



Senate Committee—\$1.3 Billion for Amtrak

House Stuck at \$900 Million

The House of Representatives reaffirmed the \$900 million approved by its appropriations committee for Amtrak funding in fiscal 2004, by passing H.R.2989 on September 9. This followed sound defeat of two efforts to push the number back to the subcommittee's \$580 million and one to discontinue three Midwest corridors and most long-distance trains.

The Senate Appropriations Committee approved an Amtrak figure of \$1.346 billion on September 4. The Senate bill (S.1589) also would defer repayment of last year's \$100-million loan from the DOT.

Since Amtrak's request of \$1.812 billion assumed repayment of that loan, the gap between its request and the Senate number is \$366 million. The Senate amount would not shut Amtrak down, but would force Amtrak to undertake the difficult task of cutting \$366 million from a board-approved budget which Amtrak characterized as tight.

This is not to overlook Sen. Patty Murray's (D.-Wash.) work in securing agreement with subcommittee chairman Richard Shelby (R.-Ala.) to support \$1.346 billion (plus \$100 million loan deferral), and Amtrak President David Gunn's effectiveness in raising Amtrak's credibility so that such funding became feasible. In April, 2002, a month before Gunn's arrival, few would have believed that Amtrak would get \$1.04 billion in 2003 and perhaps more in 2004.

However, there is no guarantee that the full Senate and House-Senate conferees will agree on the Senate committee's \$1.346 billion plus loan deferral.

Rep. Jack Quinn (R.-N.Y.) offered an amendment to increase Amtrak to \$1.7 billion (with loan deferral), and Rep. John Olver (D.-Mass.) had a \$1.4 billion amendment. Though both were ruled out of order, they gave members a chance to express concern over the inadequacy of the House's \$900 million.

Amendments that increase spending must include budget offsets, and the

offsets in these amendments lacked bipartisan support. Quinn proposed a 4% across-the-board cut in Treasury funding; Olver a reduction in the tax cut.

A majority of Republicans voted against the two amendments to cut funding. The House leadership did not support these amendments, so Republican votes against them are not "heroic." Still, these votes do present opportunities to say "thank-you" to many Republicans. The votes—which came September 4—also help identify hard-core Amtrak opponents:

- The vote was 90-322 on Tancredo's (R.-Colo.) effort to cut Amtrak by \$320 million and switch the funds to highways.

(continued on page 2)

QUINN ON PASSENGER RAIL

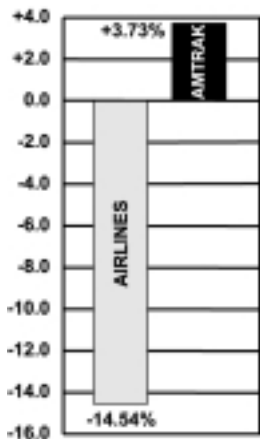
"I cannot imagine a country like the U.S. without...rail passenger service. I don't believe it needs to make money. We've gotten ourselves into a conundrum. It's our job to give Amtrak the tools it needs to make reforms, to do its business. Just like with the Department of Homeland Security and airline security. We knew our amendment [on the House floor, September 4] would be ruled out of order, but we wanted to talk about it and send a message to the leadership..."

"We've got some folks who want to see Amtrak dismantled and then bring it back the right way. I don't see it. I think once we start furloughing people, changing routes, it's too, too difficult to bring it back. You can't heal the patient once he has died."

—House Railroads Subcommittee Chairman Jack Quinn (R.-N.Y.), at annual meeting of Standing Committee on Rail Transportation, Buffalo, September 15

CHANGE IN AIRLINE* AND AMTRAK RIDERSHIP

January-June 2003 (vs. January-June 2001).



*except Southwest

MEASURING AIR AND RAIL

In the first half of calendar 2003, travel on Amtrak rose 4.0% compared with the two-years earlier period (from 2.6 billion to 2.7 billion passenger-miles), while domestic air travel fell 9.0% (from 234.0 billion to 212.9 billion p.m.). A passenger-mile is one passenger traveling one mile.

At the same time, Amtrak ridership rose 3.7% (from 11.5 million to 11.9 million), while domestic air travel dropped 14.5% (from 264.1 million to 225.7 million).

The Air Transport Association has used two-years-earlier comparisons, feeling a baseline before the 2001 terror attacks gives a more accurate—and dire—picture that is likely to generate

support for government aid. Amtrak, with the same goal in mind, tends to paint its numbers as positively as possible.

A look at one-year-ago Amtrak figures shows that Acela Express is just about recovered from its "yaw damper etc." problems. June Acela Express ridership and passenger-miles were down just 2% from one year ago; Northeast Regional ridership was up 7%, passenger-miles up 5%.

Since Regional handles roughly twice the volume of Acela Express, the Northeast Corridor was up overall. June also found travel on long-distance trains up: passenger-miles 6.3%, ridership 13.6%.

Reprieve in Pacific Northwest

Oregon faced a sharp reduction in train service October 1, as a result of a budget process that finally came to a close in August. However, a last minute agreement between the state and Union Pacific will keep current services in place.

The Oregon legislature was deadlocked all spring and summer on a two-year, 2003-05 budget. The deadlock was finally broken on August 20 with passage of a tax increase that freed up resources for other individual budget bills, including that for the Department of Transportation.

Gov. Ted Kulongoski (D.) had requested \$9.5 million to run the two daily Amtrak Cascades Portland-Eugene round-trips for two years (and related bus services). Though the Oregon House passed a DOT budget on August 5 with no rail money, the legislature on August 27 approved a

final DOT budget with \$8.8 million.

However, an agreement between trackowner Union Pacific and the state to allow the second daily round-trip to start running in 2000 required the state to provide \$15 million in capital upgrades. A lottery bond bill that included \$10 million for that purpose had that money deleted in the final DOT budget.

Therefore, though there is just enough funding to run both trains through mid-2005, Union Pacific threatened to cancel one of them in the absence of the promised capital improvements.

The governor's office entered talks with UP that resulted in a tentative agreement to extend the service, using some federal and lottery funds. State and UP officials are to meet again in October.

This quite nearly was a step backwards



—Oregon DOT

A Talgo tilt-train set in Cascades service in Oregon, between Eugene and Portland.

in the development of an important, emerging rail corridor. Ironically, this is the same corridor that the Bush Administration has used to tout its passenger-rail restructuring bill (S.1501) that relies on cash-strapped states to do more to cover both capital and operating costs associated with passenger trains. ■

Dissecting Data Behind the House Amendments

"If we look at the Sunset Limited line from Orlando to Los Angeles, that costs \$347; and I found 11 different flights that cost less than the average per passenger loss that the Federal Government subsidizes for that route. One of those flights was \$232, so this means that the Federal Government would save \$115 per passenger if it bought every Sunset passenger a round-trip plane ticket as opposed to subsidizing the long-haul route one way.

"We can say the same about the Pennsylvanian which has a \$292 loss per passenger to go from Philadelphia to Chicago; a plane ticket would cost \$135. We would save \$157 per passenger..."

—Rep. Mark Kennedy (R.-Minn.), on the House floor, September 4

NARP rejects this and similar arguments because:

(1) To attack the *Sunset Limited* by quoting Orlando-Los Angeles air fares is to ignore the huge proportion of intermediate-market business on this and other long-distance routes. Air fares for many of these shorter segments exceed \$345; other markets have no air service.

(2) Kennedy quotes "per-passenger" losses that include overhead (like part of the Amtrak CEO's salary) which would not disappear but simply be reallocated to other trains if the subject train was

dropped. The Federal Railroad Administration and Amtrak over the past year identified costs that *would* disappear with a given route. On this basis the *Sunset's* loss per passenger was \$114 in fiscal 2002 (\$116 in 2001). (The 2002 loss per passenger-mile was 10 cents, vs. a fully allocated 37 cents.)

(3) The *Sunset Limited* is suffering horrendous delays. Union Pacific statements give reason to believe that delays will lessen as the former Southern Pacific mainline is improved.

(4) The data is old, and fails to reflect that the *Pennsylvanian* on February 10, 2003, became a New York-Pittsburgh train with a passenger-friendly schedule, rather than a Philadelphia-Chicago train on a freight-oriented schedule. In August, compared with the year-earlier month, ridership was up 106%, passenger-miles up 53%, passenger revenues up 76%. For the six months February-August (including nine days on the old schedule), ridership was up 95%, passenger-miles up 43%, passenger revenues up 76%.

(5) Discontinuance of one route could worsen the economics of surviving routes, as they lose revenue from connecting passengers and/or are hit with increased costs as opportunities to share facility and other costs among routes is reduced.

(6) "Subsidy per passenger" does not measure economic efficiency; operating ratio (costs divided by revenues) does.

[In fiscal 2001 Amtrak Reform Council data, *Southwest Chief* has the fifth best operating ratio but the fifth *worst* subsidy per passenger.]

However, NARP believes the only appropriate purpose for ranking routes—even by the most perfect measure—is to identify opportunities to improve the system. All too often, of course, such measures instead are used on Capitol Hill to justify cutting still more routes from an already-skeletal system. ■

House Votes

(from page 1)

- The vote was 89-325 on Mark Kennedy's (R.-Minn.) effort to switch those funds to eight other programs.

A third Amtrak amendment was defeated September 9. The vote was 130-282 on Sessions' (R.-Tex.) effort to eliminate all Amtrak routes with an operating ratio worse than 2.0 in 2001, as shown in the Amtrak Reform Council's final report. This would have eliminated Chicago to St. Louis, Milwaukee and Detroit/Pontiac, but was widely viewed as an attack on long-distance trains. It would have eliminated all but six of them. For more on that, see the maps that are part of the NARP presentation to SCORT at Buffalo (see page 4 story for web link). ■

To see how representatives voted, go to <www.narprail.org> or the Congressional Record, September 4, pages H7891-92 and H7893-94, and September 9, page H8054.

New Jersey Unites Rail System

New Jersey Transit is putting into place a facility, planned for years, that will connect two parts of its commuter rail network that have been isolated from each other. That will increase greatly the number of station-pairs between which travelers can use the NJT system.

The new Secaucus Junction station will allow connections between NJT lines that use Amtrak's Northeast Corridor to New York Penn Station (Northeast Corridor and North Jersey Coast Lines) with NJT lines that use former Erie-Lackawanna lines to Hoboken (Pascack Valley, Bergen, and Main Lines—see map).

Secaucus Junction was known as Secaucus Transfer and Allied Junction, variously, at earlier stages of planning.

That will allow two-seat travel from northern stations such as Suffern (N.Y.), Paterson, and Rutherford to southern stations such as Newark Penn, Newark Airport, New Brunswick, and Trenton—as well as from the northern points to New York Penn Station.

Secaucus Junction, which cost over \$600 million, first opened to daily Bergen

Line service on August 4. The first transfer capability—only on weekends—came September 6, when weekend trains on the Northeast Corridor, North Jersey Coast Line, and Main Line began serving Secaucus.

Full, seven-day transfer capability will come later in the fall, perhaps November, after PATH reopens its service to the World Trade Center station in Manhattan. That's because so many former PATH passengers continue to crowd NJT trains into Penn Station. When they revert to PATH, it will free up some space for weekday NJT passengers from the north to ride between Secaucus and Penn Station.

Secaucus Junction is the latest step in an ongoing, 40-year effort that predates NJT to consolidate and interconnect what had been a disjointed array of privately run services.

These steps included diversion of Raritan Valley service from Jersey City and Elizabeth to Newark in 1967, the Waterfront Connection in 1991 that allowed Raritan Valley and North Jersey Coast Line trains to reach Hoboken, the Kearny Connection in 1996 allowing electric Morris & Essex trains to reach New York Penn Station ("Midtown Direct" trains), and consolidation of Montclair and Boonton services

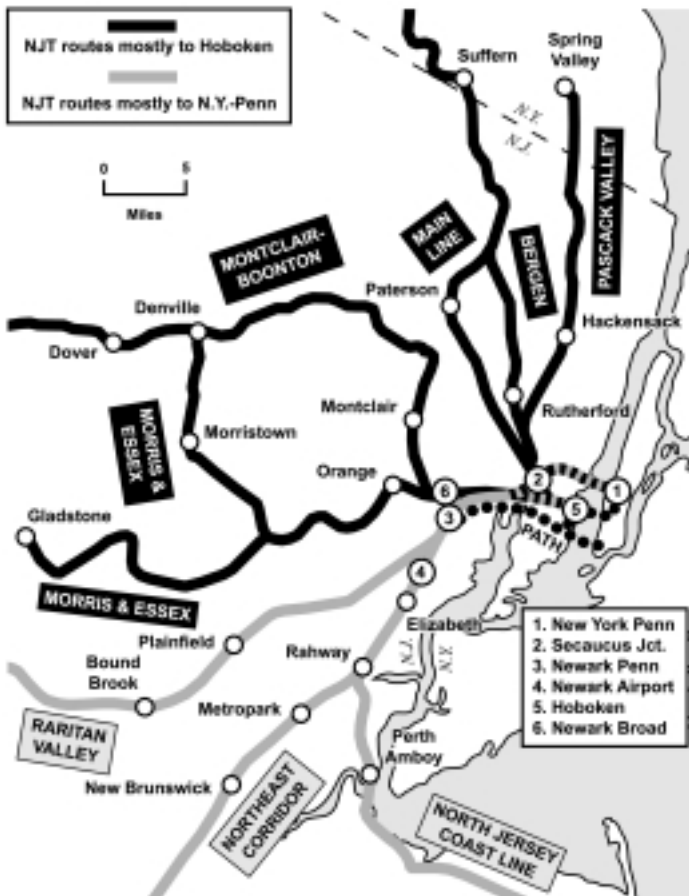
GOVERNORS FOR RAIL

The Western Governors Association on September 15 approved a pro-Amtrak resolution. Unlike the Bush Administration plan, it calls for the federal government "to stabilize intercity passenger rail in the short-term, work with the states to determine the structure of the system for the long-term, and provide funding and leadership in the future of national intercity passenger rail."

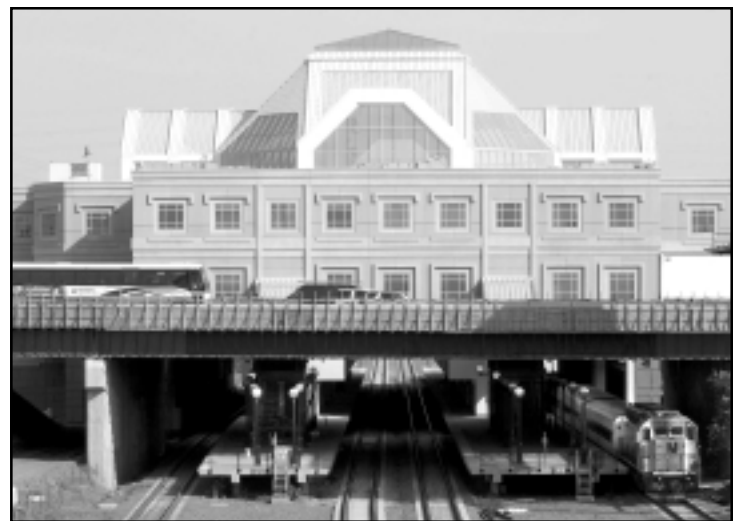


—Michael Rosenthal, NJ Transit

The interior rotunda at Secaucus Junction, with cattail sculpture evoking the New Jersey Meadowlands.



—Scott Leonard



—Michael Rosenthal, NJ Transit

The Northeast Corridor runs through the Secaucus Junction station, and NJT's Hoboken lines run under it (above at bottom). In front of the station, the New Jersey Turnpike also passes above the Hoboken lines.

TRAVELERS' ADVISORY

Stations—Renovation of the Amtrak station at Nappanee, Ind. (used by *Three Rivers*) was completed in July.

The intercity and bus area of the ex-Southern station in Greensboro, N.C., was opened August 27; the Amtrak area will open in early 2005.

Work on the Amtrak area of Union Station in Jackson, Miss., was completed in early September.

Sounder (Tacoma-Seattle) commuter rail moved to a new location next to the Tacoma Link streetcar (Tacoma Dome) terminus on E. 25th St., September 15. Amtrak will remain at the current station on Puyallup Ave. for at least a few more years.

Checked baggage—Citing new OSHA rules, Amtrak will ban individual pieces of checked baggage over 50

pounds, October 27. Amtrak will provide shipping boxes for \$2 than can be used for overflow items from overweight pieces, but will levy a surcharge for more than three pieces checked.

Michigan Service—Amtrak has recommended replacing the Chicago-Toronto *International* with a Port Huron-Chicago service west in the morning, east in the evening, and offering Detroit-Windsor Thruway bus connections for Chicago-Michigan-Toronto passengers. Michigan DOT, which underwrites the *International*, is reviewing this.

Transit—Sacramento RTD opened its South light-rail line to Meadowview Rd. (6.3 mi.), September 26.

TRAX in Salt Lake City extended its University light-rail line from Rice-Eccles to Medical Center (1.5 mi.), September 29.

Laney New Amtrak Chairman

The Amtrak Board of Directors on July 25 elected a new chairman and vice chairman, after expiration in June of the terms of the board members who formerly held the posts—Meridian (Miss.) Mayor John Robert Smith and former (Mass.) Gov. Michael Dukakis.



David M. Laney

The new chairman is David M. Laney. He is the board's newest member, having gotten Senate confirmation in November 2002 (Sept. '02 News).

Laney is a lawyer and former Texas Transportation Commission.

The board's longest-serving member (since 1994), Sylvia de Leon, is the new vice chairman. She is an adjunct professor at the Georgetown University Law Center in Washington.

The Bush Administration on September 12 nominated three men to fill vacancies on the Amtrak Board. They are former American Airlines Chairman Robert Crandall, Louis S. Thompson, formerly of the DOT and World Bank, and Floyd Hall, former reformer of retail chains.

In a September 19 KRLD Radio interview archived at <www.krld.com>, Crandall said high density (as in the Northeast) was critical for passenger rail, and endorsed killing earlier Texas high-speed rail plans. ■

NARP PRESENTATION TO SCORT

For the second straight year, NARP Executive Director Ross B. Capon spoke to the Standing Committee on Rail Transportation (SCORT) of the American Association of State Highway and Transportation Officials.

Speaking in Buffalo on September 15, he emphasized the importance of rail travel to America's growing senior population, as reflected in AARP's endorsement of a national system (April News). He expressed concerns about the

Administration plan—loss of Amtrak's right of access to freight railroad tracks for new frequencies and routes; the impracticality of relying on state operating grants for long-distance trains; the absence of any commitment to specific funding levels or mechanisms; and the fragmentation of Amtrak.

Capon's presentation is at <<http://freight.transportation.org/doc/nyCapon.pdf>>. Others are at <http://freight.transportation.org/rail_meetings.html>.



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