

News from the  
**National Association of  
 Railroad Passengers**

Vol. 26 No. 3  March, 1992

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News from the National Association of Railroad Passengers (ISSN 0739-3490), is published monthly except November by NARP, 900 Second Street, NE, Suite 308, Washington, DC 20002, (202) 408-8362. Membership dues are \$20/year (\$10.00 under 21 or over 65) of which \$5 is for a subscription to NARP News. Second-class postage paid at Washington, DC.

**Postmaster:** send address changes to National Association of Railroad Passengers, 900 Second Street, NE, Suite 308, Washington, DC 20002.

(This has news through March 19. No. 2 was mailed 1st class on March 5.)

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## It's H.R. 4414

### Amtrak, NARP Plug for Penny at Senate Hearing

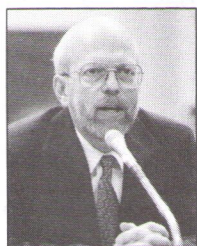
The Senate Commerce Subcommittee on Surface Transportation, chaired by J. James Exon (D-NE), at its Feb. 26 hearing on reauthorizing Amtrak funding, devoted a surprising amount of time to sympathetic discussion about what subsequently became HR 4414 (see lead story).

#### HOW BIG SHOULD AMTRAK BE?

**"Amtrak's existence is no longer a source of debate, but only the scope of Amtrak's mission and the extent of government support. Self-sufficiency . . . we must understand that resources are needed and have an effect on service quality."**

—Chairman Exon, at Feb. 26 hearing

Claytor made a strong case for earmarking a federal gasoline-tax penny for intercity rail passenger capital investment. NARP's Ross Capon began his testimony by "wholeheartedly supporting" Claytor's "pro-penny" comments.



NARP's Ross Capon testifying on Amtrak reauthorization.

Capon said this was a particularly appropriate year to address Amtrak's capital needs because last year's highway/transit bill ("ISTEA," Jan. News) "covered virtually all the [transportation] bases except this one." Capon also reminded the senators about the federal ticket tax that rail passengers paid for "deficit reduction" from 1942 to 1962.

Responding to some who have questioned whether Amtrak could spend \$1 billion a year—which is roughly the total amount a penny of the federal gas tax produces—Claytor told the senators: "Just try me! For years Amtrak has suffered capital starvation and depreciation." (See box on Amtrak's capital plan on page four.)

(continued on page 2)

### Swift Files Bill Creating Rail Passenger Capital Fund

#### One Gasoline Tax Penny for Intercity Rail Passengers



Rep. Al Swift

Chairman Al Swift (D-WA) of the House Energy & Commerce Subcommittee on Transportation and Hazardous Materials on Mar. 10 introduced his bill "to establish an Intercity Rail Passenger Capital Improvement Trust Fund, and for other purposes."

The bill was assigned the number H.R. 4414 and referred to the Committees on Energy & Commerce and Ways and Means.

There were six original cosponsors: Don Ritter (PA)—the subcommittee's ranking Republican—and these Democrats: Thomas H. Andrews (ME), Thomas J. Manton (NY), Donald J. Pease (OH), Bill Richardson (NM), and Jim Slattery (KS). By Mar. 13, Dennis E. Eckart (D-OH) and Barney Frank (D-MA) also had joined as cosponsors.

H.R. 4414 amends the "4R Act" (the Railroad Revitalization and Regulatory Reform Act of 1976 as amended) to create the above-named trust fund, expenditures from which would "be available, as provided by appropriations Acts, for making expenditures—

- for the payment of capital expenses of [Amtrak];
- to carry out [the Northeast Corridor Improvement Project];
- to improve the safety or efficiency of intercity rail passenger operations by [Amtrak];
- to improve rail lines to permit higher speed intercity rail passenger operations by [Amtrak], including electrification of

(continued on page 4)

## Senate Commerce Hearing (continued from page 1)

The subcommittee gave the intercity rail passenger "penny" a mostly-positive reception. Only two Senators—John B. Breaux (D-LA) and Trent Lott (R-MS) questioned Claytor about the concept. Breaux concentrated on the "user fee" argument (what follows is based on our notes, not the official transcript):

**BREAUX:** Most trust funds follow the concept of the user fee. This would not be such a case because the people who pay the gas tax would not benefit from the rail service. How do you justify that?

**CLAYTOR:** I strongly disagree. We would decrease highway congestion and avoid building even more costly highways and airports. [The trust fund] also provides an opportunity for the "user" who has no choice but to drive now. . . .

**BREAUX:** That's an appropriate argument, but it is still an expansion of the user fee concept.

**CLAYTOR:** No, sir—the surface transportation act is already putting a large amount of the highway trust fund to rail and transit. It has already been done. Besides, deficit reduction provides no unique benefit to the user.

**BREAUX:** Well, I was against that [the 2.5 cents of the gas tax for deficit reduction], too. When you're talking about one cent, I think Americans want to get what they're paying for. I'd support increasing the gas tax itself by one cent [for the new trust fund].

Lott, who is very enthusiastic about extending the "Sunset Limited" from New Orleans, across the southern coast of his home state of Mississippi, to Florida, added to the above exchange: "I, too, believe that people are willing to make a commitment for something they can see. My state has traditionally gotten only 81 cents back on the dollar from the highway trust fund, but we don't have decent highways now. What do we say to [supporting] mass transportation, in areas where we don't get any of it? But in this case, even Mississippi would get something, because we have Amtrak."

### Mr. Carmichael's Testimony

Federal Railroad Administrator Gilbert Carmichael gave his usual upbeat presentation touting railroads in general, speaking proudly of the \$30 billion he said America's railroads had spent over the last 12 years upgrading their track, showing the senators a map of the mainlines over which intermodal freight trains operate, and noting that 25 cities are working on

### OKLAHOMA

**Sen. Don Nickles (R-OK) made a special appearance at the Senate Commerce hearing. He repeated the message he brought to the Oklahoma Passenger Rail Association's Feb. 8 meeting in Oklahoma City—that Oklahoma belongs on any "national" passenger rail network, that the Carter Administration acted unfairly when it cut the "Lone Star" through Oklahoma in 1979, and that he had Claytor's assurances that the pending Superliner order [May '91 News] could yield enough equipment in late 1993 for a tri-weekly Chicago-Kansas City-Newton-Wichita-Oklahoma City-Fort Worth-Dallas section of the "Southwest Chief."**

**Later, Amtrak Executive Vice President William S. Norman told the Subcommittee that Amtrak supports restoring "Lone Star," and that a tri-weekly train in late 1993 was possible, but only if Amtrak exercised its option for 39 more Superliners, at a cost of \$33 million. Amtrak has not yet decided whether to do that. [Amtrak must decide by this Nov.] Also, Amtrak expects Oklahoma to contribute 403(b) funds toward the train's operation.**

commuter rail systems.

Under questioning from Robert W. Kasten Jr. (R-WI), Carmichael said Amtrak was an "essential part of an integrated transportation system." Kasten lamented that Amtrak "is said to be of high priority" but is not adequately funded in the president's budget.

Carmichael said, "It's going to take some real tough management" for Amtrak to live within the president's budget—a comment widely recognized as about the only thing a rail supporter charged with defending an anti-rail budget could say.

### NARP's Input

Besides supporting the passenger rail penny, Capon endorsed Amtrak's funding request and outlined Amtrak's FY 1992 operating budget problems (see Feb. News), especially regarding the "Montrealer" and the Beech Grove maintenance facility. Capon noted mechanical problems NARP's Scott Leonard observed on his return from the NARP Region 8 and 12 meetings, and said that such problems will multiply if Beech Grove summer cutbacks take place.



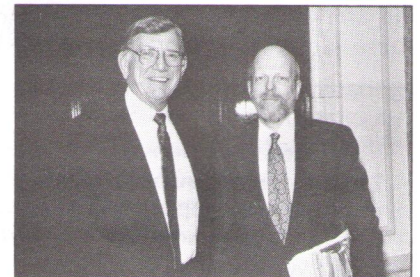
NARP's Scott Leonard, telling Senate Commerce subcommittee about his transcontinental Amtrak trip.

Capon also proposed amending the Rail Passenger Service Act to require a consumer slot on the Amtrak Board of Directors. Chairman Exon asked him if that meant he felt the interests of consumers was not being adequately addressed by the present board. Capon said no, but expressed concern that the need for consumers to be represented in the board's closed-door deliberations may grow in the future.

In Capon's words, "Even if the chairman of Amtrak remains as faithful to the passengers' interests as we think Mr. Claytor by and large has been, it may not always be true that the board members that are appointed by a hostile administration are as willing to cooperate with a pro-passenger chairman."

Capon urged earmarking funds for new 403(b) trains so Amtrak will cut its demands. Amtrak now asks states for 70% of long-term avoidable operating losses, all additional rolling stock costs (if any) and 70% of other capital costs; the legal minimums are 65% of short-term avoidable losses (45% the first year) and 50% of all capital costs.

*(Send NARP \$3 and s.a.s.e. for our five-page testimony; \$1 and s.a.s.e. for Amtrak's four-page summary of 15-year capital plan; to order both, use one s.a.s.e. with 52¢ postage.)* ■



Chairman J. James Exon (D-NE) [left] of the Subcommittee on Surface Transportation of the Senate Committee on Commerce, Science and Transportation, with NARP's Ross Capon after the Amtrak authorization hearing.

## Amtrak Labor Update

Amtrak has made considerable progress in reaching agreements with its unions but perils remain, including a possible labor stoppage this year. New labor agreements in force cover 54% of Amtrak's union workers, including United Transportation Union (except on former New Haven Railroad) and Transportation Communications Union workers.

Another 5% of workers are the subject of agreements awaiting ratification by the members or agreements to accept binding arbitration.

The new agreements in force include cost-of-living allowance increases and last at least through Jan. 1, 1995.

On Mar. 2, the National Mediation Board (NMB) offered arbitration to all Amtrak unions *without* contracts in force and to over 10,000 International Association of Machinists members at railroads nationwide. Three Amtrak unions quickly refused arbitration and others followed.

Under federal law, once a party to such a dispute refuses arbitration, the NMB must "release" the parties to that dispute. The NMB took this action Mar. 4. An important 30-day "clock" now starts ticking; after the 30 days, at 12:01 AM EST Apr. 4, 1992, they may resort to "self-help," i.e., Amtrak could impose a new contract and the workers could strike.

The President of the United States could delay "self-help" actions by at least 60 days—and might prevent such actions—by declaring an emergency and appointing a special panel (Presidential Emergency Board) to develop recommendations for an agreement. Sometimes, Congress winds up enacting these recommendations.

Particularly in an election year, it is hard to predict how the White House would respond to an impending Amtrak strike. If the White House is going to appoint a PEB, this action is likely to be taken *before* April 4, to prevent a strike before the PEB goes to work. ■

## Transit Benefit Hike Gains Headway

President Bush and Capitol Hill Democrats agree it's time to move toward leveling the "federal tax playing field" as between employer-provided parking and transit fares.

The one good transportation-related aspect of Bush's FY '93 budget was support for increasing the tax-free limit on employer-provided transit fares to \$60 a month (from \$21 now) and for eliminating the "cliff" provision under which the entire amount is taxable if the limit is exceeded.

The big House tax bill—H.R. 4210, the "Tax Fairness and Economic Growth Act of 1992"—includes a provision doing just that. (\$60 is the average national monthly transit commute cost, but many people pay much more.) H.R. 4210 offsets the revenue loss by placing a \$160 a month limit on the value of parking that employers may offer tax-free.

H.R. 4210 passed the House 221-210 on Feb. 27th. The Senate passed its tax bill March 13 with the House transit-pass language modified so the benefit would be indexed for inflation. House and Senate conferees hope to meet the President's deadline of March 20 for final passage.

The Campaign for New Transportation Priorities (CNTP) wrote letters in early Feb. to all members of the House Ways and Means and Senate Finance Committees urging inclusion of this important tax measure that provides "a tangible and important way to help middle- and lower-income working Americans and to improve the economic efficiency of urban areas." CNTP also reissued its Transportation and Tax Policy paper and provided copies to members of Congress. ■

## X2000 To Visit USA, ICE and TGV May Follow

Amtrak has an agreement with Asea Brown Boveri (ABB), which makes the X2000 High Speed Tilting Train, under which a trainset would arrive in the U.S. this December. After tests and modifications, it's expected the train—pictured in Jan. *News*—will run in experimental revenue service ("marketing tests") starting about a year from now.

Because of the revenue-service plans, the equipment normally would be subject to a \$2 million Customs Duty; it may take special legislation that would go through the House Ways & Means and Senate Finance Committees to waive this fee.

In Sweden, the X2000 provides four daily round-trip services on the 285-mile Stockholm-Gothenburg main line. ABB says trip time has been reduced from over four hours to as little as 3:18; thanks to completion of all signal improvements, this will drop to 2:55 by the end of 1992—that's an average of 98 mph, compared with 87 mph on Amtrak's single one-stop Washington-to-New York "Nonstop" Express Metroliner.

In tests in Germany, the X2000 reached 150 mph; 125 mph is its top speed in Sweden and will be the top speed during U.S. passenger-carrying tests.

Amtrak also is negotiating to bring over French TGV and German ICE trainsets.

## TRAVELERS' ADVISORY

Amtrak's "Montrealer" likely will stay on its present route and schedule Apr. 5, but look for some "Night-Owl"-style economies. CORRECTION/ADDITION: Startup of service at Ventura, CA, has not yet occurred; will not occur Apr. 5 though Ventura is in Amtrak's timetables. Apr. 5 will see a second northbound Newport News train Sundays (7:45 a) besides the second Friday round-trip.

Amtrak's new first-class lounge at Philadelphia's 30th Street Station opens this summer; the one at Washington Union Station opened Nov. 15. These and similar luxurious lounges at New York and Chicago are available to those traveling by sleeping car (not slumber-coach) or Club Service (not Custom Class or Metroliner Coach).

VIA Rail Canada issued a new timetable Jan. 19. On May 25, VIA will replace its Hamilton and Burlington stops with a new station at Aldershot, between the two cities; this affects Amtrak's "Maple Leaf" and VIA's Toronto-Niagara Falls and Toronto-Brantford-London-Windsor services.

## Transit

San Diego Trolley's new terminal at the Santa Fe/Amtrak depot opened Nov. 12.

Washington Metro opened its L'Enfant Plaza-Anacostia Green Line extension Dec. 28.

Starting Apr. 26, 1992, Washington's Metrorail system opens Sunday at 8a instead of 10a—good news for those stepping off "Night Owl," "Atlantic City Express" (from Richmond), "Crescent," and even "Silver Meteor" (due 6:05a).

Baltimore light rail will run for the Apr. 3 Orioles exhibition game. Virginia Railway Express finally announced starting dates: June 22 Manassas Airport-Washington ("Crescent" line); July 20 Fredericksburg-Washington (Florida line).

## It's H.R. 4414! (continued from page 1)

rail lines, improvement of signal and traffic control systems, upgrading of track and structures, and acquisition of rail passenger equipment; and

- to carry out the Secretary of Transportation's activities with respect to development of high-speed rail technology."

If H.R. 4414 became law,

- Amtrak capital grants would come from the new trust fund instead of from general funds.

- The new trust fund would be funded from one cent of the federal gasoline tax. This designated "Ampenny" would be one of the 2.5 cents that has gone to deficit reduction since the Congress-White House budget agreement of 1990 (rather than from any penny that goes to the highway trust fund). Thus, it would not represent a new tax for taxpayers. Also, it would not reduce the flow of funds into the Highway Trust Fund.

- Funds actually spent by Amtrak or others would still be subject to the annual appropriations process.

- Amtrak operating grants would still come from the general fund. One justification for increased capital is its ability to reduce operating grant needs. Indeed, Swift's bill also amends the Amtrak law to add the following to the law's list of "goals for Amtrak": "the achievement by Amtrak, by Oct. 1, 2000, and the maintenance thereafter, of a positive ratio of annual revenue to annual operating costs."

Chairman Swift's willingness to introduce this bill reflects a growing perception on Capitol Hill that Amtrak is vital to the nation. Hopefully, his initiative will be greeted with strong support from his colleagues—and their constituents! ■

### Amtrak's 15-Year Capital Investment Plan

Amtrak envisions capital improvements totaling \$17.6 billion through FY 2007, or about \$1.2 billion a year. (Congress appropriated \$380 million for Amtrak and Northeast Corridor investment in FY '92.)

Amtrak's plan includes three "increments":

1. "Base"—\$4.9 billion to maintain existing service properly. As Claytor testified, "since 1983, Amtrak's assets have depreciated some \$1.7 billion; capital appropriations during this same time frame [for Amtrak and Northeast Corridor] have totaled less than \$1.2 billion—a difference of over half a billion dollars."

2. "Grant elimination"—\$2.0 billion "to generate sufficient incremental revenues and cost savings to enable Amtrak to eliminate its need for federal operating assistance." This involves increasing capacity (and revenues) with more equipment, improving stations and service facilities and completing Boston-New Haven electrification.

3. "Service expansion"—\$10.7 billion "to expand service on routes that can be financially viable and which address national transportation priorities." States and regional authorities would share costs and pay for "most improvements to stations and fixed facilities."

Further regarding new services, Amtrak's 1992 legislative report to Congress wisely proposes that "costs incurred for state-supported 403(b) services and for new multi-state routes be funded separately from the [basic system operating grant]. This would enable Congress and states to test the viability of new routes without undermining efforts by Amtrak to reduce the amount of federal assistance required to operate its basic system."

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**SHORT TAKES: For Federal Highway Admin.'s summary of entire "ISTEA," whose rail-related portions we summarized in Jan. News, send NARP a s.a.s.e. with 75¢ postage. . . . If you would ride a Chicago-Clinton-Cedar Rapids-Ames-Omaha train (C&NW route) to visit Iowa, please write to Gov. Terry Branstad, State Capitol, Des Moines 50319, and tell him!**

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## Amtrak Authorization Update

The Subcommittee on Transportation & Hazardous Materials of the House Energy & Commerce Committee on Mar. 5 passed H.R. 4250 with these funding levels (FY '92 actual appropriations shown for comparison only):

(Millions of Dollars)

	FY '92	FY '93	FY 94
System capital	175.0	300.0	309.3
Operations	331.0	389.8	321.5
'Mandatory Payments'	145.0	150.0	157.0
Amtrak share, new 403(b) ops.	—	7.5	9.5
AMTRAK TOTAL	651.0	847.3	797.3
NE Corridor Improvement	205.0	272.0	281.0
GRAND TOTAL	856.0	1,119.3	1,078.3

The bill requires that:

- funds appropriated for operating new 403(b) services—those that begin after Sep. 30, 1992—not be included in calculating Amtrak's revenue-to-operating expense ratio;

- "not more than 15% of" Amtrak capital and NECIP funds be used for new corridor and long-distance services—the corridor services to link "cities undergoing significant population growth" and to "provide travel times comparable with other surface transportation modes"—with Amtrak paying at least 90% of rolling stock costs, a state or states paying at least 90% of fixed facility costs, & 403(b) governing operating costs;

- the Secretary of Transportation, in consultation with affected states (CT and RI), develop a plan for eliminating remaining Northeast Corridor main line grade crossings by the end of 1997, except where this would be "impracticable or unnecessary," with Amtrak paying 20% of the costs;

- Amtrak, within one year of enactment, develop a plan to establish "safe and dependable . . . service between Boston and New York, including appropriate intermediate stops, in three hours or less," the plan to describe, among other things, "the implications of such improvements for the regional transportation system," "the implications for State and local governments in attaining compliance with the Clean Air Act," and ways "to control future congestion on the Northeast Corridor attributable to increases in intercity and commuter rail passenger service"; and

- Amtrak develop by Sep. 30, 1993, a plan for demonstrating new technologies in rail passenger equipment, including demonstrations "to the extent practicable. throughout the national intercity rail passenger system."

Amtrak loves the overall bill but is concerned the proposed FY'94 basic operating figure (\$321.5 mill.) is very tight. ■

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**CORRECTIONS: In the budget table on page 2 of Feb. News, the Bush zero request for NECIP funding in FY '93 obviously reflected "zero" change—not "-100%"—from Bush's zero FY '92 request. Also, for consistency, the fourth column (the first percentage column) should have been headed "Enacted." The page three photos were by NARP's Scott Leonard.**

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