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(This has news through Feb. 18. Vol. 19, No. 11 was mailed Jan. 28)

RETURN REQUESTED

G-R-H + Reagan Budget = ?

WHAT POLLSTERS ARE HEARING AND SAYING ABOUT AMTRAK

A *Wall Street Journal*/NBC News poll published Feb. 11 found a plurality of Americans opposing Reagan on Amtrak. Opposition might have been even stronger if the question had clearly indicated that the survival of *all* intercity passenger trains is at stake.

The paper did not report the precise question asked, which was: "And to help reduce the federal budget, would you favor the elimination of almost all Amtrak train service or not?" 48% said no; 40% yes; 12% not sure. This is an impressive showing from a nationwide poll, since Amtrak's benefits are concentrated primarily in a few geographical sections of the country.

GOP pollster Robert M. Teeter told House Republicans at a Feb. 1 Baltimore retreat: "Don't get mired down in trench warfare over cuts in specific programs, such as student loans, Amtrak and Medicare. 'If we end up debating those [issues] all year, we're not going to have a very good year,' Teeter said." *(The Washington Post, Feb. 2)*

TRAVELERS' ADVISORY

All Amtrak discount round-trip fares, including "All Aboard America," now are good for 45 days, and all sleeper black-outs have been lifted—but reserve now to avoid a possible general summer increase in room charges. The elderly & handicapped discount is now available on a one-way basis (25% off); the round-trip requirement has been dropped.

On Feb. 1, Amtrak and VIA Rail Canada introduced toll-free "800" numbers for across-the-border reservations. In the U.S., VIA can be reached by dialing: (1-800-) 561-3949 from Eastern seaboard states (except 361-3677 from NY/CT); 387-1144 from the Midwest; 665-0200 from the West. In Canada, Amtrak can be reached at 1-800-4AM-TRAK (426-8725).

On Dec. 2, Amtrak moved from Kansas City Union Station to a new $1.4 million, 2-level station half a block east. The station was built in conjunction with a new office building complex adjacent to Main St. viaduct. Access to the rail station is from both ground and upper (Main St.) levels, but pending completion of Main St. auto ramp, motorists must use Grand Av. ramp. Station funding came from Amtrak ($1.1 million) and Kansas City Terminal Ry. Monumental Union Station faces an uncertain future. (Amtrak's final 21

(cont. on p. 4)

FY '87 Budget: Again, "Tough Choices" Means Nothing for Amtrak

Court Ruling Doesn't End G-R-H's Threat

"We've made the tough choices. . . . There is no diminution of our commitment to safety."

—Transportation Secretary Elizabeth Dole on the President's budget

"The deficit problem does not merit the hysterical reaction embodied in Gramm-Rudman. It is only politics, the art of making the possible impossible, that has tied the nation in a Gordian knot."

—Economist Alan S. Blinder of Princeton University, (in Business Week, Dec. 30)

President Reagan's Proposed FY 1987 Transportation Budget

Administration	NEW BUDGET AUTHORITY (Millions) FY '87	FY '86	Change
U.S. Coast Guard	$2,404	$2,242	+7.2%
Federal Aviation	$4,818	$4,787	+0.6%
Nat'l Highway Traffic Safety	$194	$207	-6.3%
Federal Highway	$12,811	$14,744	-13.1%
(DOT TOTAL)	$21,746	$26,803	-18.9%
Urban Mass Transportation	$1,220	$3,267	-62.7%
Federal Railroad	$50	$615	-91.9%
(Amtrak+Northeast Corridor)	0	$603*	-100.0%

President Reagan again has targetted Amtrak for extinction—in his Fiscal Year 1987 budget, and Secretary Dole again is saying that some Amtrak service would survive even if federal subsidies do not. Early betting is that Congress will not "zero out" Amtrak.

The more serious threat is that—notwithstanding a Feb. 7 court ruling against part of the "Gramm-Rudman-Hollings" (G-R-H) budget-balancing law—the across-the-board percentage cut that G-R-H may cause would shut down Amtrak Oct. 1, 1986 (the start of FY '87).

*Actual appropriations ($580 mill. new budget auth. + $23 mill. previously appropriated & transferred from other railroad accounts). The main continuing resolution effective Dec. 19 funded Amtrak+NECIP at a $628.5 mill. level, but G-R-H cut the new budget auth. portion 4.3% starting Mar. 1.

At the Secretary's Feb. 5 news conference, she strained credulity in 2 crucial respects. The large percentage of displaced Amtrak passengers who would flock to already overcrowded highways and airways under the President's budget raises serious questions about his commitment to transport safety.

The Secretary was asked what would happen to Amtrak's tracks and trains if the President's budget prevailed. Again venturing onto thin ice, she replied: "I don't think it'll shut down," and said "innovative thinking" by the states which has "already been going on," would save some of the service.

She said much the same thing on Feb. 4, *1985*. This year, however, she did not suggest that the private sector might run passenger trains. After some research, she testified last April 23: "I think as far as a private sector, a company coming in and picking up service here, I don't think that that is likely to happen. That was one of the things that we wanted to look at early on and I think, in the time that has intervened, we have had a chance, really, to focus on that. I don't think realistically that is likely to happen." (Before the House Energy & Commerce Subcommittee on Commerce, Transportation, and Tourism, Rep. James J. Florio, D-NJ, Chairman)

As we noted a year ago, "Far from dreaming about creation of new state-funded intercity rail passenger programs, the Secretary should worry about how much *existing* transit (including commuter rail) service" the states and localities will be able to save in the face of proposed cuts in federal transit funding.

Transit: Apparently trying to lay the groundwork for an eventual total end to federal transit subsidies, the Secretary lamented that "states and cities spend less than 1% of their budgets on mass transit." She failed to report that, in spite of the federal government's "help" in creating the need for mass transit subsidies, transit spending represents less than 3/10 of 1% of current *federal* spending.

A year ago, the President proposed to cut federal transit funding by 2/3—[66.7%]. The actual decline—including the impact of the Mar. 1 G-R-H cut—was 20.9%, with the funding level falling to $3.3 billion [new budget authority] instead of the $1.4 billion Reagan sought. The 1985 level was $4.1 billion.

Trust Funds: Although a highway spending reduction is requested, all highway trust fund revenue—except the transit penny—remains earmarked for highways. Furthermore, highway and aviation trust fund balances would continue to earn interest, with the interest and balances piling up irrespective of G-R-H. Will this lay the groundwork for massive investment in those modes when deficit reduction is no longer such an imperative—or will Congress allow the money to be spent for broader purposes, such as a balanced transportation system that includes Amtrak?

Gramm-Rudman-Hollings: With President Reagan's Dec. 12 signature, H.J. Res. 372 raising the debt ceiling and including the G-R-H balanced-budget amendment became Public Law 99-177. The provision is named after its sponsors, Sens. Phil Gramm (R-TX), Warren B. Rudman (R-NH), and Ernest F. Hollings (D-SC).

Hollings has consistently voted for Amtrak; the others against. Hollings says he believes in many of the programs G-R-H appears to threaten—but he also believes in paying for them and that, with deficit-spending as usual, "we'll all be destitute." (Economists of widely differing philosophies agree, however, that G-R-H itself could hurt the economy because the new law mandates rapid implementation of such big spending cuts: the federal deficit would drop from about $210 billion this year to zero in FY '91. John Makin of the conservative American Enterprise Institute joined fellow economists Blinder, Robert Eisner of Northwestern University, and former Nixon Economic Council Chairman Paul McCracken in proposing a more modest "goal of cutting the $200 billion deficit by about half, or to around $100 billion, in the next 5 years." (*The Wash. Post*, Jan. 23)

As noted in our Oct.-Nov. lead story, the idea behind G-R-H was to force automatic spending cuts not requiring legislators' votes if Congress and the President fail to meet the law's tough deficit targets: $144 billion in FY '87; $108 billion in '88; $72 billion in '89; $36 billion in '90; zero in '91. (Exceptions: If an Aug. 25 "snapshot" projects a deficit exceeding a target by more than $10 billion, Congress need only make cuts that bring the projected

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THE GRAMM-RUDMAN-HOLLINGS TIMETABLE

G-R-H includes a new, tighter budget-process timetable. (The steps starting with Aug. 20 assume the Supreme Court upholds the Feb. 7 lower panel decision.)

First Mon. after Jan. 3: President submits budget request

Apr. 1: Congressional Budget Committees report budget resolutions to floor

Apr. 15: Congress finishes action on budget resolutions

June 10: House Appropriations Committee finishes reporting regular appropriations bills

June 15: Congress passes reconciliation bill enforcing committee compliance with spending targets

June 30: House finishes action on appropriations bills (Under present plans, the July 4th recess would begin June 27, but G-R-H requires the House to complete this step *before* its recess begins.)

Aug. 15: OMB and CBO take "snapshot" of projected deficit

Aug. 20: OMB and CBO report to joint committee of Congress the cuts (if any) G-R-H would require

Sep. 13?: Joint committee puts the cuts before Congress, which (says the law) may not consider amendments; Sep. 18?: If the resolution passes, Congress sends it to the President (The law *implies* deadlines of 5 "in-session" days; Congress plans to be out of session Aug. 15-Sep. 8.)

Oct. 1: Fiscal Year begins.

"BLOCK GRANTS" THREATEN TRANSIT FUNDING

Secretary Dole is proposing a $2.2 billion Block Grant program, "available for highway and mass transportation projects at the discretion of the States." In practical terms, this means that money formerly earmarked for transit could be switched to highways.

In response to your editor's question, the Secretary defended this on the basis that state and local officials can better judge local needs than can federal officials.

A House Budget Committee analysis notes, however, that, "assuming the states and localities chose to maintain [affected] highway programs at current levels of $2.2 billion, $1.1 billion would be available for mass transit funding under the block grant compared to $3.6 billion provided in 1986." Actually, states and localities would have the *right* to use *virtually all federal transit money on highways!*

In the context of long-term, massive, and *continuing* federal intervention encouraging states and localities to emphasize highways (see "Huge Highway Subsidies," June '85 *News*) the block grant just tips the scales further against transit. It would give local officials exactly the wrong kind of discretion and leave the 16% of all U.S. households without a motor vehicle (American Automobile Assn. figure) even more isolated than before.

Congress would have to approve all of this, of course, as well as the President's proposal to end federal transit operating assistance for urban areas over 200,000 in population.

A SIMPLE MESSAGE STILL COUNTS!

The most important message your legislators need to hear is very simple: please save Amtrak and prevent further cuts in its funding! Congress *can* save Amtrak in spite of Gramm-Rudman-Hollings. It's more important to know that—and let your legislators know you know—than it is to learn anything else about G-R-H!

And your legislators count—whether or not they're on a Budget committee. If you want to do more than write your own letters, try to generate similar letters and personal contacts from mayors and other state and local officials, chambers of commerce, corporation executives, as well as "plain folks" who are your friends. Please send to the NARP office copies of any replies you receive from legislators and the White House.

BUDGET COMMITTEES' CRUCIAL ROLES

This year, it is more important than ever that the Budget committees include reasonable Amtrak funding levels in their budget resolutions. Under G-R-H, the resolutions must meet the G-R-H federal deficit target and be reported to the floor by April 1.

Adding money to a budget resolution after it hits the floor would be next to impossible. The only type of money-adding amendment assured of consideration would be "revenue-neutral," that is, one which would face strong opposition because it also increased taxes or took money from another program(s).

An amendment simply adding funds for a program doubtless would raise the projected deficit over the G-R-H target and therefore be subject to a "point of order" that could be raised by any member of the body considering the amendment. Overruling a point of order would require 60 votes in the Senate; an improbable favorable ruling by the parliamentarian in the House. (Exception: During House consideration of the conference report, 3/5 of members voting and present could overrule a point of order.)

Last March, Senate Budget voted 13-9 in favor of the Moynihan "freeze-Amtrak" amendment but subsequently voted along party lines for a government-wide package that cut Amtrak severely. Because of the new obstacles to floor amendments, pro-Amtrak Republicans may be less likely to vote for an anti-Amtrak package in committee just to get it on the floor.

Senate Budget members: Domenici (Chrmn., NM), Armstrong (CO), Kassebaum (KS), Boschwitz (MN), Hatch (UT), Andrews (ND), Symms (ID), Grassley (IA), Kasten (WI), Quayle (IN), Gorton (WA), Danforth (MO); Chiles (Ranking Dem., FL), Hollings (SC), Johnston (LA), Sasser (TN), Hart (CO), Metzenbaum (OH), Riegle (MI), Moynihan (NY), Exon (NE), and Lautenberg (NJ).

House Budget: Gray (Chrmn., PA), Wright (TX), Hefner (NC), Downey (NY), Lowry (WA), Derrick (SC), George Miller (CA), Williams (MT), Wolpe (MI), Frost (TX), Fazio (CA), Russo (IL), Jenkins (GA), Barnes (MD), Leath (TX), Schumer (NY), Boxer (CA), MacKay (FL), Slattery (KS), Atkins (MA); Latta (Ranking Rep., OH), Kemp (NY), Lynn Martin (IL), Fiedler (CA), Gradison (OH), Loeffler (TX), Mack (FL), Goodling (PA), Moore (LA), Denny Smith (OR), Weber (MN), Brown (CO), and Boulter (TX).

deficit to $10 billion or less above the target. Also, across-the-board cuts would not be required in the event of severe economic downturns.)

On Feb. 7, a special federal judicial panel ruled the automatic-cut provision unconstitutional. The deficit cut targets, and perhaps their political momentum, remain in place along with the rest of the law and its new budget procedures (see box). Anticipating the court's decision, G-R-H includes a fall-back mechanism. "The directors of CBO (Congressional Budget Office) would still decide whether the target for the year ahead had been attained, and, if not, produce their list of cuts." (*Post,* Feb. 10 editorial)

(Cuts would come 50% each from Defense and domestic programs. Because Social Security, 6 anti-poverty programs and 2 veterans' programs would be exempt from these cuts, remaining domestic programs—such as Amtrak—would be hit with bigger percentage cuts than would Defense.)

Assuming the Supreme Court upholds the Feb. 7 decision, the CBO-OMB list of cuts would go to Congress itself rather than to the head of the General Accounting Office. A temporary joint congressional committee would put the cuts before Congress (see timetable box, p. 2).

On Feb. 18, CBO projected a FY '87 "current services" deficit of $181 billion and said G-R-H would require an 8.4% cut of non-exempt domestic program funding.

A far bigger cut would be required were military spending to rise 8% *after inflation* in FY '87 (from $286.1 billion this year to $320.3 billion) as the President seeks. He also requested $23 billion in domestic cuts and said his budget has a deficit $400 million *under* the G-R-H target, although the bipartisan CBO reported "that its preliminary calculations show [he] underestimated defense spending by $14.7 billion." (*Post,* Feb. 8) OMB Dir. James C. Miller III said "we probably would submit some additional sources of savings" if the administration decides CBO's criticism is valid. The danger remains, however, that the projections CBO and OMB must make on Aug. 20 will be less favorable and lead to more cuts at the last minute.

GARE DU PALAIS REOPENS TO TRAINS

—VIA Rail Canada photo

Bravo! Nine years after being banished to a remote suburban terminal, passengers and their trains have returned to downtown Quebec City's Gare du Palais (Palace Station)! The stately 1916 station reopened Nov. 8 following a 3-year, C$28 million renovation/reconnection project. The costliest aspect of the project was the construction of a new 5-mile rail line to access the station site. The 1976 decision to move trains from downtown to suburban Ste. Foy was a costly mistake. Guy Chartrand, past president of Transport 2000 Canada, tells us that annual rail ridership fell by 100,000 (or 30%) because of the blunder. He estimates the total cost of the whole station affair to be C$60 million, which includes the Palais renovation project plus costs associated with the 1976 service relocation and the 9 years of depressed revenues.

Without new government revenues, even the "current services" budget produces a $37 billion violation of G-R-H. Since Congress is unlikely to give Defense less than a "current services" budget, the big choice appears to be among raising taxes, exceeding the G-R-H target, and raping domestic programs.

Most actors in this drama want to reach a budget compromise that meets the G-R-H target so the political, if not legal, pressure for "automatic cuts" can be avoided. (Maybe the proper term under the fallback mechanism is "manual cuts," since Congress would have to vote them rather than pass the buck to the GAO.) The President wants to avoid the effect of such cuts on Defense and most legislators agree that across-the-board cuts are not a responsible way to govern.

[The special court stayed its order so that an automatic cut, or "sequestration," mandated by G-R-H for Mar. 1, *1986*, could take effect as planned. The Mar. 1 funding cut, 4.3% for "non-exempt" domestic programs such as Amtrak, is not expected to force additional Amtrak service reductions. Amtrak, however, already is spending significantly less to maintain rolling-stock and tracks this year than last, and it appears that *any* further cuts would hinder efforts to improve its revenue-to-cost ratio.]

Gasoline Tax Revenues, Anyone?: *"My guess is that we have to have additional revenues and that will be recognized before the end of the congressional session."*

—Paul McCracken, Chairman of the President's Council of Economic Advisers under Richard Nixon, in The Wash. Post, Jan. 23

"In real terms, the price of oil is lower now than it has been at any time since 1974, just after the first oil crisis. . . . If oil consumers are as sensitive to the present decrease in oil prices as they were to the earlier rise, we might find a cycle repeating itself. Lower prices could lead to increased consumption and greater dependence on OPEC oil until the cartel is again in a position to restrict output and push up the price of oil. . . . Since the government already collects a gasoline tax, an increase in that tax rate could be put into effect quickly and with no additional administrative costs."

—Martin Feldstein, former chairman of Reagan's Council of Economic Advisers, and economist Kathleen Feldstein, in "Raise the Gas Tax," a Dec. 30 Wash. Post column

"The falling price of oil offers Congress a glorious opportunity. Each penny of tax on a gallon of gasoline raises $1 billion a year. If Congress were to raise the gas tax 25 cents a gallon, it would still be cheaper, discounting inflation, than it was 4 years ago. It would have none of the harsh social and commercial effects of a tax on fuel oil. Nor, like a tax on oil imports, would it distribute most of its benefits to American oil producers."

—The Wash. Post, Jan. 27 editorial

"The pollsters said . . . the gas tax was the most unpopular tax you could lay on the American people. And that was when the (ed.: federal) gas tax was 4 cents a gallon (today it's all the way up to 9 cents) compared with $1 to $2 in most other nations of the world." *—Chrysler Corp. Chairman Lee Iacocca, Jan. Regardie's*

"Compared with the United States, Europe and Japan have achieved higher oil savings. . . . For the United States to pass lower oil prices through to the retail level would be shortsighted. We remain the world's largest oil consumer. . . . Even now, a total cutoff of Persian Gulf oil (one-fifth of non-communist supplies) couldn't be made up by production elsewhere."

—Robert J. Samuelson, The Wash. Post, Feb. 12

NARP favors the establishment of a unified transportation trust fund which would help produce balanced transportation spending—and reduce the federal deficit. A gas tax increase of 3/4 of a penny would give Amtrak enough to make the major investments in new equipment and facilities needed to permit the corporation's economic efficiency to continue improving. 3 new pennies for mass transit (added to the one transit already has) would permit maintenance of present federal transit spending levels without using any general fund money. 10 new pennies (possibly less) could pay *all* federal tansportation expenses currently drawn from general funds, reduce the federal deficit by $10 billion, and improve the U.S. transport system. The Senate Finance Committee is now considering tax legislation. Tell your Senators what you think! ■

TRAVELERS' ADVISORY *(cont. from p. 1)*
months at Union Station were spent in an air-supported "bubble" structure after building utilities were cut off.)

Quincy, IL, got a new $109,000 Amtrak station Dec. 12, located on N. 30th St. Funded by the city, state, and Amtrak, it replaces the shelter on N. 24th St. "Illinois Zephyr" continues to serve W. Quincy, MO, station too.

A $275,000 rehabilitation of the Jackson, MI, station was recently completed involving interior and exterior work. Funding was provided by the 1983 Jobs Bill.

Albany-Rensselaer station parking capacity was greatly expanded with the Nov. 12 opening of a supplemental 300-space parking lot. $450,000 project was funded by Amtrak and New York DOT.

Hopes Grow For Ohio Trains

Legislation has been introduced in the Ohio Legislature to purchase Amtrak service for the state's populous Cleveland-Columbus-Cincinnati ("3 C") corridor.

On Oct. 16, state Sen. H. Cooper Snyder (R-Hillsboro) introduced a bill [SB 264] to permit Ohio to contract for Amtrak service under section 403(b) of the Amtrak Act. $6.8 million would be provided to cover the state's share of operating expense plus start-up capital costs (primarily station facilities). Snyder's bill has 6 Republican and 5 Democratic cosponsors.

On Dec. 30, state Rep. Fred Deering (D-Monroeville) submitted an identical bill in the House [HB 773], with 26 cosponsors from both parties.

The Ohio Association of Railroad Passengers (OARP), played a significant role in drafting the bills, based on 403(b) bills already enacted in New York and California. Manfred Orlow, OARP's government affairs director, tells NARP, "We feel very positive about it." (The Senate Highways & Transp. Committee approved SB 264 on Feb. 13.) Should the bills pass, Amtrak must then commit *its* share of matching funds—something which may be difficult in light of this year's cut in Amtrak's federal grant. [Sec. 403(b) requires the state to pay 45% of short-term avoidable costs in the first year, with Amtrak paying 55%; in subsequent years, state 65%, Amtrak 35%.]

The plan calls for twice-daily service in each direction over Conrail's 260-mile Cleveland-Cincinnati mainline. Trains would serve, in addition to the "3 Cs," various intermediate points—most likely Galion, Delaware, Springfield, Dayton, Middletown, and Sharonville. Through cars might be carried on the corridor to/from the "Lake Shore Ltd." at Cleveland. Conrail's tracks are in excellent condition.

Snyder is chairman of the Senate Economic Development and Small Business Committee, and the Oct. 17 Cleveland *Plain Dealer* reported that he and several cosponsors are "residents of rural areas that would not be served by the new Amtrak line. 'When someone asked why we outsiders would support such service, I said that what is good for the Three Cs is also good for the Three Ps: Portsmouth, Pickaway and Painesville. That's because I believe good rail passenger service will be good for the overall economic development of Ohio.' " The Ohio Dept. of Development has indicated enthusiasm for the rail service because of its tourism potential.

Ohio is one of the most populous states currently without 403(b) intrastate trains. [Six states have 403(b) service: CA, NY, PA, IL, MI, MO.] Columbus and Dayton are, respectively, the first and fifth most-populous U.S. urban areas lacking rail passenger service following the 1979 demise of the "National Ltd." The Cleveland-Cincinnati corridor has been without passenger trains since Apr. 1971.

All NARP members in Ohio are urged to contact their state senator and representative and push for passage of the Snyder and Deering bills. And for additional information, feel free to contact OARP, P.O. Box 653, Xenia, OH 45385. ■