



## House Committee's Shutdown Funding Level

The disappointing funding action for fiscal 2005 so far is described in the editorial below, based in part on our July 23 news release. Amtrak could maintain the momentum of its capital program with a \$1.5 billion appropriation (\$1.6 billion including repayment of the \$100 million DOT loan). While Amtrak could survive on a minimum of \$1.218 billion (the fiscal 2004 level), this would wreak havoc with Amtrak's capital program and employee morale.

The House committee's effective level is \$793.5 million. This is:

- a cut of \$424 million (35%),

- \$707 million (47%) below what is needed to maintain capital momentum;

- \$1.0045 billion (56%) below Amtrak's \$1.798 billion request; and

- \$106.5 million (12%) below Bush's request.

The bill, unlike the President's request, requires repayment of the DOT loan.

The committee earmarks "up to" \$4 million for yet another valuation of assets and development of a methodology for finding each route's avoidable and fully allocated costs, though Amtrak has spent years refining such a methodology, joined by the Federal Railroad Administration starting in 2002. There is no perfect cost allocation for such a complex system, and this expenditure won't end the debate. Moreover, costs that are actually avoidable with a change to any given route vary widely depending on what changes are made to other routes.

As in last year's bill, the Secretary can "reprogram up to \$2.5 million [vs. \$5 million last year]...to make grants to the states for implementation of...a fair competitive bid procedure to assist states in introducing carefully managed competition..." This ignores opposition from the freight railroads, which own most of the

tracks at issue, and from rail labor, and the fact that last year no operator applied for these funds.

Finally, the Committee would force Amtrak to submit its budget request "through the DOT's normal budget request process." Had this been true this year, Amtrak—with the President's budget office approving official testimony and answers to committee questions for the record—presumably would have lied about its needs (likely causing Amtrak President David L. Gunn to resign) and subtly attack its own request. That's about what DOT Secretary Norman Y. Mineta did this year, presenting a \$900 million request, while admitting that "Gunn (is) right on the numbers." Amtrak's ability to "submit a concurrent budget submission" has been crucial in letting the public hear Amtrak's needs clearly.

A Senate markup could come as early as September 9, although a continuing resolution may govern the early months of fiscal 2005, which starts Oct. 1, 2004.

Meanwhile, the Committee's highway level—\$34.6 billion—is "\$1 billion over the President's request and the FY 04 enacted level." Transit is \$16 million below 2004, and has anti-rail provisions. n

*"The House Appropriations Committee [July 22] approved a funding bill without making any change in the so-called 'kill-Amtrak' funding level approved by a subcommittee headed by Rep. Ernest Istook Jr. [R-OK]. The committee approved \$900 million for Amtrak next year. About \$1.6 billion is needed to keep the operation going..."*

*"Istook was quoted that Amtrak would have to be reformed before the attitude of his committee would change. By that, he evidently means the cancellation of Amtrak's long-distance trains. This would leave four isolated 'mini-networks' serving just 21 states, according to the National Association of Railroad Passengers..."*

*"For the umpteenth time, passenger rail is a small but important part of the national transportation system...The rail network, spotty as it is, should be maintained and expanded as an alternative to air travel, which some people cannot do and which may be interrupted by terrorists. It should not be cut back even more."*

—Albany (OR) Democrat  
Herald, July 28 editorial

## NARP's President on Amtrak's Plan

Greetings, fellow NARP member,

This message is the first of a series in which I plan to discuss issues that relate to NARP's long term mission—creating a national rail network that makes passenger trains so widely available and attractive that an ever growing number of Americans will ride them. Although we are still a long way from realizing this goal, it is important that we keep this vision—and our commitment to it—in the forefront of our minds. It is this vision that guides our efforts, gives us the resilience to overcome setbacks and fuels our determination to move transportation policy

in a more enlightened and rational direction.

The strategic plan that Amtrak President and CEO David L. Gunn unveiled on June 29 (July News) gives us an important opportunity to advance our cause. With his plan, Mr. Gunn is providing long needed leadership and vision. In a clear and systematic way, he has assessed the state of both Amtrak and the national rail network. He has identified pressing problems and proposed solutions. While his plan doesn't deliver our ultimate vision in the next five years, he has

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## More on Those Maps

The “segments at risk” map on last month’s front page requires further explanation. If the *Empire Builder* loses access to the Grand Forks-Minot line, it can use the direct Fargo-Minot “Surrey Cutoff,” but Grand Forks, Devils Lake and Rugby would lose train service. Burlington Northern proposed such a move in 1989, and backed down in the face of strong pressure from those communities.

Loss of other segments shown would threaten the entire routes. The *Southwest Chief* could move to the primary line (via Amarillo, Tx.), but it is heavily congested with freight, misses Raton (Philmont Boy Scout Camp) and would require a 30-mile backtrack to serve Albuquerque. *South Florida Business Journal* has reported CSX interest in selling the Auburndale-West Palm Beach segment, which is crucial for continued Amtrak service below Orlando. And the *Cardinal* is threatened both in Virginia, where CSX plans to lease the 128-mile Clifton Forge-Orange segment to tiny Buckingham Branch Railroad (*Richmond Times-Dispatch*, May 5) and Indiana, where there are reports that CSX wants to unload the former Monon line used by the *Cardinal* between Ames (Rensselaer) and Maynard (Dyer).

Canadian Pacific, in a June 30 release, announced new agreements with Norfolk Southern that appear to be good news for the Schenectady-Montreal line, but this as well as the New England Central line used by the *Vermont* are likely to remain at risk for the foreseeable future.



—David R. Johnson

## Congestion, Dispatching Delays Hit Many Amtrak Routes Hard

Passengers awaiting the late eastbound *International* in East Lansing, Mich., April 16, 2001, were further frustrated when Canadian National sent out a freight train (with BNSF locomotive) just ahead of the Amtrak train. In July, 2003, largely due to Union Pacific and CSX freight congestion and capacity problems, every *Sunset Ltd.* was late, and other on-time rates were bad: *California Zephyr* 1.6%, *New York-Florida* 9.3%, *Capitol Ltd.* 12.9%, *Lake Shore Ltd.* 15.4%, *Coast Starlight* 16.1% and *Cardinal* 25.9%.

## Mayors Pass Pro-Amtrak, Gas Tax Resolutions

The U.S. Conference of Mayors’ 72nd annual meeting was June 25-29 in Boston. Resolutions adopted included support for a full appropriation for Amtrak in fiscal 2005, Amtrak security needs, and a gasoline tax increase.

Meridian, Miss., Mayor John Robert Smith, former Amtrak chairman, spearheaded the pro-Amtrak resolution, which resolved to:

- “invest in Amtrak by creating a long-term sustainable federal funding mechanism to provide Amtrak with a fair and consistent source of capital and operating support for intercity and passenger rail;

- “provide at least \$1.8 billion for Amtrak in FY05 to not only sustain but also improve our national intercity passenger rail system over the next year; and

- “reject efforts to eliminate long-distance routes, break up and privatize

Amtrak inter-city passenger rail operations.”

The resolution also “urges the Department of Homeland Security’s Transportation Security Administration to take financial and operational responsibility for securing our nation’s passenger and commuter rail systems.”

Another resolution urges “Congress and the Administration to support a reasonable increase and indexing of the federal gas tax to ensure a well-funded and equitably distributed TEA-21 reauthorization bill that meets our nation’s surface transportation needs.” Note use of the term “surface transportation” rather than “highways.”

Full text of both resolutions can be found on the U.S. Conference of Mayors website, <[www.usmayors.org/72ndAnnualMeeting](http://www.usmayors.org/72ndAnnualMeeting)>. Click on “Adopted Resolutions”

## Amtrak’s Crosbie Addresses NARP

Amtrak Senior Vice President, Operations William L. Crosbie addressed the NARP Board on April 21. He joined Amtrak in December 2002 (*News*, Feb., ‘03) at the invitation of Amtrak President and CEO David L. Gunn, with whom Crosbie worked at the Toronto Transit Commission. Crosbie said his evaluation of Amtrak in 2002 “led me to believe that Amtrak was on the brink of disaster.” He joked, “I had nothing else left to do but take the job.”

He reviewed Amtrak’s move towards a ‘state of good repair.’ He said, “Reliability starts in the backshop. When we overhaul or remanufacture a car, we look at how it’s doing within the first 45 days. We aim for zero failures in that time.”

He noted problems in the railway supply industry, saying obstacles to Amtrak’s progress sometimes result from “a lack of material. We are practically rebuilding this industry. We had a cash-and-carry situation on couplers [because the manufacturer’s finances were so tight], it’s a sad state. But we are rebuilding it, several companies have come out of bankruptcy to support us. The ramp-up is slower than we would like, but once this gets going, once you get the flywheels spinning, its going to be something else.”

He noted that reportable injuries are down both among passengers (particularly impressive with record ridership) and employees.

Of Amtrak’s relations with the freight railroads, he said, “we are on the right track.” Referring to the incentive payments that Amtrak pays to railroads with good on-time performance, he said, “Wall Street is waking up to the fact and asking [certain railroads] why you are leaving money on the table?” Crosbie also noted that several contracts “will require attention this year.”

He said, “We’ve reached out to the Union Pacific, we’ve opened up communication with them...[asked] what if anything at Amtrak can we do to help? We’ve done things such as offer them our crews” in certain situations where UP’s own crew shortages are critical.

Regarding security, he noted that TSA’s recent New Carrollton demonstration (May *News*) was a test of technology. He also said that the Madrid rail tragedy dramatically increased interest in U.S. rail security.

## Amtrak Plan

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outlined realistic and achievable proposals that—when funded—will produce tangible benefits across the nation in a relatively short period of time. These results will build a foundation and create momentum for future efforts. Mr. Gunn's plan merits our attention and support.

### Amtrak

Maintenance is the foundation of performance and efficiency. In the long run, it saves far more than it costs. Yet, for decades, maintenance has been Amtrak's Achilles heel. Mr. Gunn addresses this strategic deficiency head on. His top priority is bringing Amtrak's fleet and infrastructure to a "state of good repair." His focus on maintenance will pay off in greater efficiency and lower operating costs. It also will deliver better service that will generate higher revenues and create greater public support for intercity rail. The plan devotes considerable resources to rehabilitating the Northeast Corridor but does not starve the rest of the system. If funded, the plan will:

- Maintain all current routes and services;
- Increase fleet capacity by the equivalent of more than 260 cars—half for the national network and half for corridors—through the higher availability that maintenance, overhaul and remanufacture will produce;
- Acquire 50 Viewliners, retiring 25 diners and 23 crew dorms that are nearly 50 years old;
- Acquire 80 auto carriers, retiring 64 Auto Train cars that are more than 40 years old;
- Acquire 28 self propelled Diesel Multiple Units (DMUs), improving the efficiency of short haul services in the Midwest and Northeast, thereby releasing conventional equipment for other use;
- Upgrade Amtrak's infrastructure in Seattle, Oakland, Los Angeles, St. Louis, Chicago, Michigan, New Orleans, Sanford, Miami and upstate New York.

### National Network

Mr. Gunn's vision goes well beyond Amtrak. It includes the entire rail industry on which Amtrak—and the nation—depend. Amtrak, Gunn says, is the "canary in the mineshaft." Slow, late passenger trains are just the most visible symptom of a more serious problem—the inability of the railroads' infrastructure to handle the nation's growing transportation needs. The railroads today are

transporting more gross tonnage than at any time in their history, but doing it on far fewer track miles. The gridlock on Union Pacific and CSX provides dramatic examples of what happens when volume exceeds capacity—trains become slower and slower until they eventually grind to a halt, literally.

More than a year ago, the American Association of State Highway and Transportation Officials (AASHTO)—a group historically more focused on highways—spotlighted this problem. In its *Freight-Rail Bottom Line Report* (Feb. '03 News), AASHTO concluded that a financially based, "market driven evolution" of the rail network would do little to relieve projected highway congestion.

By contrast, it said that only "public-policy-driven-expansion...could produce a rail industry that provides the cost-effective transport needed to serve national and global markets, relieve pressure on overburdened highways, and support local social, economic, and environmental goals." Translation: private industry cannot provide all of the funding needed to create the national rail network needed to support our economy and way of life.

Massive government spending on road, air and water transportation over more than five decades has eroded the railroads' earning power. Volume has grown; rates have not. To eke out a return for shareholders, railroads have deferred maintenance, pulled up track, and downgraded and abandoned routes. Today, the national network lacks both the capacity to handle rail's current share of a growing market and the redundancy needed to ensure reliability.

AASHTO's solution is new partnerships among the federal government, the states and the freight railroads. Amtrak proposes two low budget "demonstration"

programs to test ways for the federal government to form partnerships to improve rail infrastructure. Both follow concepts NARP recommended two years ago in *Modern Passenger Trains: A National Necessity*. Both would provide 80% federal matching funds and be administered by US DOT. Both outline evaluation criteria.

One targets state-sponsored intercity rail passenger corridor projects that are "ready-to-go." The other targets national network projects where passenger and freight services are threatened either by congestion on main line segments or by deferred maintenance, downgrading or outright abandonment on non-main line segments. Under this second program, states, freight railroads and/or Amtrak could apply to US DOT for funding.

While funding the five year strategic plan will be a challenge, Amtrak has given us an essential tool—a credible, detailed plan that describes what it will do with the money and the benefits it will produce. Moreover, House and Senate chairmanships are likely to change for the better next year regardless of which party is in control. Also, Washington typically acts after a problem becomes a crisis. If Gunn's assessment is correct—and we believe it is—the needed crisis is fast approaching. These, and continuing efforts by you and your Association, will lay the groundwork for more favorable results in the years ahead—for Amtrak, for state corridor development and for railroad infrastructure improvements.

—George Chilson

*For links to the reports mentioned above—Amtrak Strategic Plan FY 2005-2009, NARP's Modern Passenger Trains, and AASHTO's Freight-Rail Bottom Line Report—go to our website, <[www.narprail.org](http://www.narprail.org)> and click on "What's New?"*

### GREENSPAN ON RAILROADS

Asked if he "calculated [that] our transcontinental railroads are jammed, our velocity in train speed is actually decreasing," Federal Reserve Chairman Alan Greenspan replied that transport deregulation [for railroads, in 1980] "unwound what was, I thought, [a] really serious set of problems." As for the present, he said: "I think we've got problems, obviously, with rail transport, specifically, endeavor to subsidize an Amtrak system and related sorts of rail transport. But we are,

remember, very heavily a passenger car, light truck, SUV society."

The question was from Rep. Spencer Bachus (R-AL) at a July 21 House Financial Services Committee hearing. Presumably Greenspan's answer would have been different if the hearing was a day later, as the July 22 *Wall Street Journal* had a big, front-page story on Union Pacific congestion. But Greenspan's testimony suggests how big an education problem rail advocates face.



## TRAVELERS' ADVISORY

**Transit**—Las Vegas opened its 3.9 mile monorail line on July 14.

**Republican National Convention** is at Madison Square Garden, directly above New York City's Penn Station. Below are the service interruptions for August 30 to September 2 known at press time. Go to these web sites for possible further updates:

<[www.amtrak.com](http://www.amtrak.com)>;  
<[www.njtransit.com](http://www.njtransit.com)>; and  
<[www.mta.nyc.ny.us](http://www.mta.nyc.ny.us)>

(LIRR, Metro-North, and New York City bus and subway).

- All Amtrak trains, except *Keystone* and *Clockers*, will require reservations
- New Jersey Transit (NJT)'s *Midtown Direct* service will divert

to Hoboken terminal; all NJT tickets (single ride and multi ride) good for free travel on PATH or New York Waterways ferry to Manhattan;

- NJT *only* is banning use of luggage racks, all on board trash receptacles will be sealed, only one bathroom per train will be open;

- All trains subject to search prior to entering the Hudson or East River Tunnels (mechanics unclear);

- New York Penn Station will have two exits (out of the normal six) open: 7th Avenue and 32nd Street and 7th Avenue and 34th Street. Mobility-impaired access at 34th street—see Red Caps for assistance

- LIRR is encouraging passengers to transfer to subway at an outlying point and avoid Penn Station if at all possible.

- Potential remains to close station entirely during President Bush's acceptance speech; no decision made as of yet.

**Sunset Limited/Texas Eagle through cars**—To protect *Texas Eagle* reliability in the face of chronic *Sunset Limited* lateness, Amtrak has established a policy for the eastbound through cars. If the *Sunset* is:

- one hour late or less at El Paso, service will be normal;

- between one and three hours late, passengers will be bussed from El Paso to the *Eagle* at San Antonio;

- more than three hours late, passengers will be bussed from El Paso to the *Eagle* at Dallas.

## August Recess — Talk to Legislators and Candidates

The August Congressional recess is one of the best times to talk to your federal legislators. Most return home to campaign and/or hold public "town hall" meetings.

The entire House and one third of Senate seats are on November 2 ballots. Make your views on passenger rail clear! Ask candidates, incumbent *and new*, about their views. Thank incumbents who have been helpful. Ask those who have been hostile for their reasons.

Go to <<http://www.narprail.org>> for information helpful to such conversations. Click on "Resources" then "More Re-

sources" for an array of reports, funding statistics, ridership statistics, and more information.

Ask if your legislators/candidates have seen Amtrak's new five-year plan, available at <<http://www.amtrak.com/pdf/strategic05.pdf>>.

After your discussions, please inform the NARP office if you feel that we should follow up with a legislator or candidate.

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**For the latest news, visit our Hotline, updated every Friday, at <[www.narprail.org](http://www.narprail.org)>.**

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## Amtrak Board Has Quorum

President Bush on July 30 said he would recess appoint Enrique J. Sosa to the Amtrak board (June News). Sosa, 64, retired in 1999 as President of BP Amoco Chemicals. He was Senior Vice President of Amoco Corp., 1995-98, and earlier served many years with Dow Chemical. He is on the boards of FMC Corp.; Pediatrix Medical Group, Inc.; and the Dutch firm DSM, N.V. Also on Amtrak's board: David Laney, Floyd Hall and Deputy DOT Secretary Kirk Van Tine. Sylvia DeLeon's term just expired.



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