn, former Chairman of the Board and Chief Executive Officer of the Milwaukee Railroad.

Part of \$5 million from Japanese philanthropist Ryoichi Sasaki was used to fund preliminary engineering feasibility studies by Japanese Railway Technology Corporation, an affiliate of the Japanese National Railways. A \$750,000 loan from Amtrak was used in part to fund marketing studies by Arthur D. Little, Inc.

In April 6 testimony before the House Science and Technology Subcommittee on Aviation, Transportation, and Materials, chaired by Rep. Dan Glickman (D-KS), Gilson assured legislators that the loan from Amtrak would be repaid and that no further Amtrak money was expected to be involved. AHSR's press release indicated that Amtrak "will retain certain contractual and statutory rights and will enter into commercial arrangements with (AHSR) to provide certain services. Such services may include use of reservations systems, passenger stations, and procurement of supplies and equipment."

A syndicate will be formed to handle an offering for final financing and will include both domestic and foreign banks and investment houses. The total financing package is to approximate \$2 billion, a quarter of which is expected to come from Japanese sources and the remainder from the U.S. and elsewhere. Gilson

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Benjamin Chairs Upbeat Hearings

"The Cardinal is doing better than we had projected . . . I think it's entirely possible this train will meet the criteria."

—Amtrak President Alan S. Boyd,
in Mar. 29 testimony before the Benjamin subcommittee

For several hours on Mar. 29, Boyd and Federal Railroad Administrator Robert W. Blanchette shared the witness table before the House Appropriations Subcommittee on Transportation. Although there were important points of disagreement, a spirit of harmony and good humor dominated, in place of last year's acrimony.

With regard to eliminating Amtrak service outside the Northeast Corridor, Blanchette led off by stating: "We've eliminated that as a subject of discussion."

Subcommittee Chairman Adam Benjamin, Jr. (D-IN) gave "compliments and congratulations to the Amtrak management team for their yeoman work" in getting the corporation on a more businesslike basis. He also congratulated Boyd and Blanchette on "getting your heads together" and reducing and clearly identifying areas of disagreement, making it easier for the committee to do its job.

Lawrence Coughlin (R-PA), ranking Republican, and a frequent train rider between Philadelphia and Washington, praised the real improvement in quality of stations and services he had observed. He added that the ride was not smooth enough but it is "certainly going in the right direction."

For its part, Amtrak indicated its commitment to the national system by proposing to acquire 50 new economy sleeping cars and 20 sit-down food service cars, all single-level. Economy sleeping accommodations are very popular, but Amtrak's current supply is very limited with several single-level overnight runs having none at all. In answering a question about how California's new overnight train was doing, Boyd noted that the two sleeping cars are sold out all the time.

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TRAVELER'S ADVISORY—2 NEW SLUMBERCOACH RUNS!

On Apr. 25, Amtrak added a Slumbercoach (economy sleeping rooms with private toilets/basins) to the NY-Miami side of the "Silver Star." St. Petersburg passengers can use the car NY-Kissimmee and ride coach south of there during convenient daylight hours.

The Washington-Chicago "Capitol Ltd." gets a Slumbercoach May 26, eliminating the need for Washington patrons to change to/from the "Broadway's" Slumbercoach at unpleasant hours in Pittsburgh.

Bullet Trains *(continued from page 1)*

forecasts that more than \$1.5 billion would be spent in the U.S. for construction material, equipment and labor.

Gilson says studies show that over 110,000 trips/day are currently taken in the LA-San Diego market, and foresees AHSR capturing about 30% for an estimated 14 to 15 million passengers/year. Modified Japanese bullet trainsets, each with eight cars and 530 seats, would provide 50 daily round-trips and average 125 mph, cruising at 160 mph. Each axle would be powered.

Amtrak reports that Gov. Brown and all of the major gubernatorial candidates seeking to succeed him have indicated they would strongly support AHSR's efforts. Other factors relevant to the project's success, as viewed at Amtrak:

- Increasing congestion on Interstate 5 with minimal practical opportunity to expand that highway's capacity. By 2000, the entire LA-San Diego freeway is expected to be congested in both directions all day. Trip times of up to four hours would make same-day round-trips impractical for most people.

- The opportunity to use much of I-5's right-of-way for the new rail line.

- The opportunity to coordinate work with developers as was done in Japan with the bullet trains, where department store magnates have helped pay for construction of commuter and bullet train lines in return for air rights at suburban stations. Over 10% of bullet train revenues are from the railroad's share of commercial development attributable to the railroad, says Gilson.

- Besides stimulating local transit development, the project stands to benefit from significant progress in developing rail transit which is already underway. (See box.)

LIGHT RAIL CALIFORNIA

The San Diego-San Ysidro trolley (July '81 News) has been a smashing success since opening last July and has already carried 3.1 million people, operating 98% on-time with a revenue-to-cost ratio of over 80% (compared with a forecast of 35%). Daily ridership is almost 12,000 (compared with a forecast of 9,800). Despite use of the honor system, in which random checks are made of about 40% of all riders, fare evasion is less than 1%.

Plans to construct a new 17-mile line from downtown San Diego eastward to El Cajon were reinforced by a Nov. '81 referendum in which 63% of those voting favored the line. State approval has not yet been received, but the right-of-way (ex-SD&AE Ry.) has already been acquired and land for stations and parking lots is now being purchased. Service is expected to begin in about three years.

San Diego's downtown trolley terminus is at the Amtrak station.

Similarly, chances are good that a Los Angeles-Long Beach light rail line would terminate at Amtrak's LA station. The Los Angeles County Transportation Commission voted unanimously in favor of the Long Beach line in March.

- Up to 50% of financing would be in the form of equity investment. Since payback to equity investors would not begin until after the inauguration of service, the overall interest rate for the project would be reduced.

AHSR hopes eventually to develop service in Texas, Florida, and a Chicago-based corridor. In his testimony before the Glickman subcommittee, Gilson identified "conditions which must be present to make the introduction of high speed rail service a viable prospect in the United States. These factors include at least:

- high-density, heavily traveled transportation corridors in which existing transportation alternatives are strained to capacity;

- access to a proven technology in order to avoid the necessity of engaging in extensive, expensive research and development;

- availability of already-assembled rights-of-way;

- a relationship with Amtrak in order to acquire the operating rights (if the route is one for which Amtrak has exclusive rights) and in order to arrange for shared use of the Amtrak national

"Coast Starlight" Rerouting

Many more residents of northern California will have access to Amtrak beginning April 25, when Amtrak reroutes its Los Angeles-Seattle "Coast Starlight" to the populous east side of the Sacramento Valley. The train presently runs along the valley's west side, where few people live.

The rerouting will give the "Starlight" several important new markets—Sacramento (SMSA population 1,014,000), Marysville-Yuba City (102,000), and Chico (144,000)—and will cost the train only one present market, Orland (town 4,000). (The route change will add 25 miles to the route and increase running time, at least initially, by 55 minutes.)

Both the east and west valley lines are owned by Southern Pacific Railroad, which managed to block the rerouting for several years claiming the east line could not handle the passenger train until Amtrak funded extensive track and signal improvements.

California DOT challenged SP and ultimately won, when a national arbitration panel threw out the railroad's claim on Dec. 14, 1981.

Omitted from the Nov. 1970 Preliminary Railpax (Amtrak) System plan, the "Starlight" was added in the Jan. 1971 Final plan, and consistently has been one of Amtrak's most heavily patronized long-distance trains. Amtrak expects the Sacramento reroute to cut the subsidy \$750,000/year.



reservations system, stations, coordinated schedules, etc.;

- strong support from federal, state, and local leaders in order to help address permitting, licensing, taxing and a myriad of other problems which inevitably arise with any project of this magnitude and complexity.

- heightened understanding in the American financial community of the factors which distinguish the economics of high speed trains from other kinds of railroad financing projects, including an understanding of the record of profitability high speed trains have exhibited in other parts of the world."

Gilson concluded, "The studies conducted to date give us a high level of confidence that the necessary conditions which I have just listed either now exist, or can be made to exist." ■

**THANK YOU, NARP MEMBERS,
for your generous response to our special appeal.**

NARP To Promote Cardinal With Pullman Classics

If you or anyone you know would like to make an East Coast-Chicago round-trip (dpt. NY Fri., July 2, on Cardinal; dpt. Chicago July 4 on Broadway terminating in Philadelphia) in historic Pullman cars, with open platform observation lounge, a private dining room and a uniformed staff of Pullman veterans offering unlimited food (prepared on board!) and beverage service, contact David L. Ross, 300 Winston Dr. #2020, Cliffside Park, NJ 07010 (201/886-1359). Cost per person including accommodations and all on-board food and beverages is: \$805 (bedroom); \$765 (lower berth); \$745 (upper berth). Part of the proceeds will help fund NARP's Cardinal promotion. The equipment: 62-year-old sleeper Clover Colony and 65-year-old business car Lehigh Valley #353 operating together for the first time.

The Amtrak Management Team

The complete list of Amtrak vice presidents (excluding assistant VP's) follows. Those shown in bold-face type report directly to Amtrak President Alan S. Boyd. Biographical information on some of those listed below appeared previously in NARP News (Sept. '78, Sept. '79, and Dec. '80). Changes in the organizational structure we have not previously reported are explained in italics.

Thomas P. Hackney, Jr., Group VP—Operations and Maintenance & Chief Operating Officer. *The addition of COO to his title was approved last October.*

Frank D. Abate, VP—Operations and Maintenance, worked for 23 years with New York Central and Penn Central before joining Amtrak in 1973. *His responsibilities were expanded to include operations June 1, 1981, when the position of VP—Operations was abolished.*

Robert A. Herman, President, Washington (DC) Terminal Co.

William S. Norman, Group VP—Marketing and Corporate Planning. *Reorganization of Marketing, the establishment of two new vice presidencies, and the transfer of Corporate Planning from Finance & Administration to Marketing took effect Jan. 1, 1982.*

James Callery, VP—Sales, joined Amtrak Jan. 28, 1982. A native of County Tipperary, Ireland, who moved to the U.S. in 1957, Callery previously was TWA's VP—Sales and Service, Pittsburgh Region. He joined TWA in 1964 as a ticket agent at New York's JFK Airport, and rose through the ranks, working in Pittsburgh, Tulsa, and New York again, before becoming Pittsburgh Region Vice-President. He received a B.A. in Economics in 1964 from Queens College, City University of New York, and did graduate work at Baruch College, CUNY.

Robert E. Gall, VP—Transportation Marketing. Prior to joining Amtrak's Marketing department in 1975, he served as Director of Commercial Economics for the Illinois Central Gulf Railroad.

Timothy P. Gardner, VP—Corporate Planning, was appointed in Jan. '81, replacing William N. Daly who had resigned. Gardner holds an M.A. in Law from Oxford University (1974) and a J.D. degree from Yale Law School (1975). He was a Research Associate for Common Cause in the summers of 1971-74 and he worked for Cummins Engine Company (Manager—Corporate Compliance 1975-7; Director—Corporate Responsibility 1977-80).

Robert T. Eckenrode, Group VP—Finance & Administration.

Don R. Brazier, VP—Finance and Treasurer.

George E. Gautney, Jr., VP—Computer Services, effective Mar. 25, 1981, replacing Robert Hyer who had resigned. Gautney, 45, came to Amtrak in 1977 from the position of Deputy Director for Computer Resources for the Commonwealth of Virginia. He had worked previously for the Management Horizons Data Systems, the Chemical Abstracts Services, and McCall Information Services Company. He is a 1961 graduate of Virginia Polytechnic Institute, holds an MBA from the University of Rochester, and was an Assistant Professor of Mathematics at Radford College. He is a native of Albany, GA.

George F. Daniels, VP—Labor Relations. *Personnel was dropped from his title in June '80.*

John Stulak, VP—Personnel, effective Feb. 1, 1982, *He succeeds James Handlon, Assistant VP—Personnel, who resigned.* Before Stulak joined Amtrak in 1980, he served UGI Corp., of Valley Forge, PA, as Director of Human Resources. He holds two American University degrees: B.S. in Business Administration (1969); Masters in Business Admin. concentrating in Personnel and Industrial Relations (1972).

M. L. Clark Tyler, Group VP—Passenger Services & Communications.

Eugene N. Eden, VP—Passenger Services, was appointed last October, replacing Rima Z. Parkhurst. Eden is a retired master sergeant who served 20 years with the U.S. Marine Corps. He joined Amtrak as a Project Analyst in Jan. '74 promptly after leaving the Marines. He has also served Amtrak as Assistant VP—Passenger Services and Assistant VP—Materials Management (in Operations and Maintenance), in that order. He is a native of New Brunswick, NJ.

PRESERVATION BALL IN DETROIT . . .

at historic Michigan Central Station (used by Amtrak) Sat., May 15, 8-11:30 PM. \$25/person payable and mailable to Friends of Michigan Central Station, 2405 W. Vernor, Detroit 48216.

James H. English, VP—Government Affairs, joined Amtrak Dec. 9, 1981, after working on Capitol Hill for more than twelve years, much of that as Staff Director of the Senate Appropriations Subcommittee on Transportation. Before coming to Amtrak, he was Staff Director of the Senate Appropriations Subcommittee on the Legislative Branch, working under Chairman Mack Mattingly (R-GA) and under Mark O. Hatfield (R-OR), chairman of the full committee. He is a former Internal Revenue Agent in which capacity he advised lawmakers on tax legislation. A native of Homer, LA, and a former resident of Camden, AR, English, 39, holds a B.S. in accounting from Southeastern University and is a Certified Public Accountant. He replaced Larry Gilson who is now VP—Corporate Development.

James E. Stiner, VP—Corporate Communications. (This department was formerly called Public Affairs.) Stiner joined Amtrak last Dec. 16, after serving since 1978 as director of corporate public affairs with the Kohler Company, a leading manufacturer of plumbing products. He has also worked as director of information with the Republican Governors Association, vice president of media relations with Daniel J. Edelman, Inc., and director of public and consumer information for Commodity Futures Trading Commission, in that order. He also worked for six years as a broadcast journalist, and was administrative assistant to former Rep. William H. Harsha (R-OH). An Indiana native, Stiner lived in Sheboygan, WI, before coming to Amtrak.

Lawrence D. Gilson, VP—Corporate Development, a position created last September. Gilson is responsible for developing all non-transportation corporate resources in order to generate revenue and thereby reduce Amtrak's dependence on Congressional appropriations. He is responsible for developing the revenue potential of Amtrak's real estate properties, marketing the corporation's equipment conversion and overhaul capabilities, and developing the market for other resources and areas of expertise including training, computer and communications facilities and equipment leasing. He also works with Japanese railroad interests to explore bullet-train development in the United States (see separate story).

Paul F. Mickey, Jr., VP and General Counsel. Before joining Amtrak in 1979, Mickey was an Associate at the Washington law firm of Covington & Burling. He had also held a clerkship on the United States Court of Appeals for the D.C. Circuit and spent several years in the Office of the Legal Adviser at the Department of State.

Sandra Spence, Corporate Secretary, was appointed in Jan. '81, replacing Elyse Wander who is now Senior Director—Real Estate (in Corporate Development). Spence is a primary liaison between Amtrak's senior management and Board of Directors. Before joining Amtrak in 1978 as Director of Congressional Affairs, she worked in Pennsylvania State Government, and for the Appalachian Regional Commission, the National Association of Counties, and the California Department of Transportation. ■

Upbeat Hearings (continued from page 1)

Perhaps most significantly, Boyd, for the first time, had positive words to say in public about the "Cardinal." His past criticism of that train actually encouraged some legislators generally supportive of Amtrak to attack the "Cardinal."

Boyd said the Cardinal's FY '81 average was 104 passenger-miles-per-trainmile but this year it's at 138—an impressive increase, since 104 is a 12-month average and 138 is for about two normally light months during a recession year. [The train began in January with three coaches and one sleeper and will expand to five coaches and two sleepers May 21, although up to six coaches and two sleepers have already run when equipment was available.]

CARDINAL FLYING HIGH

"In 1982, the Cardinal is doing well. Surprisingly well." So says Amtrak's "Report to Congress on Amtrak's Efforts to Improve the Cardinal," released Apr. 1. Among many other things, the report notes that: the train stopped in Oxford, OH, several times in Mar. to serve Miami University of Ohio students on spring break, and may do so again in June; Amtrak "has agreed to return to Cincinnati Union Terminal . . . if certain operating and lease arrangements" can be made; "Amtrak operating and engineering personnel carefully reviewed and inspected (the B&O Cincinnati-Indianapolis) route and did not recommend further consideration;" it would cost \$25 million to upgrade Conrail's Cinci-Indy line to passenger train speeds.

State-supported Trains: Under questioning from Benjamin, Blanchette came close to admitting the impracticality of administration plans to force states to pay 100% of long-term avoidable costs of jointly funded ("section 403b") trains. Benjamin understood that nine affected state legislatures are not even scheduled to meet before the Oct. 1 start of FY '83 and said he thought the administration would have timing problems with its plan. Blanchette's reply: "We might, there's no doubt about it."

Benjamin was not impressed with Blanchette's speculation that special state legislative sessions could be called, particularly in light of the fact that the federal policy for FY '83 might not be set until long after Oct. 1. As Benjamin noted, the FY '82 appropriations bill was finally approved in December.

The administration's 403b plan probably would require the approval of House and Senate Commerce Committees, which is not likely to be forthcoming. At this writing, neither of those committees is even planning hearings.

Running Out of Food: The many Amtrak patrons who have been told that the item they want is sold out can be grateful to Silvio O. Conte (R-MA), ranking Republican on the full appropriations committee, and an excellent cook, who reported on a recent trip home by train. His train ran out of popcorn by Baltimore, and bloody marys by the next stop. (He also observed, "I bought one of your ham-and-eggs, dropped it, and smashed my toe.")

Boyd replied that he was livid whenever he heard of food cars running out of food, he thought the worst problems had been corrected, he couldn't promise no recurrence of problems, but he could promise "I will have a new passenger services vice-president" if things don't shape up quickly. (A largely new team of Passenger Services regional directors was installed April 1, with new faces at seven of the 12 regions.)

Funding: In the Republican-controlled Senate, the Commerce Committee recommended to the Budget Committee that Amtrak receive a FY '83 appropriation of \$788 million, the full amount already authorized. Most observers think Amtrak will get at least \$735 million, the FY '82 level.

Blanchette, however, was obliged to defend the administration's \$600 million level, which, coupled with his endorsement of the national system, involved making unrealistic assumptions about operating costs and eliminating capital investment except for \$9 million for handicapped accessibility, \$3.5 million for environmental projects (mostly pollution control work at Wilmington, DE), and \$900,000 for hot box detectors.

Blanchette speculated that Amtrak revenues may be underestimated and that the possible extra revenues could be applied to increase capital spending. Benjamin seemed skeptical, noting that, in the past, FRA normally accused Amtrak of overestimating its revenues.

Blanchette suggested that deferring significant capital investment one year was like postponing the painting of one's home, but Benjamin asked if it weren't true that repeated postponements of capital investment in the past was a major cause of current railroad problems.

In recommending a \$134 million capital budget for FY '83, Amtrak was (a.) following congressional instructions from last year to show how Amtrak would use the full authorization if it was appropriated, and (b.) facing "systemwide needs, including those that were deferred in FY '82, that total almost \$250 million."

The following chart is remarkable for the extent to which Amtrak and DOT agree. All figures refer to millions of dollars in FY '83.

Item	Amtrak Says	DOT Says
Operating costs of Present System	1,390	1,390
Productivity & labor improvements	-70	-70
NEC work-rule changes	0*	-15
Revenues	-690	-690
DOT's 403b plan	0*	-25
End "sunset" commuter trains	0*	-10
End Cardinal	0*	-5
Carryover from FY '82	0*	-15
ICC cost allocation decision	+20	+20
Federal operating support needed	650	580
Capital investment proposed	134	16
Labor protection payments	4	4
Total federal support	788	600

*Amtrak believes \$15 million in NEC work-rule savings is possible but opposes budgeting on that basis. Amtrak does not quarrel with DOT's figures regarding 403b, Amtrak commuter trains, and the Cardinal, but Amtrak, with good reason, does not assume Congress will order the changes DOT wants. As for the \$15 million "carryover," Amtrak had already planned to use it for FY '82 capital, which was the whole purpose of getting a "lump sum" appropriation. The "lump sum" approach gives management extra incentive to cut operating costs to the bone, knowing that the savings can be applied to increase the always-too-small capital budget.

Boyd indicated that, as a rough rule-of-thumb, only 16¢ of each operating dollar cut would represent actual savings; 56¢ is revenue foregone; 25¢ goes to labor protection payments; and 3¢ to shutdown costs. Thus, the elimination of \$10 million worth of service would lead to a net operating grant reduction of only \$1.6 million.

Boston-New Haven Electrification: Blanchette indicated strong opposition to electrifying this segment. Boyd did not use the opportunity Benjamin provided to describe fully the benefits of electrification. Boyd simply referred to the time used to change engines at New Haven and the need to change maintenance and equipment plans to reflect continued use of diesels. No mention of the lower operating costs, superior performance, and longer life of electric locomotives, the greater reliability that would result from eliminating human, mechanical, and electrical problems frequently associated with the New Haven engine change, the more efficient equipment utilization of running engines through to Boston, and the catalytic role electrification could play in the improvement of Boston's commuter rail network.

The Boston track relocation project was cited as a problem, but that should be complete in FY '86.

Other points of interest:

- New York's MTA is "ecstatic" over the quality of work Amtrak's Beech Grove, IN, shops put into the rehabilitation of 15 commuter rail cars.

- Amtrak needs to acquire 50 cars a year to "stay even"; 100 a year to increase its capacity significantly.

- The 27 unrefurbished Metroliner cars have been "parked" because they're too expensive to operate.

- The Canadian LRC train that tilts (permitting higher speeds on curves) returns home in April, partly because of Amtrak's desire to standardize its fleet. Amtrak will road test a tilting car from Budd later this year.

- Benjamin urged Boyd and Blanchette to work on saving Amtrak service in Fort Wayne and restoring the "Cardinal" to Indianapolis. Amtrak has discussed keeping the existing route through Fort Wayne open while single-tracking it to allow Conrail to get most of the savings it seeks. Benjamin, Boyd, and Blanchette seemed to agree that cost figures Conrail had provided were too high. There will be closer study of what type of signalization a single-track line would require, a decision that would ultimately be made by Blanchette. The strong interest of Rep. Dan Coats (R-IN), backed up by Benjamin, and both Republican Indiana Senators, Richard G. Lugar and Dan Quayle, makes it highly probable that Fort Wayne will retain its service. ■