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## A Penny for Amtrak

### A New Amtrak Law!

The process of enacting HR 5075, the "Amtrak Reauthorization and Improvement Act of 1990," showed strong congressional support for Amtrak and its expansion. But only time will tell if President Bush's signature meant a shift in his view of Amtrak to be followed by cooperation in the development of the appropriations bill that determines how much money Amtrak will actually get next year. (The House has already passed its FY '91 appropriations bill; see separate story.)

Bush may have signed HR 5075—now Public Law 101-322—to kill the freight railroad regulatory provision (see John Mar-

#### A HOPE WE ALL SHARE!

**"I trust that the President's explicit statement that he will support this Amtrak reauthorization bill signals a 180-degree turn in the administration's thinking toward Amtrak . . . We hope (this) means that we can look forward to working with the administration from here on out to continue the excellent progress Amtrak has made in the past decade."**

*Rep. Thomas A. Luken (D-OH), Chairman,  
House Energy & Commerce Subcomm. on Transportation  
& Hazardous Materials, June 25 House floor statement*

tin's May 17 letter) cited as the basis for his May 24 veto of HR 2364, the first version of the Amtrak bill Congress passed. The White House seemed to hate that provision more than it loved Amtrak; the White House promise to sign an Amtrak bill and not fight over its dollar amounts came with an "if-you'll-get-rid-of-the-ICC-provision" caveat.

The Senate sustained the veto of HR 2364 on June 12 just before the President's birthday party began. Sen. J. James Exon (D-NE)—suggesting this may have influenced some votes—said, "I hope that we can get back to not what is nice for a party, but what is right for America."

HR 2364 fell just 2 senators short of becoming the first law to be enacted over a Bush veto. (Reports referring to 3 votes reflected Senate Majority Leader George Mitchell's (D-ME) last-minute switch, which preserved his right to call for another vote—a right he never exercised, since a different outcome never seemed likely.)

To underline their support for Amtrak—and perhaps to

(Continued on page 2)

### Support Grows for Amtrak Capital Gas Tax Penny

#### Riley, Newspapers Favor the Idea

Due largely to Amtrak's strong financial performance, the concept of earmarking a federal gasoline-tax penny for Amtrak capital expenses is rapidly moving towards the mainstream of Capitol Hill debate. Early indications are that some of Amtrak's many friends on the House Ways and Means Committee like the idea.

In his Apr. 21 address to NARP's Board, John H. Riley—Federal Railroad Administrator (1983-89) under Pres. Reagan—endorsed the Amtrak "gas tax penny." A day earlier, Federal Railroad Administrator Gil Carmichael told the Board: "We're not for it or against it; we're just listening . . ."

Significantly, Transportation Secretary Skinner's policy says "The Federal commitment to spending user charges for transportation purposes does not necessarily mean that trust fund revenues must be used only on the mode from which they were collected." [Emphasis added.]

An Amtrak penny could help reduce the deficit without breaking the politically popular relationship between user fees and transportation. The "Ampenny" would replace general revenues now devoted to Amtrak capital and—by permitting increased capital spending—would reduce Amtrak's operating subsidy needs.

Also, as Claytor wrote in the May-June, '89, *Private Varnish*, "Increased use of Amtrak and mass transit will ease the pressure to build new roads and the ground transportation networks necessary to support new airports."

Key passages from recent editorials supporting the "Ampenny" (for full texts, send NARP an s.a.s.e.):

● *Atlanta Journal*, Apr. 3: "[Claytor] advocates allocating one cent of any future federal gasoline tax increase to Amtrak. We don't see the need for such an increase, but a penny for rails makes sense."

● *Baltimore, MD Sun*, Apr. 24: "If Congress decides to raise the gasoline tax to help pay for a much-needed overhaul

of the nation's transportation infrastructure, it could take care of Amtrak's capital requirements by dedicating one penny of the tax to the railroad . . . Given Amtrak's impressive improvements, the railroad deserves Washington's support."

● Fayetteville, NC *Times*, Mar. 22: "Using federal (and state) gasoline revenues for investing in Amtrak's role for the 21st century would be a sound public policy, paying rich dividends for millions of Americans in an adequate, affordable, safe, environmentally-sound transportation resource."

● Fayetteville, NC *Observer*, Mar. 21: "Devoting a fraction of a gas tax increase to Amtrak is clearly in the nation's interest."

● Lynn, MA *Item*, May 17: ". . . We think (Amtrak) should get (support) from Washington, and that an appropriate method would be through a rise in the gasoline tax. In saving wear and tear on the non-train part of our transportation infrastructure, and in controlling air pollution, Amtrak has justified this public expenditure."

● Portland, ME *Press Herald*, Apr. 30: "Sooner or later Congress will raise the gasoline tax. When it does some of those tax dollars should be earmarked for upgrading and expanding Amtrak service. After all, the better the service, the greater the number of people who will ride the rails. That's the kind of sensible environmental and fuel-efficient policy that government ought to encourage."

● Portland, OR *Oregonian*, Apr. 11: "Call it revenue enhancement, a user-fee increase or whatever, investing just one cent of any new gasoline tax adjustment in Amtrak would help the railroad move further toward ending the taxpayer subsidy of its operations, would add desirable and necessary service, and would return safety, environmental and energy-conservation benefits."

● Providence, RI *Journal-Bulletin*, May 14: ". . . Amtrak has also saved the nation much fuel and money: It's far more energy-efficient to carry several hundred people on a train than put them in automobiles. And it's cheaper to maintain train lines than superhighways, which require constant, massive rebuilding . . . Dedicating a penny or two from the gasoline tax to Amtrak would be a good way to achieve a healthier transportation system."

Private financing is good, but Amtrak—like any corporation—cannot take on debt endlessly. Costly interest payments would overinflate Amtrak's operating costs. The "Ampenny" is an idea whose time is coming; your letters to legislators can help speed it up! ■

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**Correction: At our new address from Aug. 1, the hotline will be available around the clock at 202/408-8331.**

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## **NEW AMTRAK LAW** *(continued from page 1)*

make clear to the President the importance of his signing the next Amtrak bill—20 of the 35 Republicans who voted to sustain the veto promptly cosigned a new authorization by Conrad Burns (R-MT) identical to HR 2364 except for removal of the ICC provision.

There were 2 major arguments for overriding the veto: the length of time House approval of a new bill might have taken (see "thanks" box), and the fact that the ICC provision itself was a good one, given the potential impact of leveraged buy-outs in the railroad industry. In the event, the House acted quickly.

### **Amtrak's "Homework" in the New Law**

P.L. 101-322 differed from HR 2364 in 3 respects: the ICC

provision was gone and Amtrak was directed to report to Congress:

● "by June 1, 1991, on its plan to eliminate its need for Federal operating support by the year 2000. The report should include a discussion of the actions that could be taken to enhance revenues, to control costs, and to improve productivity and efficiency of operations, as well as an estimate of the capital investment need to take such actions"; and

● by July 6, 1992, on "the economic feasibility of providing new service, if such service will have the potential of covering the operating costs associated with such service, to areas not served by [Amtrak] as of [July 6, 1990]."

P.L. 101-322 retains HR 2364's studies of Iowa (see box) and Seattle-Vancouver services. Amtrak "shall cooperate with the efforts of the Washington State Dept. of Transportation in designing and carrying out a study of the feasibility of reestablishing" Seattle-Vancouver service (formerly operated there 1972-81).

Anticipating this law, a Seattle-Vancouver inspection train ran Aug. 11, 1989. Capital costs needed to start the service were found to be low (about \$60,000), but Amtrak found that additional equipment would be needed, that operating costs on Burlington Northern within Canada could be high and that—under present track conditions—up to 5 hours would be needed for the 156-mile trip. In March the State of Washington approved \$500,000 over the next 2 years for intercity rail passenger projects, but has not formally requested "403b" service.

### **Money**

For Fiscal Years 1989-92, P.L. 101-322 has funding ceilings of \$630 mill., \$656 mill., \$684 mill., and \$712 mill. (Appropriations determine actual funding: Amtrak got \$584 mill. in FY '89; \$604.7 mill. in FY '90.)

Perhaps the most important funding impact of the new law is the roughly \$17 mill. in 1989-90 Railroad Unemployment

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### **THANK YOU, MESSRS. CHAIRMEN!**

"I would like to take a moment to express my sincere gratitude to the chairman of the Committee on Ways and Means [Dan Rostenkowski, D-IL], to the chairman of the Committee on Public Works and Transportation [Glenn Anderson, D-CA], to the chairman of the Committee on the Judiciary [Jack Brooks, D-TX], and thank them for their cooperation in bringing this matter to the floor so quickly. Most importantly, I want to thank the chairman of the Committee on Energy and Commerce [John D. Dingell, D-MI], for his unwavering support of our efforts to include a commuter rail provision within this Amtrak [reauthorization], and to [Rep. Luken] who of course was critical, as well, as to the outcome.

"After the divisive fight over what I view to be the ill-advised veto of the first Amtrak bill, bringing this legislation forward could have been a very difficult task. Indeed, particularly given the concurrent jurisdiction of 4 major committees, there were those who were willing to lay odds and give bets around here that it would become almost impossible if not virtually impossible. Instead, we have experienced nothing but bipartisan cooperation and comity in the finest tradition of this historic body. For that, all of northern Virginia's battle-weary commuters are grateful, and particularly this Member is, and will continue to be, grateful to all those that I have mentioned before and to the other Members of this body who have been so generous in their support of this measure . . ."

—Rep. Stan Parris (R-VA), June 25 House floor statement

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## LONG ROAD TO REAUTHORIZATION

- Feb. 28, 1989—Sen. James Exon (D-NE) introduces a bill.
- Sep. 25—House passes H.R. 2364 by 296-93 margin (roll call in Feb. '90 News).
- Nov. 22—Senate passed H.R. 2364 by voice vote.
- May 1, 1990—House-Senate conferees reach agreement under threat of veto.
- May 9—House passes conferees' bill, 322-93.
- May 10—Senate passes conferees' bill by unanimous consent.
- May 24—President Bush vetoes H.R. 2364.
- June 7—House overrides veto, 294-123.
- June 12—Senate sustains veto, 64-36 (see lead story—re Sen. Mitchell's vote—and John Martin's June 18 letter).
- June 25—House and Senate pass H.R. 5075 on voice votes.
- July 6—President Bush's signature makes it P.L. 101-322.

Insurance payments Amtrak saves this year—a savings Amtrak assumed in this year's budget, which is very tight due to lower-than-projected revenues (result of the soft economy also hurting airlines and others). (See box on p. 4.)

### Virginia Rail Express

An agreement with Conrail was the last obstacle to startup of Washington-Northern Virginia commuter rail service. P.L. 101-322 protects Conrail from "all claims" by requiring Virginia Rail Express (VRE) to carry liability insurance of at least \$200 mill. and prohibits the awarding of claims in excess of that coverage.

VRE trains will use just 2.1 miles of Conrail track, including the Potomac River bridge. Service from Fredericksburg and Manassas is to start in the fall of 1991. This provision allows VRE to serve Washington Union Station and a new stop at L'Enfant Plaza.

Without the liability provision, trains would have terminated at Crystal City, forcing Washington-bound commuters to switch to Metro at Alexandria and cutting projected daily ridership from 8,000 to 5,400.

Because of an approaching deadline on VRE's option to purchase the 10 additional coaches (for a total of 30) needed to handle the larger projection, VRE was desperate to have the liability provision enacted by early July—and it was!

**Special thanks, Sen. Charles S. Robb (D-VA), for getting the "liability ball" rolling and working hard all the way!**

### Double Taxation

With P.L. 101-322, rail and motor carrier transportation workers pay state income taxes *only* to their state of residence. Before, employees also paid taxes to certain states through which they passed on the job.

### Funds for Similar Purposes

Last year the former Chicago, Missouri and Western Railway wished to sell some track to raise funds for repairing other trackage. But the track it wanted to sell had been repaired with a government loan and any sales proceeds would have gone back to the government. With P.L. 101-322, a railroad can use these proceeds to fund such projects of similar purpose.

### The ICC Takeover Provision That Died

In a July 9 letter to Rhode Island ARP Chairman Steven H. Musen, Sen. John H. Chafee (R-RI) said currently the "ICC may examine the issuance of securities or the assumption of

an obligation or liability by a railroad to finance a non-carrier's acquisition . . . . What the law should not do is *mandate* that the ICC evaluate the financing, control, and related details of a transaction when *neither* a merger *nor* railroad financing is involved."

But railroads may remain vulnerable to financially-shaky takeovers where the type of securities issued meets the letter but not the spirit of the law. Congress, however, is unlikely to consider this provision again this year. ■

## AMTRAK TO CENTRAL IOWA, WYOMING?

P.L. 101-322 requires Amtrak to give Congress by Jan. 6, 1991, a "detailed report" on its evaluation of "the short-term and long-term revenue and cost implications of separating the existing California Zephyr-Desert Wind-Pioneer train into 2 service routes serving separate western destinations via a southern route and a central route through Iowa."

Before the House passed HR 5075 by voice vote on June 25, Rep. Thomas Tauke (R-IA) called this study "of keen interest to the people of Iowa . . . I am confident that this study will demonstrate the substantial economic benefits of creating a new Pioneer route to connect Chicago and Seattle. This new route will enable Amtrak to provide more timely service to cities along Amtrak's California Zephyr and Desert Wind routes. And it will bring Amtrak service to portions of my State which recently lost intercity bus service."

"More timely service" presumably means that the eastbound "Zephyr" would no longer be delayed in Salt Lake City by waits for the "Pioneer," which would run as a separate train across southern Wyoming, bypassing Salt Lake City (except for a feeder bus?) but not Denver, and running Omaha-Chicago on the Chicago and North Western across more populous central Iowa, including Ames, Cedar Rapids, and Clinton.

[A page one story in the July 5 *Washington Post* said Clinton paid little attention to its recent loss of Greyhound service and is focussing civic efforts on restoration of passenger train and scheduled air service. The story ran with a photo of Clinton City Administrator George Langmack standing in front of the C&NW station. The story suggested that development of rural on-call van systems (16 in Iowa, 1,140 nationwide) helps explain why Greyhound route cuts have provoked so little protest.]

In 1987, Amtrak studied moving the *entire* existing train to the C&NW but decided that projected revenues and cost savings did not justify the move. But C&NW communities were excited by the prospect of having Amtrak service, just as southern Iowa points who now have service were aghast at the idea of losing it. Splitting the long and crowded train would please both camps—and the on-board employees.

P.L. 101-322 doesn't specifically mention Wyoming, but it is unlikely Amtrak would try to run 2 separate trains over the Rockies. One advantage of running the "Pioneer" on the faster Wyoming route is the eastbound train could depart Seattle later than the present 6 AM and still make present 3rd-day East Coast connections in Chicago. Moreover, the new House appropriations bill (see p. 4) requires the Federal Railroad Administration (FRA) to study reestablishment of Amtrak service in Wyoming.

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