Second Class Postage Paid
At Washington, D.C.

NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

NEWS

Vol. 16, No. 2 **February, 1982**

417 New Jersey Avenue, S.E., Washington, D.C. 20003
202/546-1550
News Hotline (except during business hours), 202/546-1551
OFFICERS: John R. Martin, *President;* **Samuel E. Stokes, Jr.,** *Vice-President;* **George Tyson,** *Secretary;* **Joseph F. Horning, Jr.,** *Treasurer;* **STAFF: Ross Capon,** *Executive Director;* **Barry Williams,** *Assistant Director;* **Kay Stortz,** *Membership Director*
Membership dues start at $15/year ($7.50 for those under 21 and over 65) of which $4.00 is for the subscription to NATIONAL ASSOCIATION OF RAILROAD PASSENGERS NEWS, published monthly except in November, and GETTING THERE.
(No. 1 was mailed Feb. 2)

RETURN REQUESTED

The Status Quo and Worse

President's Transport Budget

With the winners listed first, the table shows selected elements of the federal transport budget ranked according to percentage change in estimated outlays from FY '82 to FY '83.

Source: Budget of the United States Government, Fiscal Year 1983, Executive Office of the President, Office of Management and Budget.

	OUTLAYS IN MILLIONS			
	1983 estimate	1982 estimate	1981 actual	1983 % Change From 1982
Air transport total	$3,968*	$3,730	$3,850	+6.4%*
Interstate highway construction	$3,400	$3,500	$3,677	-2.9%
Highway transport total	$8,108	$8,566	$9,105	-5.3%
Transport total	**$19,628**	**$21,228**	**$23,381**	**-7.5%**
Mass transit	$3,221	$3,817	$3,917	-15.6%
Amtrak	**$600**	**$830**	**$851**	**-27.7%**
Rail (freight) service aid	$32	$103	$67	-68.9%
Northeast Corridor improvem't	$115	$396	$304	-71.0%
Alaska Railroad	$3	$11	$7	-72.7%
RR (freight) rehab. & imprm't	0	$245	$43	-100.0%

*"Funding levels for FAA capital programs are contingent upon congressional approval of the administration's user fee proposal (ed.: including "an 8% passenger ticket tax on scheduled air carrier flights") and recovering 85% of FAA costs (all those allocable to air carriers and general aviation) from the trust fund."

The budget includes two sets of numbers: budget authority (BA) and outlays (shown above). BA goes through the authorizing committees (Commerce for Amtrak). Outlays are what the government actually spends. Outlays correspond roughly to appropriations except that some money shows in "outlays" a year or more after it is appropriated as, for example, when Amtrak makes payments for new rollingstock over a lengthy period determined by the rate at which the cars are delivered. This explains why Amtrak outlays are $830 million in FY '82 although BA and appropriations are $735 million.

The Interstate construction numbers above are "obligations," a distinction arising from the fact that highway builders essentially bypass the appropriations process. ■

Anti-Rail Budget

Once again, a Presidential budget urges major Amtrak cuts, this time adding a provision that would kill the Section 403(b) program by requiring states to pay up to three times what they are now paying.

Once again, a Presidential budget urges major expenditures ($3.4 billion) on *new* Interstate highway construction while the nation cannot afford proper maintenance of existing highways.

MORE ON REGIONAL MEETINGS: NARP Pres. John R. Martin will be at Orlando; NARP Exec. Dir. Ross Capon at Albany, Toledo, and Baltimore; NARP Asst. Dir. Barry Williams at Pittsburgh and St. Louis. Region 4 will meet in Health Sciences Library Auditorium of the University of Maryland at Baltimore, 111 S. Greene St. (at Lombard St. on SE corner), 9 AM, Apr. 3. U.S. Sen. Paul S. Sarbanes (D-MD) will speak. Call George Tyson (301/448-2362 evenings/weekends) if you need a ride from Penn Station.

According to *The Washington Post* of Feb. 3, "Edward Moore of the nonprofit research group The Road Information Program predicts that nationwide, '1982 is going to be a record year for potholes.' The reasons are bad weather and poor maintenance. 53% of the nation's paved roads were rated as substandard last June . . . compared to 42% a year earlier."

Air is the only transport mode for which increased expenditures are projected, notwithstanding falling ridership. Domestic airline revenue passenger-miles in 1980 were down 5.4% from 1979; during the seven pre-controllers'-strike months of 1981, the same measure fell 8.0% from the comparable period in 1980.

If the "Reagan revolution" has any meaning here, it is to dramatically increase the federal government's perennial neglect of energy-efficient, safe rail and mass transit services, and to in-

(continued on page 2)

TRAVELERS' ADVISORY

Sorry! Since Cardinal and Eagle are both tri-weekly, Greyhound's Cincinnati-to-St. Louis schedule (with change in Indianapolis), touted here last month as a Cardinal-to-Eagle connection, works only for the Cardinal that leaves New York on Wednesdays, though it does permit same-day connections to St. Louis for all Cardinal trips and from Cincinnati for all Eagle trips. Northbound Eagle passengers bound for Cincinnati can depart St. Louis (Greyhound) at 9:15 AM, but eastbound Cardinal passengers originating in St. Louis can depart no later than 5 AM.

Empire Builder's new year-round-daily status opens up same-day connections in Chicago with all Eagle trips. It

also means that the Cardinal-Builder connection requires only a one-night layover in Chicago and that all Sunset trips have direct connections (via the Starlight) with the Builder, facilitating such trips as Phoenix-Spokane.

Frequent city bus service linking Miami's Amtrak station with Miami Beach is now a reality, thanks to the work of NARP Director Charles Dunn. "L" Route buses operate 5 AM to 2 AM every day of the week, on a 10-20 minute frequency, between the front door of the Miami station and the convention center and resort hotels of Miami Beach. Fare 75¢ (seniors 35¢).

On March 1, the Washington-Chicago "Capitol Ltd." was to begin serving McKeesport, PA, 20 miles east of Pittsburgh, at a new $1.7 million intermodal commuter rail/city bus station built by Port Authority Transit of Allegheny County. Due to slow running east of Pittsburgh station, schedule times are much more attractive at McKeesport than in Pittsburgh.

Amtrak in the Budget

403b: Under the President's budget, states which jointly fund trains with Amtrak under Section 403b of the Amtrak law would be required to pay 100% of long-term avoidable costs. Presuming that OMB means net costs (in other words, that Amtrak can deduct passenger revenues in calculating how much the states owe), Amtrak's rough preliminary estimate is that states would have to pay up to three times what they are currently paying. If OMB's omission of the word "net" was deliberate, the state payments would of course go even higher.

OMB is wildly misleading to state: "Require States to increase the amount they pay for State and Federally funded service from 45%-65% of short term avoidable costs to 100% of long-term avoidable costs."

In fact, states currently pay only 20% or 35% of avoidable costs per the 1979 law. Under the 1981 law, state payments would rise in FY '83 to the 45%-65% OMB mentions. In any event, it seems unlikely that state governments already beleaguered by other federal policies would be able to sustain such a sharp increase in this program.

Taxes: Under the budget, the FY '83 appropriations bill would *not* include the current appropriations language relating to state and local taxes (Dec. *News*, p. 4). Such language would save Amtrak roughly $8 million.

Bumper sticker: "AMTRAK'S BACK! RIDE THE CARDINAL" with "New York-Washington-Cincinnati-Chicago" shown in smaller print is available from Mercer Printing Company, 10981 Reading Rd., Cincinnati 45241. $1 each, 3 for $2.70.

Labor Protection: OMB would cut severance payments for Amtrak employees from 100% of salary and compensation for six years to a lump sum. OMB says Conrail employees now receive lump sum severance payments of $25,000 or less, and that switching Amtrak to a similar practice would increase "Amtrak's incentive to dismiss employees when service is cut." (It would also facilitate service cuts at a time when NARP believes the system has been cut to the bone.)

Funding: The budget includes $600 million ($545 million for operations and $45 million for labor protection and capital grants). Amtrak is counting on $788 million to operate all existing service in FY '83, after taking labor efficiencies into account, to provide a limited capital budget, and to make second-year severance payments.

OMB claims "labor and management costs would fall by approximately $75 million . . . through changes in inefficient workrules, or reduced salaries, or increased productivity"; "States would more than double their 1982 contribution" saving Amtrak $24 million (ed.: but labor protection costs are triggered if the states bow out instead); killing the "Cardinal" would save $5 million (ed.: but it may meet the criteria!).

Amtrak notes that failure to resolve the conflict between Amtrak and OMB cost estimates could cause massive route cuts that could trigger labor protection obligations (even if Congress approves the severance payment changes) wiping out the entire capital budget and possibly more (in which case added route cuts would produce more labor protection costs and so on).

Deferrals: Of course the President again seeks the unilateral authority, denied by Congress last year, to cut a certain percentage of funding approved by Congress.

Outlook: Since Amtrak already has $788 million in FY '83 budget authority, (BA), Commerce committees may not be involved this year unless the administration wants to "pull out all the stops" against Amtrak and try to get Amtrak's BA reduced.

The Budget Committees are important to Amtrak's fate in FY '83, all the more so if Congress attempts another omnibus reconciliation bill so legislators can cut programs while avoiding individual votes on those programs. The Congressional Budget Office, which reports to the Budget Committees, is up to its usual tricks. It recommends a *total* of $533 million and elimination of all routes except Northeast Corridor, LA-San Diego, and a Chicago corridor(s).

The Appropriations Committees were supportive of Amtrak last year. The House Appropriations Transportation Subcommittee plans to hear testimony on Amtrak from Amtrak and administration witnesses Mar. 29-30 and public testimony on all transport modes Apr. 28-29; counterpart Senate hearings are expected all in late April.

Please write to your representative and senators (The Honorable __________, U.S. House of Representatives, Wash., DC 20515; U.S. Senate, Wash., DC 20510) urging them to see that Amtrak receives $788 million in FY '83. Indicate your support for no change in the present status of Amtrak's exemption from state and local taxes, since Congress is already hearing from those who disagree with us on this. Also urge no change in the 1981 law regarding Section 403(b). Pay special attention if you're represented by a Budget Committee member. Seek our help if you need it to answer a reply from a hesitant legislator. ■

The Status Quo and Worse *(continued from page 1)*

crease the traditional over-emphasis on investments in energy-wasting, dangerous highways and the energy-intensive air system.

The anti-rail bias is most clearly illustrated by the budget's outright ban on federal aid to new rail transit systems, even efficient light-rail systems.

The President's transport energy program appears to consist of using public investment and other policies (e.g. subsidized parking for federal employees; rescinding Carter's executive order directing federal agencies to help downtown areas threatened by new suburban shopping malls) to entice people into the least efficient modes, giving tax breaks to the oil companies, and standing by happily while those companies twist the arms of retailers to encourage Americans to buy as much gasoline as possible.

Demand vs. Ridership

The administration likes to justify its policies by referring to demand. The President's Office of Management and Budget (OMB) says, "Amtrak service is in less demand than other modes."

OMB has confused "demand" with "ridership." Amtrak does not serve Columbus, Louisville, Nashville, or Oklahoma City, and thus has no ridership there. Amtrak does not link Dallas-Houston, Atlanta-Chicago, Miami-Tampa, Dallas-Denver, Dallas-New Orleans, or Florida-Midwest, so it has no ridership along those routes. Many of the markets Amtrak does serve, including all service in Texas, see three round-trips per *week;* others see only one round-trip per day.

But Webster says "demand" is "an act of seeking or being sought after." We know there is plenty of *demand* for service Amtrak is not now providing. Amtrak agents answering inquiries from the general public know this—and one hint of priorities for new services might emerge if Amtrak started keeping records of such inquiries.

If there is no demand for Amtrak in Oklahoma, why does Amtrak's president have to spend time in a meeting involving the offices of every U.S. representative and senator from that state?

The demand for vastly expanded rail passenger service exists. The problem is that meeting it requires at least short-term government support, albeit much more modest investment than was required to launch our over-dependence on highways.

The Love Affair is with MOBILITY

A striking indication of the general public's disenchantment with the automobile is found in the "Public Participation" (Vol. III) section of *Technology Assessment of Changes in the Future Use and Characteristics of the Automobile Transportation System* by Congress' Office of Technology Assessment.

The following excerpts from OTA's report are all the more impressive when you consider that the process was conducted in 1978, when the public viewed the 1973-74 gasoline crisis as an isolated phenomenon and the disadvantages of the automobile were somewhat less obvious than today; and Clarence Ditlow, III, of the Center for Auto Safety, resigned from the project's Advisory Panel partly in frustration over the extent to which auto manufacturers and oil companies tried to dominate the project.

"The vast majority of the respondents viewed cost as the major constraint to automobility. . . .

"Because of problems arising from an essentially one-mode system (i.e., what happens when the car breaks down?), energy and environmental concerns, and spiraling congestion, participants stressed the need for a multimodal system with well-coordinated intermodal connections for the future. No one mode should dominate the system, they said, and system components should be energy efficient, nonpolluting, safer, more durable, less costly (financially and socially), and quieter than today's vehicles. . . .

"It became apparent, in listening to the comments of individuals in many parts of the United States, that American society is not having a love affair with the car so much as it is having a love affair with mobility. . . .the overwhelming majority of the respondents indicated a desire, and more importantly, a need for additional modes of travel or ways to increase accessibility to their various activities. . . .

"A variety of reasons were offered for the present popularity of the car. The main one was, 'There are no alternatives.'

"The overwhelming consensus of the respondents was that there must be 'viable alternatives' to the automobile transportation system. . . . 'We should never get tied to one system, because when it breaks down, we are in serious trouble.'

"The respondents were almost unanimous in their support for a multimodal system. . . Should the auto be the major form of transportation in 2000? Yes and no was the 'clearcut' answer we received. Of those who responded affirmatively, more than half said, in essence, 'yes, but . . . .'

"Both respondents who said that the automobile would continue to dominate and those who said that the automobile should not be the dominant mode stressed the need for a multimodal system.

"When asked how they would design the personal transportation system of 2000, about half of the respondents described a multimodal system with a car (in some, the automobile dominated; in others, mass transportation dominated). About half described a multimodal system without a car. A very small number of respondents (ed.: including Ronald Reagan?) said the system should remain as it is now. . . .

"In general, the respondents—pro-car, no-car, and those who took the middle ground—emphasized the desire for increased mobility for all segments of society. They stressed the importance of good intermodal connections. . . ."

Government Ignoring the People

The President's rhetoric focusses on "getting government off the backs of the people." In reality, the government funded by us all is functioning more and more as a tool with which the interests currently dominating transportation can tighten their stranglehold on markets in which they are not most efficient and, by allowing suburban sprawl to continue unabated, create new markets doomed to total auto dependence.

This auto promoting exacerbates inflation. Transportation prices, dominated by our auto over-dependence, normally outpace the overall consumer price index. Even in September, when gasoline prices fell .1% (from August), total transportation costs rose 1.2% (used car prices rose 4.0%).

Starting in 1979, the Federal Highway Trust Fund has been spending more than it has been collecting.

BILLIONS OF DOLLARS

	Taxes Collected	Interest	Total In	Outlays	Net Change in Balance
FY '80	$6.6	$1.0	$7.6	$9.2	-$1.6
FY '81	$6.3	$1.1	$7.4	$9.2	-$1.7
FY '82	$6.6	$1.1	$7.7	$8.3	-$0.7

(FY '82 is estimated. Due to rounding, right column doesn't add.)

At the end of FY '81, the Trust Fund surplus had declined to $9.259 billion and was still declining.

Though the President's staff toys with a tariff on oil imports, the President opposes increasing the gasoline tax. Incidentally, a budget official once told a group of environmentalists that the best way to stop highway construction would be to block highway tax increases!

Traffic Engineers: Guilty

Politicians need not be blamed for one factor driving our nation's insatiable appetite for new highways, highway widening projects (and even subways!): the refusal of most U.S. traffic engineers to recognize that a key cause of congestion is poor management of intersections and that modern traffic rotaries can improve intersection capacity and safety at low cost.

For example, capacity of a T-intersection in an English town increased 27% after traffic signals were replaced by a small rotary with a center island 10' in diameter. A study of 13 previously-signalized intersections showed serious injuries and fatalities declined 62%. Stops and delays were drastically reduced.

Drivers try to avoid traffic lights and take short cuts through side streets; buses (& light-rail vehicles) stick to congested main routes. This discourages transit ridership.

U.S. traffic engineers have never accepted the particular rotary designs proven in Europe. Now it appears that the next geometry manual of the American Association of State Highway and Transportation Officials will delete *all* rotary designs.

(Write NARP for more details.)

What is a Subsidy?

NARP has long argued that government expenditures are subsidies even where a modal "trust fund" financed by user charges is involved. By acting as banker and channeling money on behalf of air and highway but not rail systems, the government distorts the free market.

Today's trust funds followed massive direct subsidies, which continue for local roads. The air trust fund didn't start until 1971 and Secretary Coleman found that the feds had invested $15.8 billion before 1971, "none of which have been or will be paid for by air carriers and other system users." (NARP News, July '78, p. 3) Some direct air subsidy is acknowledged by President Reagan, since he proposed making his increased air budget conditional upon using trust fund monies to cover 85% of air system costs.

At the local level, road and air investments have been made by jurisdictions that simultaneously collected property taxes from the railroads—including Amtrak until last Oct. 1 and possibly resuming next Oct. 1.

The Federal-Aid Highway Act of 1956 established the federal gasoline tax and the Federal Highway Trust Fund, segregating gas tax revenues from general revenues and specifying that they be used solely to amortize highway construction costs. The law expedited construction of the National System of Interstate and Defense Highways, limited at first to 41,000 miles and now planned for 42,500.

The significance of the 1956 law was not understood by most Americans when it was first passed. Certainly not by the inner-city residents whose homes and mass transit services subsequently were destroyed by commuter freeways inappropriately dubbed "Interstates." (Over 50,000 people in Chicago alone were displaced.) Certainly not by budget experts: "It cost about \$80 billion to build the existing 95%. . . . It will cost about \$50 billion to finish the remaining 5% . . . ." (*Chicago Tribune* editorial, Dec. 30).

(See July '81 *News*, and Feb. '81 *Harper's*, on the systematic, illegal destruction of electric railways in the 1930's to early '40's. Major corporations were convicted but received negligible fines. Another example of factors outside the free market eating away at public transportation.)

Deprived of vital local transit connections, intercity rail passenger service also withered. Today, lots of people drive or fly not because they want to but because they have no alternative. It would be interesting to see how much gasoline tax money would flow into a "rail trust fund" if highway users could designate which transport mode would benefit from their contributions. For example, the 11,500 NARP members alone, counting just the 4¢/gallon federal tax, could contribute a quarter of a million dollars annually based on 20 miles-per-gallon average and less than 11,000 miles/year of driving per member.

Conventional Washington "wisdom" pretends that every dollar paid into the highway trust fund is a vote by the contributor for more highways, and can be offset against highway costs to reduce (formerly eliminate) the highway subsidy.

The Amtrak Subsidy

OMB says: "The Federal government pays a higher percentage of the costs of Amtrak service than it does for any other mode of ground transportation."

There are two fundamental reasons for the high subsidy level: the low volume of service provided relative to the fixed facilities available (low volume = high unit costs), and inefficient utilization of labor. These two problems could be linked together and transformed into solutions.

ATTENTION TRAVEL AGENTS:

Are you a NARP member *and* an Amtrak-appointed travel agent? If so, would you please identify yourself by sending to the NARP office a note on your agency stationery? We need this information to publish a list in *Getting There* magazine. Such a list should prove beneficial to you, the travel agent, and to *GT* readers. Please indicate your specialities, whether you handle intercity bus tickets, and whether you would be interested in advertising in *GT*, should the magazine decide to carry ads. We need to hear from you soon. Thanks!

Amtrak has stations in virtually every major city and all major endpoints even on NARP's own wish-list. (The four largest cities without passenger service are noted above.) Service frequency could be increased on existing routes, and crucial new links added between existing terminals, to produce a much more efficient system.

In his April, 1981, article, "Amtrak's \$127 Million Profit," *Passenger Train Journal* Publisher Kevin McKinney wrote: "What we have today is a nationwide Amtrak store, built, staffed and ready to do business. No one, however, seems willing to give the store enough inventory (i.e., trains) to generate enough revenue to cover the costs of doing business. Instead, the strategy is to provide less inventory. If the revenue-generating assets (again, the trains) are reduced faster than the costs of doing business, many of which are fixed—at least in the short term, the end result very well may be fewer trains with a loss equal to or greater than before." (See also the lead story of Oct.-Nov. '81 *News*.)

To cite one small example, Amtrak has generally found that reducing daily service to tri-weekly cuts the subsidy in half. To put it another way, a 57% cut in service cuts the subsidy only 50%. The system becomes less efficient, the subsidy per passenger-mile rises, but OMB's only interest, cutting short-term costs, has been achieved.

Let's turn it around. Going from tri-weekly to daily increases service 133% but costs only 100%.

OMB has some language in the budget about Amtrak's labor inefficiencies. NARP is concerned about the same problem. The question is: does the administration wish to use the labor issue as a weapon with which to destroy the service, or to put together a package that might simultaneously improve utilization both of labor and Amtrak's fixed facilities and make Amtrak service more generally available and useful?

A sensitive approach to labor could break the decade-old deadlock between the two ends of Pennsylvania Avenue, with the White House determined to stamp out Amtrak and Congress able to provide most sections of the country with just enough service to make Amtrak politically viable but not enough to make it economically viable.

OMB's latest effort is not sensitive. It simultaneously advocates a major cut in Amtrak's budget and destruction of the Sec. 403(b) program of Amtrak-state jointly funded trains. It derisively refers to employees that "receive a day's pay for 100 or 150 miles travelled rather than for eight hours worked."

Of course the railroad business suffers in many ways the disadvantages of being the nation's oldest major industry. Passenger trains in particular suffer from the fact that train and engine crews get paid by the private railroads (which are doing better now than they've done for many years, as a result of deregulation and the new tax law) and these people will not lose their jobs if Amtrak disappears; they'll just "bump" back into freight service. Much-reported new labor concessions in other industries involve less complex situations where the affected workers see a direct threat to their employment in the absence of those concessions.

Most fundamental is the unlikelihood that the unions will negotiate seriously about passenger work-rule changes while they believe the White House will continue to try to destroy Amtrak at every turn, for example, trotting out all the old anti-Amtrak cliches the latest budget document includes.

Suppose the administration said, "OK, we're convinced Americans love trains. Amtrak will get an \$888 million budget (\$100 million more than authorized) if Amtrak promptly negotiates labor agreements providing for unprecedented improvements in labor utilization."

Stockman vs. Lewis

There's some evidence to suggest that Secretary Lewis might be more sympathetic than Budget Director Stockman.

The Wall Street Journal reported Dec. 16 that OMB "had sought fiscal 1983 funds of only \$460 million" for Amtrak. "But the Transportation Department, by deciding to cut other programs further, agreed to accept Amtrak financing of about \$600 million. . . . Even this amount is considered unrealistically low by the department. . . .'I don't think (Transportation Secretary Drew Lewis) wants to get into another bloodbath' with Congress over the Amtrak budget, a department official said. Mr. Lewis might seek an increase in the \$600 million."

Some of the "pre-budget-release" interaction between OMB and any department may be contrived to enhance the standing of the Secretary with his constituencies. Nonetheless, it is Stockman who says he's "deeply offended" by programs like Amtrak. The Oct. 2 *Washington Post* quoted him as saying, "You can shut down Amtrak except in the northeast part of the country without any great loss. We're going to have to do it in a year or two anyway."

And it is Lewis who was scheduled to appear at an Amtrak "Family Days" equipment display Feb. 19-20 in Albuquerque along with Senate Budget Chairman Pete V. Domenici (R-NM) and Amtrak President Alan Boyd. Lewis insists that he is not against Amtrak; that he just wants to reduce costs and wants Amtrak to handle the labor efficiency problems.

Whatever the Secretary's private views about Amtrak, he is an astute politician highly regarded in the White House. It is just possible that eventually he might conclude that a sincere administration offer to increase Amtrak funding in return for major labor agreements could be a no-lose proposition for the White House.

If labor failed to cooperate, Amtrak's claim on the budget and its public support would be significantly weakened. If labor did cooperate, Amtrak service could increase in quantity and efficiency, and Ronald Reagan could become the first President to turn Amtrak to political advantage. ■