

Clinton Budget: Problems, Opportunities

Clinton Praises All Types Of Amtrak Routes

"Amtrak is a significant component of our national transportation services in densely populated corridors, such as the Northeast; on medium- and short-haul routes; and on transcontinental routes linking cities across the nation...As a result of these changes [in the new reauthorization law], we can all look forward to better rail service."

—President Clinton, at December 2 signing of Amtrak reauthorization law (Oct., Dec. '97 News)

Exactly two months after President Clinton's kind words for Amtrak service (above), his Administration released a budget that would fund new Amtrak capital investment (\$621

million) out of the Highway Trust Fund, and would eliminate Amtrak operating grants.

Congress repeatedly has rejected the first of these ideas; there is no indication this year will be any different.

Surprisingly, as explained below, adoption of the second idea in the right way should not be a problem.

Karen A. Tramontano, Deputy Assistant to President Clinton, has written (in replies to pro-Amtrak letters of concern about the budget): *"The President's proposed budget includes discretionary appropriations that, when combined with the \$2.2 billion in funds made available under Taxpayer Relief Act, will provide Amtrak with over \$5 billion in federal resources from 1998 through the year 2002. This funding commitment to Amtrak is the largest ever proposed by this Administration, and will provide Amtrak with the firm financial foothold it needs*

to succeed as a vital part of our national transportation system...The Administration is committed to working with Amtrak to ensure that their funds lead to future success for Amtrak."

The phrase "over \$5 billion" refers to a "promise" in the budget to request for Amtrak an average of about \$670 million a year in fiscal years 2000-2002. One cannot take this promise "to the bank" because future-year assumptions in Presidential budgets constantly change from year to year, even when the same President is in office (let alone when there is a change, which there will be at least for preparation of the 2002 budget). Presumably, however, a positive statement of future intent is better than a negative one, or none at all.

The immediate need is for the Administration and Congress to let Amtrak use the same, broad definition of capital (i.e., including maintenance of equipment and maintenance of facilities) which transit began using October 1, 1997. The transit definition

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1999 TRANSPORTATION FUNDING

Compared with Previous Years
Appropriations (\$ millions)

Administration	1995	1996	1997	1998	1999	1999	Change, Clinton vs. 1998
	Enacted	Enacted	Enacted	Enacted	Amtrak Plan	Clinton Request	
Federal Highway	19,879	19,970	19,894	21,884	—	21,850	- 0%
Federal Aviation	8,392	8,216	8,561	9,111	—	9,751	+ 7%
Federal Transit	4,614	4,051	4,382	4,843	—	4,776	- 1%
Federal Railroad	1,162	874	1,050	732 (A)	—	751	+ 3%
* Amtrak + N.E. Corr.	994	750	843	594 (A)	711	621	+ 5%

*Also in Federal Railroad Administration total.

Intercity Passenger Rail Categories

	1995	1996	1997	1998	1999	1999	Change, Clinton vs. 1998
Amtrak:	Enacted	Enacted	Enacted	Enacted	Amtrak Plan	Clinton Request	
Operations (B)	542	405	365	344	(C)	0	-100%
Capital	230	230	223	0 (A)	(C)	421 (D)	n.a.
Northeast Corr.	222	115	255	238	(C)	200 (D)	- 16%
Penn Sta./Farley	0	(E)	0	12	0	0	-100%
High Speed Rail	23	24	25	20	—	13	- 35%
SUBTOTAL	1,017	774	867	614 (A)	711	634	+ 3%
"TRA money" (F)	—	—	—	1,092	1,103	1,103	—
RAIL TOTAL	1,017	774	867	1,706	1,814	1,724	—

NOTES:

A) Does not include \$199 million for capital that appropriators directed be stricken if and when the Amtrak reform bill was passed and Amtrak got access to the capital funds in the Taxpayer Relief Act of 1997 (a.k.a. "Roth" money). If that \$199 million had not been stricken (or is restored), the Amtrak + N.E. Corr. total would be \$793 million, and the Administration's 1999 request would be a 22% cut.

B) Includes "mandatory payments" (federal railroad retirement and unemployment insurance costs in excess of Amtrak's demands on system) ranging \$120-150 million each year. The 1996 operating figure includes \$100 million for "transition costs" related to Amtrak restructuring, service cuts, equipment retirement.

C) 1999 Amtrak plan includes a single figure, \$711 million.

D) The Clinton Amtrak request is for funds from the Highway Trust Fund, not appropriations. Some of the general capital could go to the Northeast Corridor.

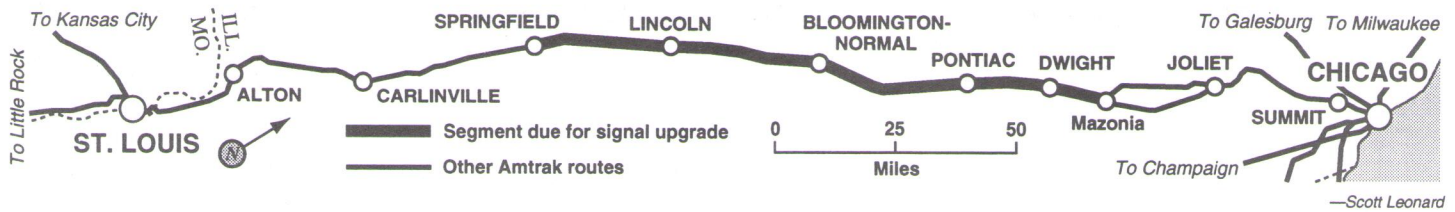
E) \$20 million of Amtrak capital was divertable to Farley project in 1996.

F) Taxpayer Relief Act money, non-appropriated capital funds provided for Amtrak—1999 amount not subject to Amtrak or Clinton requests, but shown as information.

AMTRAK TRAVEL: ON THE RISE AGAIN

Passenger revenues rose 7% in fiscal 1997 and 3% in the first quarter of fiscal 1998 (October-December 1997); passenger-miles rose 2% and 5%, respectively. (A passenger-mile is one passenger carried one mile.) In January, 1998, passenger-miles rose 10%.

The October-December quarter also had what Amtrak calls its biggest quarterly ridership increase in 14 years (up 7%).



St. Louis Line To Get Higher Speeds

Work should begin later this year to equip nearly half the Chicago-St. Louis line with a comprehensive "positive train control" (PTC) system. PTC, because it prevents train collisions by overriding crew errors, would permit an increase in the line's 79 mph top speed.

The line has a lot of grade crossings and this PTC system will include control of warning devices at grade crossings. Under current safety policies (subject to change due to rulemaking now in progress), the top speed through grade crossings is 110 mph (but 125 mph with devices that physically prevent highway vehicles from crossing, like the arrestor nets Illinois plans to test at some crossings on this line).

PTC is a radio-based communication and train location information system; the information capability can improve customer service and reduce costs for the freight railroads.

The line involved runs 123 miles from Springfield north to Mazonia (25 miles short of Joliet). Preliminary total cost estimate for the system is \$50-60 million, of which about \$35 million is already in hand—\$20 million from the Association of American Railroads, which represents the largest freight

railroads, and \$15 million in federal and State of Illinois funds.

Full project completion, including creation of "flexible" or traveling blocks, is expected to take four years, but some benefits—including higher speeds—should come sooner.

This project in effect is the "migration" and transformation of the positive train separation system whose test in the Pacific Northwest is nearing completion (Apr. '96 News).

Another advanced signal system should let Amtrak run 110 mph on parts of the Chicago-Detroit line this year (Sept. '96 News). Also, last May Conrail got a \$500,000 federal grant for a system to increase safety and to allow locomotives to switch quickly among different types of signal systems, on the Harrisburg (PA)-Manassas (VA) freight line.

In March, results of Phase II of a joint Amtrak/state/FRA study of nine Midwest corridors (Oct. '96 News) are to be made public. This study has three scenarios (all with more frequent service than exists now): 79 mph ("conservative"); a mix of 110 and 79 mph ("moderate"); and 125 mph ("aggressive"). Annual ridership estimates (for 1998, assuming work was done now) are 1.5 million for the baseline ("do-nothing") scenario; 3.9 million for the conservative; 6.3 million for the moderate; and 7.4 million for the aggressive. ■

Clinton Budget

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was broadened to eliminate the incentive to managers to do major overhauls on equipment needing only minor work. (This practice is said to have resulted from greater availability of capital funds than operating funds.)

This broader definition should let Amtrak focus Taxpayer Relief Act funds on the high-rate-of-return capital investments for which that money was intended.

Longer term, of course, Amtrak still needs a dedicated source of capital, and the gasoline tax half-cent idea still looks like the best. Also, the case for including intercity passenger rail as an eligible use of federal transportation funds remains as strong as ever. Both of these issues need to be addressed in this year's ISTEA reauthorization process.

The biggest problem Amtrak may face on Capitol Hill in coming months is Republican antagonism towards the incumbent Amtrak Board and to any White House efforts to nominate incumbents to the new board. At a February 3 hearing, House Appropriations Chairman Frank Wolf's (R-VA) *only* Amtrak comment was that he felt Thomas M. Downs (Amtrak's former chairman) had done a good job and that the Board had treated Downs shabbily. (Wolf later told your editor Downs "was the best thing that ever happened to Amtrak.")

The White House needs to understand the gravity of Hill concerns about most incumbent board members. Also, the White House must follow through on Secretary Slater's commitment to restore the "lost" \$199 million in 1998 capital (footnote A in page-one table). The Administration is considering a 1998 supplemental appropriation; this should be in it. ■

FIRST STATION FOUNDATION GRANTS

The Great American Station Foundation (Sept. '96 News) on October 29, 1997, announced its first ten station-improvement grants (over \$250,000):

- Anniston, AL
- Colfax, CA
- Los Angeles, CA
- Lynchburg, VA
- Metropark, NJ
- Sacramento, CA
- Seattle, WA
- Sedalia, MO
- Spartanburg, SC
- Worcester, MA

The announcement came near the end of a 78-station tour of a special train sponsored by the Foundation to raise public awareness of the need to revitalize historic stations.

In January, Greyhound Lines donated \$100,000. Foundation Chairman Thomas M. Downs said, "Greyhound's generous pledge will help the Foundation save and restore train stations across the country and turn them into vibrant centers of intermodal commerce."

The Foundation and National Trust for Historic Preservation want nominees for the "Top 10 Most Endangered Stations" in the US. Stations must have active rail service, but be at a significant risk of destruction, abandonment, or serious damage due to neglect or inattention. The list will be released at the National Trust's Main Street Conference in Pittsburgh in May. Call the Foundation at 202/906-3518 to get a form to fill out if you have a station in mind.

Dining Cars: Plastic Plates Tested

The *California Zephyr's* diner now has plastic plates. Also, such plates and a no-choice "Family Style Menu" have come to the Jacksonville-Miami and New York-Washington segments of New York-Florida trains (exception: between New York-Washington, the *Silver Meteor* kept the standard breakfast; the standard dinner was restored there after NARP complained). Amtrak is addressing the "no-choice" problem.

Zephyr: Will Other Trains Follow?

Effective October 26, 1997, Amtrak removed china from the *Zephyr*, plus one on-board employee needed to wash it. Menus changed slightly: a pre-prepared Chicken Kiev (which Amtrak has sold before) replaced the frozen half-chicken; pre-packaged cheese replaced cheese cut on board; fruit mix replaced fruit cut on board. Ice cream was eliminated; this has produced many complaints. (China, but not the original menus, returned briefly, December 15-January 6.)

The *Zephyr* approach—which has been considered for expansion to other routes—would be part of Intercity's effort to cut annual dining-car costs \$6.2 million. This may be a reasonable goal, but the failed experiment with cheapened diner service in the early 1980's suggests plastic plates would hurt the bottom line; unhappy customers would vote with their wallets and stop riding. A good dining experience, after all, is an integral part of long-distance rail travel, especially for high-revenue passengers. Beyond aesthetics, plastic plates may not be thick enough to hold the food temperature.

Amtrak told NARP that no diner change would become widespread until *successfully* tested. Restoration of china during the high-volume Christmas period suggests Amtrak is uneasy about the plastic approach, as they should be.

Some parts of the *Zephyr* test may make sense, for example, due to availability of some good-quality pre-prepared foods. But Amtrak, for too many years, has resorted too quickly to cost savings on the backs of passengers. Today, customer-friendly approaches are essential. Examples include better managing the food that goes on the trains and how it is handled, to reduce run-outs and spoilage and to raise revenues and food quality. Smarter purchasing would take full advantage of discounts that any big purchaser should be able to get.

Amtrak is seeking, for example, to restore efficient national purchasing, which was reduced since product-line management began. Amtrak says it is reducing variants of the same product, e.g., inventorying one not two sizes of prime rib. The number of dining-car menu choices ultimately may be standardized nationwide but Amtrak says it realizes variety within the menu is important, especially to people on long trips.

New York-Florida Diners

"Family" meals on the above-noted segments allow two-person crews on more lightly-patronized segments. Coach passengers pay \$9 (children \$4.75) for dinner (main dish: Oriental beef stir fry has replaced Chunky beef barbecue). They pay \$6.50 and \$7 for breakfast and lunch, respectively; children half price. The current main lunch dish is pot roast; the initial main dish was chicken cacciatore.

On the *Meteor*, your editor requested a meatless meal and was told, "Talk to your senator." He talked to Amtrak—now there is a vegetarian alternative (for dinner). ■

NARP REGIONAL MEMBERSHIP MEETINGS

Regions 2, 3, 5, 11, 12 have a race for NARP director; ballots with meeting information have been mailed separately to members there. The Region 4 election is voided by the death of candidate John P. Stith.

- **Reg. 1 (CT, MA, ME, NH, RI, VT):** Sat., Mar. 28; Boston, MA; 10-3; The Conference Center at One Financial (across from South Station); fee \$25 (includes lunch, pay in advance to meeting contact); speakers: Clay Schofield (Boston Rail Link project director), David Carol (Amtrak Northeast High-Speed Rail Vice President); contact: Steve Musen, P.O. Box 8645, Warwick, RI 02888.

- **Reg. 2 (NY):** Meeting held Feb. 28.

- **Reg. 3 (DE, NJ, PA):** Sat., Apr. 4; Lancaster, PA; 11-5; Amtrak station (53 McGovern Ave.); fee: \$10, includes lunch (payable to KARP); speaker: Rick Peltz (Pa. DOT Deputy Secretary); contact: Keystone ARP, P.O. Box 3452, Scranton, PA 18505-0452.

- **Reg. 4 (DC, ND, VA, WV):** Sat. Mar. 14; Baltimore, MD; 12:30-4:30 pm; Baltimore Streetcar Museum; fee \$10; contact: Jim Churchill, 6301 Stevenson Ave., #715, Alexandria, VA 22304, 703/751-8427 (leave message if necessary).

- **Reg. 5 (AL, FL, GA, KY, LA, MS, NC, SC, TN):** Sat., Mar. 21; DeLand, FL; 9 am; Holiday Inn, 350 International Speedway Blvd., 904/738-5200; fee \$15; speaker: NARP President John R. Martin; contact: John McQuigg, 1000 W. Horatio #125, Tampa, FL 33606, 813/253-0016.

- **Reg. 6 (IN, MI, OH):** Sat., Mar. 7; 9 am; Detroit, MI; St. Regis Hotel, 3071 W. Grand Blvd. (800/848-4810, 2 blocks from Amtrak); \$25 (includes lunch, pay to Michigan ARP by Mar. 3 at P.O. Box 594, St. Clair Shores, MI 48080); speakers: Al Martin (Director, Detroit DOT), Sally Billups (Michigan Environmental Council), Philip Kazmierski (Deputy Director, Michigan DOT); contact: John DeLora, 810/772-7842.

- **Reg. 7 (IL, MN, ND, WI):** Sat., Mar. 14; Bloomington, IL; 8:30-3; Radisson Hotel, 10 Brickyard Dr., 309/664-6446; speaker: Lee Bullock (Amtrak Intercity President), plus discussion on Midwest Rail Initiative; contact: Ken Burbach, 3821 Signature Lane, Middleton, WI 53562, 608/831-4177.

- **Reg. 8 (AK, ID, MT, OR, WA)—**Sat., Mar. 21; Seattle, WA; 11:30-5; University Plaza Hotel, 400 NE 45th St.; \$18-24 (depending on meal choice); speakers: Washington DOT Secretary Sid Morrison, Ed Ellis (Amtrak Intercity mail and express vice president); pre-meeting tour of Talgo plant; contact: Jim Hamre, 253/848-2473.

- **Reg. 9 (AR, KS, MO, OK, TX—except El Paso Co.):** Sat. Mar. 14; Dallas, TX; 9 am; Hyatt Regency, 300 Reunion Blvd. (opposite end of pedestrian tunnel from Union Station); contact: Tim Geeslin, 2205 Marvin Gardens; Arlington, TX 76011, 817/792-3833.

- **Reg. 10 (CO, IA, NE, SD, UT, WY):** Sat. Mar. 28; Council Bluffs, IA; 9:30 am-3:00 pm; Best Western Crossroads of the Bluffs, 2217-27th Ave., 712/322-3150 (shuttle available to Omaha train station and airport); \$15 (includes lunch, \$18 at door) Speakers: John R. Martin (NARP President); contact: Dick Welch, 3349 Southgate Ct., SW, #108, Cedar Rapids, IA 52404-5424, 319/362-6824.

- **Reg. 11 (AZ, NM, El Paso Co., TX):** Meeting held Feb. 21.

- **Reg. 12 (CA, HI, NV):** Meeting held Feb. 21.

TRAVELERS' ADVISORY

Amtrak Scheduling—Effective January 20, the westbound *Lake Shore Limited* (#49/449) is running 20 minutes later than shown in the October timetable, for all points Schenectady through Chicago. This is to facilitate adding RoadRailers just after leaving Albany station. Also, the connecting Toledo-Ann Arbor Thruway bus runs approximately 45 minutes later.

Amtrak Spring Timetables—New Northeast Corridor timetable comes April 5; then new Northeast Corridor and Intercity/West timetables May 17.

Through sleeping cars and coaches resume May 17 on the tri-weekly *Texas Eagle/Sunset Limited*, Chicago-San Antonio-Los Angeles (that in addition to the once-weekly Chicago-Los Angeles *Texas Eagle* that began February 6). Special thanks to NARP President John R. Martin, Bill Pollard of the Arkansas Association of Railroad Passengers, and others who worked persistently on this service restoration.

More Rutland Service—In order to get some revenue from a "deadhead" move for *Ethan Allen* equipment, a new northbound-only daily Amtrak train will begin February 15, leaving Albany at 9:55 am and arriving Rutland about 12:30 pm. It will connect from train 63 from New York.

Higher Change Penalty—For tickets purchased on or after February 3, the charge for changing an Amtrak reservation (or for a refund) rises from \$20 to \$30 (\$15 for children 2-15). The original \$20-fee was imposed in February 1996 after NARP protested a short-lived non-refundability rule. Tickets bought through February 2 can have one change at the old rate.

Amtrak claims this is reasonable given that some airlines charge \$75. However, airline reservations do not require booking and paying many months in advance, as many Amtrak spaces do. Nor do domestic airlines tend to tie up as much of a passenger's money so far in advance of travel as is the case for many long-distance, first-class Amtrak passengers.

Amtrak Fares—The North America Rail Pass went on sale January 27. The 30-day pass is good on both Amtrak and VIA Rail Canada. An "off-peak" fare of \$450 is offered for travel through May 31. For June 1-October 15, it is \$645. Not good with other discounts; sleeper upgrades possible for additional charge.

Amtrak Intercity and West will sell a "Amtrak Great Getaway Fare" from February 20 through May 9, for travel March 1-April 2 and April 20-May 21. It allows a full-fare passenger to have a companion travel at half-fare, and (an optional) second companion free.

New York State Poll Favors Trains

A poll conducted between September 29 and October 5, 1997, by the Marist College Institute for Public Opinion (Poughkeepsie), found strong support throughout New York State for intercity passenger rail. Commissioned by the Empire State Passengers Association (ESPA) and the Empire Corridor Rail Task Force, the poll interviewed 644 registered voters throughout the state, during a time when Amtrak politics were receiving significant media attention.

The poll found that 97% felt intercity train service ("such as Amtrak which is mostly used for trips of 75 miles or more") should be "improved and modernized" rather than eliminated.

Also, 82% felt "improved and modernized intercity passenger train service throughout New York State" was just as important as (70%) or more important than (12%) "having good highways and airports." And 87% favored using more state funds to improve intercity passenger train service.

The poll found that 89% of long-distance train-users (those who made a train trip over 75 miles in the last 12 months or a member of their household) would consider the train for their next trip (compared to 66% of non-users). Most (89%) of the "users" said "better schedules and performance" was the factor most likely to get them to ride again. ■

For a complete copy of the survey report, send \$5 to Richard Kulla, 5 Summit Ave., Pawling, NY 12564-1034.



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