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(This has news through Nov. 27. No. 9 was mailed Nov. 14.)

**RETURN REQUESTED** 

# **Gramm-Rudman = Trouble**

## Common Sense Wins in Southern New Jersey!

Southern New Jersey may soon get one of the nation's most cost-effective major transport improvements in years: new intercity and commuter rail service made possible by upgrading the 61-mile freight-only rail line linking Philadelphia (Shore Tower) with Atlantic City.

What's more, the project should have nationwide benefits. If Amtrak's projections are accurate, revenues of the new service will exceed operating costs, reducing Amtrak's total federal operating subsidy needs and improving its closely watched revenuesto-costs ratio.

Amtrak Pres. W. Graham Claytor Jr., appearing Mar. 19 before the Senate Appropriations Subcommittee on Transportation, stated in response to a question from Sen. Frank R. Lautenberg (D-NJ): "We are satisfied that we could run the intercity service for revenue that would not only cover all of its operating costs, but would also make a significant contribution to [Amtrak's] overhead. That would be better than any other train we are running except the Auto Train.... It would help reduce our subsidy, not increase it."

Moments later, Federal Railroad Administrator John Riley endorsed Claytor's judgment: "I think that Graham's assessment of this contribution to the overall Amtrak system is correct.... I believe that, if Amtrak continued to be subsidized and run as it is today, this is a logical addition to the system."

The line will be upgraded to permit 79 mph operation of five daily round-trip Amtrak trains between Philadelphia (30th St. Station) and Atlantic City and one express round-trip between New York and Atlantic City. New Jersey is considering operating up to 11 daily round-trip commuter trains on the 49-mile segment between Atlantic City and the Woodcrest station on the Philadelphia-Lindenwold rail transit line, assuming Urban Mass Transportation Administration approval of the necessary federal grant. Work on the line could begin as early as April 1986 and be completed in an estimated three years.

**Common Sense Requires "Heroes":** As transport officials in most other countries understand, when congested highways parallel an under-utilized rail right-of-way, it's just common sense to start making better use of the rails. NARP is encouraged by what's happening on the Atlantic City line. It reminds us, however, that victories for transport common sense in the U.S. are rare—because federal policies direct the bulk of federal transport

(continued on page 3)

# FY '86 Enters Third Month; Budget Remains Unknown

With Fiscal Year 1986 already two months old, Amtrak's funding level remains unclear, largely because of a balanced budget amendment offered by Senators Phil Gramm (R-TX), Warren B. Rudman (R-NH), and Ernest F. Hollings (D-SC), and various compromise versions Congress is considering.

The Gramm-Rudman concept is to achieve a balanced budget in five years, forcing automatic across-the-board spending cuts, if necessary, to achieve yearly deficit reduction goals. The theory is that, although Congress won't take the political heat from voting the devastating program cuts that would achieve a balanced budget, Congress might vote for a mechanism that makes devastating cuts but tries to offer some political insulation from their consequences.

House Budget Chairman William H. Gray III (D-PA) calls this a "Look ma no hands" way to govern. Referring to the automatic cuts which the president would be required to make in spending Congress already approved, House Judiciary Chairman Peter W. Rodino Jr. (D-NJ) said "the proposal attempts to authorize the president to undo a law by something less than a law, and is thus unconstitutional."

Rudman himself said, "It's a bad idea whose time has come." Senate Majority Leader Robert Dole (R-KS) urged the Senate to pass the measure without hearings because "the longer something hangs around here, it gets stale. People start reading it." Indeed, President Reagan endorsed Gramm-Rudman but opposes the Pentagon spending cuts included in all versions. As a result, he has been accused of not understanding Gramm-Rudman.

The common wisdom in Washington is that some version will pass, and House-Senate conferees working towards compromise left town for Thanksgiving talking as if one is close at hand.

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### TRAVELERS' ADVISORY

Watch out! Ads for Amtrak's much-heralded \$7 return fare have included this sweeping statement: "For any trip where a single one-way ticket is over \$50, your return fare is just \$7."

Actually, the return fare is \$14 on most trips involving one change of trains (for example, Pittsburgh to St. Paul, Kansas City, Little Rock, or Omaha; San Diego to San Jose, Las

### NARP MEMBERSHIP AS A HOLIDAY GIFT!

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Vegas, Albuquerque, or Phoenix). Remember, however, the following routes do not require you to change trains: Chicago-Tampa via Washington; Chicago-Los Angeles via San Antonio. Therefore, the \$7 return is good on trips such as Pittsburgh-Richmond, VA and Dallas-El Paso. The \$7 return is also good on travel involving the "San Diegan/San Joaquin" routes, that is, San Diego-San Francisco/Sacramento (including connecting buses). Finally, since there's a \$1 return on Chicago-St. Louis trips, the return fare for a Pittsburgh-St. Louis round-trip would be \$8.

These complications arise mostly because of the limitations of Amtrak's computer. Sometime next year, Amtrak hopes to get computer "enhancements" which would permit them to offer a fare such as the \$7 return without so many restrictions.

Amtrak discontinued its only transcontinental sleeping car. This linked New York and Los Angeles via New Orleans, where passengers could sleep on the car while it spent the night in the station. Last trips left New York Nov. 30 and Los Angeles Dec. 4. Amtrak continues to offer hotel packages in New Orleans.

Starting Nov. 8, Essex, MT, became a regular flagstop on the Chicago-Seattle/Portland "Empire Builder."

Starting in late April, Trailways Northwest, which already runs a Seattle-Vancouver bus connection for Amtrak's "Coast Starlight," plans to add two more daily round-trip buses between Amtrak's Seattle station and Vancouver (both downtown and the VIA station), one of which will connect with the "Empire Builder."

### Gramm-Rudman (continued from page 1)

House Democrats are pushing to shield some poverty programs from the new cuts. They're also pushing for the biggest *immediate* cuts, apparently in the belief that the Senate-passed version postponing painful cuts until after the '86 elections was designed to protect the many Republican Senators up for re-election next year. But the extent of cuts, even in FY '86, won't be known until after enactment, since the determination is based on deficit projections made later—and by non-elected personnel (Congressional Budget Office [CBO] in the House version; Senate version averages the projections of CBO and the President's Office of Management & Budget).

Although one guess was that Gramm-Rudman might force a FY '86 cut of about 4% for programs such as Amtrak, no one really

#### HOW TO BECOME A NARP DIRECTOR

NARP is governed by a board of directors that includes 70 Regional Directors who are elected by the general membership, with each of 12 regions entitled to a number of directors roughly proportional to its share of NARP's nationwide membership. The 1986 board meetings will be in Washington, D.C., May 1-3, and Portland, OR, Oct. 10-11.

In accordance with the NARP by-laws, anyone wishing to run for the position of Regional Director must "send his [ed. or her!] name, address, telephone number and a resume of not more than 100 words to the NARP office." This year, the material must be received on or before Dec. 26. Send it to: NARP, 236 Massachusetts Ave. N.E., #603, Washington, D.C. 20002.

SORRY! LAST ISSUE'S DIRECTORY OMITTED. . .

... James R. Herron, 2016 N. Village Ave., Tampa, FL 33612, one of the seven Regional Directors from Region 5.... The Delaware Valley Assn. of RR Passengers, P.O. Box 7505, Philadelphia, PA 19101, which works in southern New Jersey, southeast Pennsylvania, and Delaware. (Delaware contact: Stephen von Bonin, Rt. 1, Box 135, Hartly, DE 19953.)... and the fact that Intermountain Assn. of RR Passengers also works in Idaho.

knows either what the percent would be or the number to which it would be applied—which brings us to...

... Appropriations: The first two continuing resolutions (CR's), covering Oct. 1 through Dec. 12, incorporate the House-passed DOT appropriations bill. Thus Amtrak's funding for that period is prorated from the annual figures of \$603.5 million "Amtrak" plus \$12.5 million "Northeast Corridor Improvement Project" (now administered by Amtrak—see separate article).

House and Senate conferees tentatively agreed on higher Amtrak figures (\$616 + \$12.5), the numbers printed in the DOT appropriations bill passed by the Senate on Oct. 23, but have not considered the 1.6% across-the-board cut included at the end of the bill.

There is not yet a final DOT appropriations conference report and it's unclear whether there will be. However, chances appear good that—as a result of the just-mentioned tentative agreement—the continuing resolution that takes effect Dec. 12 will include some increase over the Amtrak numbers in the first two CR's. This is because the same legislators who reached that tentative agreement also work on the transportation portion of the CR's.

But to contemplate the rate at which Amtrak will be funded from Dec. 12, 1985 through Sep. 30, 1986 (when the fiscal year ends) requires moving deep into the arena of pure speculation. It seems safe to predict that, while in the hands of transportation appropriations legislators, Amtrak will do no worse than \$603.5 + \$12.5 million and no better than \$616 + \$12.5.

What type of Gramm-Rudman-style across-the-board cut might then be applied is anyone's guess. Applying the 4% cited above to 603.5 + 12.5 would mean \$591.4 million—bad news indeed; 4% off 616 + 12.5 would leave Amtrak \$603.4 million, which would still mean a substantial reduction (\$12.6 million) below the level effective through Dec. 12.

One final irony: just before the House was expected to approve an across-the-board cut in CR #2, which took effect Nov. 14, President Reagan wrote to the House leadership requesting a "clean" extension of CR #1, evidently to avoid defense cuts just before the Geneva summit! This letter "surprised and frustrated" many House Republicans [*The Wash. Post*, Nov. 13], who had anticipated a fight between a Democratic across-the-board cut (that would have reduced Amtrak funding 3.8% below the level in the first CR) and a Republican alternative with even bigger cuts. In the wake of the summit, the President seems just as opposed to defense cuts as before, so the possibility emerges that he will be the one who ultimately kills further across-the-board cuts whether of the "Look ma no hands" Gramm-Rudman kind or the precisely specified cuts such as the House almost added to CR #2.

# **Amtrak Votes in the Senate**

First column: May 9 vote on Specter amendment to Senate FY 86 Budget Resolution. Specter sought to provide Amtrak with \$616 million (90% of Amtrak's FY 85 funding) when resolution contained no money for Amtrak. Specter amendment passed 53-41-6. Second column: Oct. 23 vote on Andrews motion to table (i.e., put aside) an Armstrong appropriations amendment. Armstrong

sought to eliminate all funds for Amtrak and terminate program. Andrews motion passed and amendment was tabled 71-25-4. Third column: Oct. 23 vote on Andrews motion to table a Kassebaum appropriations amendment. Kassebaum sought to reduce

funding for various transportation programs but to increase funding for the Federal Aviation Administration and Coast Guard. Amtrak would have gone from \$616 million in the committee-passed DOT appropriations bill to \$582 million (15% below the FY '85 level). Andrews motion passed and amendment was tabled 59-38-3.

a blank indicates a hostile vote; # indicates "not voting" indicates a pro-Amtrak vote; NEW MEXICO SOUTH DAKOTA MASSACHUSETTS Bingaman (D) Abdnor (R) . . . . . Inouye (D) . . . Kennedy (P) . . . Denton (R) Pressler (R) Matsunaga (D) . . Domenici (R) . . Kerry (D) Heflin (D) NEW YORK TENNESSEE IDAHO HICHIGAN \* \* \* D'Amato (R) : : : . . . Gore (D) McClure (R) . Levin (D) Murkowski (R) Stevens (R) Moynihan (D) Sasser (D) .... . Symme (R) Riegle (D) NORTH CAROLINA TEXAS ILLINOIS MINNESOTA RIZONA East (R) Bentsen (D) DeConcini (D) Goldwater (R) . . . Boschwitz (R) Dixon (D) . . . . . . Helms (R) Granm (R) Durenberger (R) Simon (D) NORTH DAKOTA MISSISSIPPI UTAB INDIANA ARKANSAS . . . . . . ••• . . Andrews (R) Garn (R) Bumpers (D) Lugar (R) Cochran (R) . . Burdick (D) Stennis (D) Hatch (R) Pryor (D) Quayle (R) CALIFORNIA HISSOURI VERMONT TOWA OHIO Glenn (D) Cranston (D) . . Grassley (R) Harkin (D) . . . Danforth (R) 10 0 0 . . . Leahy (D) . . . Wilson (R) . . . . . . Metzenbaum (D) . . . # Stafford (R) Eagleton (D) COLORADO KANSAS HONTANA OKLAHOMA /IRGINIA Armstrong (R) Trible (R) Warner (R) Dole (R) Baucus (D) . . . Boren (D) . . . Hart (D) . . . . . . . . . Nickles (R) Kassebaum (R) Melcher (D) CONNECTICUT KENTUCKY OREGON WASHINGTON NEBRASKA Dodd (D) Weicker (R) Hatfield (R) \* \* \* . . . ••• Evans (R) Ford (D) Exon (D) . . McConnell (R) . Zorinsky (D) Packwood (R) Corton (R) DELAWARE LOUISIANA PENNSYLVANIA MEST VIRGINIA NEVADA Biden (D) Roth (R) Johnston (D) . . . . . . . Hecht (R) Heinz (R) Byrd (D) . . . . . . . . . Long (D) Specter (R) Rockefeller (D) . Lexalt (R) FLORIDA MAINE NEW HAMPSHIRE RHODE ISLAND MISCONSIN Chiles (D) . . Cohen (R) • • Humphrey (R) Chafee (R) . . . Kasten (R) . . Hawkins (R) Mitchell (D) . Rodman (R) Pel1 (D) Proxmire (D) EORGIA MARYLAND NEW JERSEY SOUTH CAROLINA WYOMING Mattingly (R) Nunn (D) Bradley (D) ۰ Mathias (R) \* \* \* . . . Hollings (D) . . Simpson (R) • Thurmond (R) . Sarbanes (D) Lautenberg (D) . . . Wallop (R)

### AMTRAK'S FY '85 RIDERSHIP: HIGH!

Amtrak passenger-miles (PM's) totalled 4.83 billion in FY '85 (Oct. 1, '84 through Sep. 30, '85), up 6% from 4.55 billion in FY '84. The FY '85 total is the highest in Amtrak's history, except for 4.92 billion in FY '79, when the energy crisis swelled usage and Amtrak's route structure was about 16% larger than in FY '85. Thus, Amtrak set a record in FY '85 for PM's handled per route mile operated. A PM is one passenger carried one mile; PM's are a more meaningful output measure than ridership, since the latter does not reflect trip-lengths. But FY '85 ridership was also impressive: 20.8 million, up 4.5% from FY '84, and bested by Amtrak in only two previous years (FY '79—21.4 million; FY '80—21.2 million). Amtrak had anticipated these high ridership levels, which therefore did *not* reduce the subsidy below Amtrak projections.

### MILLER TO OMB; FERRY TO AMTRAK BOARD

James C. Miller III was confirmed by the Senate Oct. 4 to replace David Stockman as director of the Office of Management & Budget. A conservative economist, Miller has a long history of opposition to Amtrak. In 1979, for example, he argued against Amtrak in a debate with NARP's Ross Capon on ABC-TV's Good Morning America.

Richard M. Ferry of San Marino, CA, was appointed to the Amtrak Board by Transportation Sec. Elizabeth Dole on Sep. 17 to assume the seat vacated by Mrs. Crete Harvey. Ferry is president and director of Korn/Ferry International, a worldwide executive search firm.

#### -NARP Graphics/Barry Williams

### Common Sense in S. NJ (continued from page 1)

dollars into those modes (highway and air) where the taxes are collected.

Our government sees only "road users" and "airway users" not transport users—and it responds primarily to powerful interests. This blocks significant growth in the smaller rail mode. Major rail improvements only happen when one or a few legislators devote an extraordinary amount of energy to individual projects.

The Atlantic City "heroes" are Rep. James J. Florio (D-NJ), who worked in 1982 to get \$30 million in Northeast Corridor Improvement Project (NECIP) money earmarked for the line, and Sen. Frank R. Lautenberg (D-NJ), who worked hard and successfully this year to overturn President Reagan's "deferral" of the \$30 million and pushed hard until, on Oct. 23, Secretary of Transportation Elizabeth Dole gave the needed certification that New Jersey had met the 40% non-federal funding requirement for the project. Rep. William J. Hughes (D-NJ) also deserves credit for helping to get the state funds earmarked. This was no small feat because, even in a state with as much rail service as New Jersey, the pro-highway bias runs deep. (Why put money into a rail project with 60% federal funding when the feds offer carrots worth up to 90% for highways?)

Use of federal funds for the project is opposed by the Camden County (NJ) Mayors Association. In a Nov. ('85) television debate with NARP Director Douglas J. Bowen of Hoboken, Haddonfield Mayor Jack Tarditi argued that the Phila.-Lindenwold electric transit line should be extended all the way to Atlantic City. The FRA very conservatively estimated the cost at over \$200 million money which the mayors (but apparently no one else) believe could come from the Port Authority Transit Corp. (PATCO), which runs the Lindenwold line. Besides high cost, the mayors' concept seems to ignore other problems: PATCO's tracks on the Camden-Phila. Ben Franklin Bridge are already at capacity during rush-hour; PATCO doesn't serve any of the commuter rail or Amtrak stations in Phila.; and PATCO's enabling legislation limits it to a 30-mile radius of the center of Camden (city).

**History:** Florio, to his credit, noted that this \$30 million would serve more people when invested in opening a brand new route than in marginal further improvements to the NEC mainline. His work culminated in the Jan. 14, 1983, signing by President Reagan of Public Law 97-468, including the \$30 million Atlantic City earmark (*NARP News*, Jan. '83, p. 4).

Later that year, the provision was criticized for its failure to mandate any state contribution. Partly because of heavy lobbying from the intercity bus industry, the FY '84 DOT appropriations bill required that 40% of the funding be "non-federal" and that Amtrak's Board of Directors project the inter-city service to break even on a short-term avoidable cost basis after one year of operation. (*NARP News*, June '83, p. 3). The Board made the required finding on Mar. 22, 1984.

Initially, the state hoped the "non-federal" contribution would consist of supplemental state funds for the line's rehabilitation, and construction of an Atlantic City terminal by Resorts International as part of a hotel/casino complex, but the state and RI never reached agreement. There followed lengthy negotiations among the state, New Jersey Transit, and the Atlantic County Improvement Authority, which resulted in the county agreeing to put up a share of the funds (\$15 million for the Atlantic City terminal).

Next, during this past summer, Amtrak and NJT concluded a financing agreement demonstrating the state's ability and willingness to fund all costs above the \$30 million federal contribution, that is, \$45 million (including \$15 million for an Atlantic City terminal), which is actually 60% of the \$75 million required for the intercity service. This agreement was submitted to Secy. Dole, who had to certify that the agreement complied with the state funding requirement before Amtrak could get the money. (The commuter rail service requires another \$26 million, but this was not a precondition to certification.)

Also during the summer, FRA analyzed the environmental impact of the project, and published in the November 7 *Federal Register*, a finding of "no significant impact," thereby eliminating the need for a lengthy environmental impact statement.

Meanwhile, Senator Lautenberg worked to overcome hurtles

#### NECIP TRANSFERRED FROM FRA TO AMTRAK

The 9-year-old, \$2.2 billion Northeast Corridor Improvement Project (NECIP), nearly completed, was tranferred to Amtrak Oct. 1 by Federal Railroad Administrator John H. Riley, who said in a ceremony at Washington Union Station: "This project is a combination of foresight and good management. This is now the 5th fastest corridor in the world."

Begun in 1976, NECIP has largely rebuilt the Washington-New York City-Boston (ex-PRR and ex-NYNH&H) railroad with new concrete and wood ties, welded rails and signals. All grade crossings have been eliminated south of Waterford, CT (near New London); numerous stations, bridges, and tunnels have been rehabilitated or replaced; new maintenance bases have been built; and ride quality and operating reliability have improved dramatically while schedules have been speeded up. And the reconstruction work has been performed "under traffic"—i.e., without closing the railroad!

The transfer of project control thus makes Amtrak responsible for bringing NECIP to its conclusion.

Not previously reported here: FRA sold its 530-mile Alaska Railroad to the state this past Jan. 5. The \$22.3 million price included 5000 freight and 52 passenger cars, and 57 locomotives. set up by the administration. Last February, President Reagan submitted a budget that proposed to transfer the Atlantic City \$30 million to finance pay raises for the Coast Guard and Federal Aviation Administration. Subsequently, the President sent to Congress a proposal to defer expenditure of the \$30 million (and many other federal funds), pending congressional approval of various transfers in the budget.

Budget Director David Stockman outlined the administration's position in an Apr. 17 letter to Florio: "The Administration has proposed no Federal funds for rehabilitating the line because we believe that reduction of the Federal deficit is a more compelling national priority than construction of a new passenger rail line of *primarily local benefit*.... Further, alternative transportation modes, such as intercity buses, are available over the same route.... It has long been standard practice, and fully in accord with applicable law, to propose the transfer of funds from one account to another and to defer the funds pending Congressional action on these proposals." [Emphasis added.]

Notwithstanding the administration's "if-it's-rail-the-benefitsare-mostly-local" mentality, this line will serve a higher proportion of intercity users than most of the highway network where the federal share of funding is larger.

Lautenberg saw to it that Congress, in a catch-all supplemental appropriations bill passed in August, overturned the President's deferral/transfer. The Senator's work did not end there. As he noted in an Oct. 8 letter to Secy. Dole, "I understand that the General Counsel for the Department of Transportation has declined to act on the Federal Railroad Administration's recommendation to certify the [line's] financing plan... Instead, the plan has been sent back to the FRA, demanding alternative material from the State of New Jersey and Amtrak prior to certification."

Lautenberg noted the inconsistency of this action with Administrator Riley's Aug. 1 expression-in the presence of the Secretary's representative—of "satisfaction" with the Memorandum of Understanding. He wrote, "It is incomprehensible to me that, after knowing that the financing plan would be submitted in the form of a Memorandum of Understanding for over two months, and having previously accepted a MOU for the same purpose in another project [ed.: New York's West Side Amtrak Connection], the DOT would only now move in opposition to this action. Nor did you give any indication of any problems in our conversation of Sep. 27.... Congress has acted to overturn the Administration's deferral, and the Senate Appropriations Committee has recently reaffirmed its support for the project .... Certification is a technical matter, based on compliance with requirements posed by the FRA. New Jersey has complied with those requirements.... I urge you to personally assess the cause of the delay in certification in this project, and work to resolve any issues preventing the implementation of the Atlantic City Rail Line."

The Secretary acted Oct. 23, 15 days after Lautenberg sent the letter.

**The Future:** Now it's up to New Jersey and Amtrak to reach an implementing ("detailed operating and rehabilitation") agreement promptly.

Assuming the line becomes the success Amtrak and FRA foresee, it will fall to rail passenger advocates to see that the line sends a powerful *nationwide* message supporting cost-effective *intercity* rail passenger investment, just as the San Diego light rail line aided campaigns across the nation for *local* rail passenger service.

After all, Philadelphia-Atlantic City was but one of 20 "emerging corridors" studied by Amtrak and DOT in 1980-1. Track conditions on most of the other corridors are already better than they are today on the Atlantic City line, and most of those lines already have *some* passenger trains, though speeds and frequencies are inadequate. Who are the legislators willing to fight for improvements on those other lines?

[See also these NARP News reports: "The Disappearing Trains of Pennsylvania and New Jersey," July '82 (notes the June 30, 1982 discontinuance, due to unsafe track, of the last previous rail passenger service to Atlantic City); "The Struggle for Atlantic City Trains," Aug. '83; "Governor Wants Atlantic City Trains," Sep. '83; Claytor testimony, Apr. '84, p. 3.]