

News from the

National Association of Railroad Passengers

August 1994

8
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Amtrak is Reorganizing

Amtrak is heading rapidly towards its most dramatic reorganization ever.

On July 16, George D. Warrington became Chief Executive Officer—Northeast Corridor (NEC) Operations. (“Operations” here is everything “that adds value for the customer,” including setting fares and schedules and operating and marketing the services.) He thus heads the first of the three major “strategic business units” (SBU’s) of which Amtrak President Thomas M. Downs spoke in April (May News). Tentative names for the other two: Western and Intercity. (All Amtrak trains are intercity, so NARP objected to the latter name.)

Moreover, Amtrak hopes to design all three business units by late September. The NEC unit is to begin operations October 1; the other two a few months later.

Warrington also said Stan Bagley “will head up customer services...[which will include] the majority of our employees [and] is the heart of the NEC business unit design. Supported by key NEC service units, it will provide for integration of all operation services and activities within the Corridor.” Bagley is widely admired for his work as general superintendent of Amtrak’s Washington Division (includes Southeast U.S.).

Finally, Warrington said, “David Carol will be in charge of our high-speed rail program. He will be responsible for—among other things—high-speed infrastructure, train sets, contract administration and project integration.” Carol for the past year has ably worked with communities along the New Haven-Boston electrification route.

SBU’s: Hopes and Challenges

“Organizing around business units will enable us to more effectively and efficiently manage customer service and operating performance. Business units will focus accountability around train service. They’ll enable us to operate as a team with integrated skills and talents working together to improve quality as close to the platform as possible.” This is from a May 19 “message” from Downs to Amtrak employees.

Creating the SBU’s is a dramatic way of insuring that many decisions now made at Amtrak’s Washington headquarters are made closer to the platform. The SBU’s will be head-

(continued on page 2)

AMTRAK INTENSIFIES ON-TIME PUSH

Amtrak’s Board July 27 directed Pres. Downs to seek legal remedies to improve on-time performance of Amtrak trains. Downs is to meet with Secretary of Transportation Federico Peña to request that Attorney General Janet Reno begin litigation against railroads that fail to comply with their statutory obligation to have dispatchers give preference to passenger trains. The Board’s resolution mentions the *Lake Shore Limited*. Amtrak’s news release says this train was just 40% on-time in April-June, with freight interference on Conrail tracks causing 24% of the total delays.

Board members had this to say about replies by the freight CEO’s to Peña’s letter urging better performance:

• Dan Collins: “We have some interesting ‘promising-to-do-better’ letters from the [freight railroad] CEO’s, but an ounce of prevention is a pound of cure.”

• Sylvia DeLeon: “I was frankly quite disappointed in their responses, which do not seem to reflect a full appreciation of their statutory responsibilities.”

• Robert Kiley: “I noticed Mr. Grinstein [BN’s chairman] in some respects had the least appropriate request.”

• Don Pease: “[Grinstein] had lots of competition from [Conrail Pres.] Jim Hagen, who only wrote six lines and was not very forthcoming.”

Downs also was directed to “study intervention in any ...proceedings” involving the proposed Santa Fe-Burlington Northern merger, to protect reliability of Amtrak trains both on the merged railroad and on any other railroad that might be adversely affected by the proposed merger.

Peña Seeks National Transportation Policy

This year, the Department of Transportation seeks your views on what the National Transportation Policy should be. By early 1995, DOT hopes to have a policy to “sell” to the nation.

• August 22 is the official deadline for written comments in response to DOT’s request-for-comment notice in the June 23 *Federal Register* (pp. 32481-83), but officials say comments received as late as December can have an impact. Send three copies of comments for the public docket on the NTS to: Office of the Secretary; Documentary Services Division C-55; Attn: NTS Public Docket 49617, Room 4107; 400 Seventh St., SW; Washington, DC 20590.

• DOT also plans some outreach sessions around the nation this fall (send NARP a s.a.s.e. or call our hotline—see fine print, p. 4—for early notification of dates and locations).

DOT has met with the Washington representatives of interested organizations. NARP’s Ross Capon was part of a July 6 “railroad community” session led by DOT Deputy Assistant Secretary for Government Affairs John Horsley, Federal Railroad Administrator Jolene Molitoris and FRA Associate Administrator for Policy Sally Cooper. NARP’s Harriet Parcels was in a July 14 environmental community session

(continued on page 4)

Amtrak Reorganizes

(from page 1)

quartered in California, Chicago and a different NEC city; the Chicago-based SBU will have three customer services regions, based in: Chicago; New Orleans (for *Sunset, City of N. O., Crescent/Gulf Breeze*); and somewhere along NY-Florida.

The quasi-geographical quasi-break-up of Amtrak is not without risk. One of the biggest weaknesses in the Amtrak that Downs inherited was its inability to make decisions on the basis of their net impacts on the company as a whole (as opposed to on a particular department). SBU's could add geographical blinders to the existing functional blinders.

Pressures to make one's own SBU look good may conflict with what is best for Amtrak as a whole. Headquarters must judge SBU performance on the latter basis, and must deal effectively with any troubling interpretations Congress and the media place on any significantly different performance numbers that a post-SBU Amtrak might produce.

NARP asked Warrington what incentive he would have to give non-NEC (i.e., long-distance) trains top-notch treatment even though his own bottom line will be tied much more closely to performance of "his" Metroliners and other NEC trains.

He responded: "I'm blind to who owns the train. Tom's my boss. He runs all of Amtrak. The SBU that runs the Florida trains will hold me to a standard on how effectively I serve the trains I touch, just as I, in turn, for example, will expect the maintenance facility at Wilmington to meet my standards for maintaining electric locomotives."

He envisions one person running Sunnyside Yard (at New York City) having total control over the quality of train makeup in place of the inherited situation where responsibilities were divided among the Passenger Services, Transportation and Mechanical Departments. The SBU's will have product line managers responsible for the product quality, cost and revenues of different product lines, i.e., Metroliners, Chicago corridors, Chicago-East Coast trains, Chicago-West Coast trains.

Warrington came to Amtrak in January as a consultant to Downs. Warrington's studies led him to recommend the SBU approach, which he said other organizations including British Airways had used with great success. He said Amtrak has been "boss-focussed," not customer-focussed; dramatic changes are needed to concentrate management's attention on the customer; and any form of organization has the potential to work badly: "We don't want this thing to look stupid or act stupid. Tell us if it does."

Send NARP \$1.00 each for Downs' May 19 message, Warrington's four-page June 30 letter to NEC employees and Downs' 2-page July 19 reorg update for all employees. ■

GEORGE D. WARRINGTON

Amtrak's new Northeast Corridor CEO was President of the Port Authority Transit Corp. (PATCO) and Executive Director of the Delaware River Port Authority from July, 1992 to January, 1994, when he came to Amtrak as a consultant. Among his previous positions: New Jersey DOT-Deputy Commissioner and Special Assistant to the Commissioner; New Jersey Transit-Vice Pres. and General Manager of Rail Operations and Deputy Executive Director.

TRAVELERS' ADVISORY

Oakland-16th St. Station did not close July 18, as was announced previously (July Advisory). A delay in track work completion prevented the switch-over to Emeryville, which may happen in mid August.

The UTU struck CP-Soo July 14 as expected; the railroad is operating with a 40 mph top speed. Therefore, Amtrak's *Empire Builder* is running non-stop Chicago-St. Paul on Burlington Northern (bus connections for missed points; train loses an hour). Amtrak's special Chicago-Milwaukee schedule has only four daily round-trips, taking 30-40 minutes longer. (These *Hiawathas* run at normal speeds over half the route—south of Rondout, IL—where Metra owns the track.)

A rail bypass around Lafayette, IN was opened July 22, eliminating very slow street running for the *Hoo-sier State* and *Cardinal* over CSX's former Monon line. The new Amtrak stop is at 2nd & Main. The former Big Four station will be moved there in early September; renovation will be complete in August 1995.

Amtrak's Jacksonville, FL, station is far from downtown but at last (as of July 5) you can avoid costly cab rides, thanks to local buses timed to connect with most trains (weekdays only, five designated round-trips of Route NS-4). Information: 904/630-3100. Most connections 30 mins. or more, but buses will not hold past their scheduled times for very late trains.

From May 15, the new Flint-Saginaw-Bay City Thruway bus service expanded to connect with the *International* to/from Chicago daily, Toronto Mon.-Sat. Des Moines-Omaha Thruway bus connections with *California Zephyr* to/from the west resumed June 15.

Fixing Customer Problems on the Spot

Amtrak Pres. Thomas M. Downs told his board on July 27 that, "for the first time, we have people who can solve individual problems on board the trains."

- In June, Amtrak conductors got authority to waive penalties for on-board ticket purchases if, in their judgment, "it is appropriate and meets the needs of the customer."

- On June 15, on-board service chiefs and conductors were authorized to upgrade passengers to first-class without added charge if judged necessary to address a customer problem or concern on the spot. Also, on trains with Custom Class or Club Service—where there is no on-board service chief—the conductor or Lead Service Attendant (LSA) can upgrade passengers when necessary to address a critical customer issue (LSA to confer with conductor).

- LSA's and stewards now can handle customer concerns directly by substituting food items when necessary, issuing complimentary food and beverages and—to insure availability of service promptly on departure—writing off stock discrepancies if not given sufficient time to check stock prior to opening for service.

- On July 1, conductors and on-board chiefs were authorized to handle problems on the spot by giving service vouchers good for \$10-\$50 of future travel on Amtrak. ■

Illinois High-Speed Report Released

Illinois DOT's *Chicago-St. Louis High Speed Rail Financial and Implementation Plan*, prepared by Price Waterhouse, was released May 20. The report emphasizes incremental improvements to existing infrastructure, to limit costs and improve chances for action in the foreseeable future, and presents a comprehensive plan for the needed work.

Several alignments were examined, but the report only considered two—the route Amtrak uses to Chicago Union Station via Joliet and a variant diverging at Dwight (below Joliet), running east on a Conrail branch to Kankakee, then north on Illinois Central past the controversial "third airport" site at Peotone and into Chicago at the lakefront (see map).

Similarly, three train technologies were considered, but only one evaluated extensively—125-mph diesel-tilt trains, covering the route in 3:21. The total corridor capital cost (existing route) for such trains was estimated at \$310.5 million. The report rejects 110-mph diesel-tilt trains, saying they also would cost \$310.5 million but take 14 minutes longer (though diesels in that speed range already exist today—125-mph fossil-fuel locomotives are still being researched). Faster (140-mph), electric trains running the route in 3:15 were rejected due to high total cost (\$645.8 million).

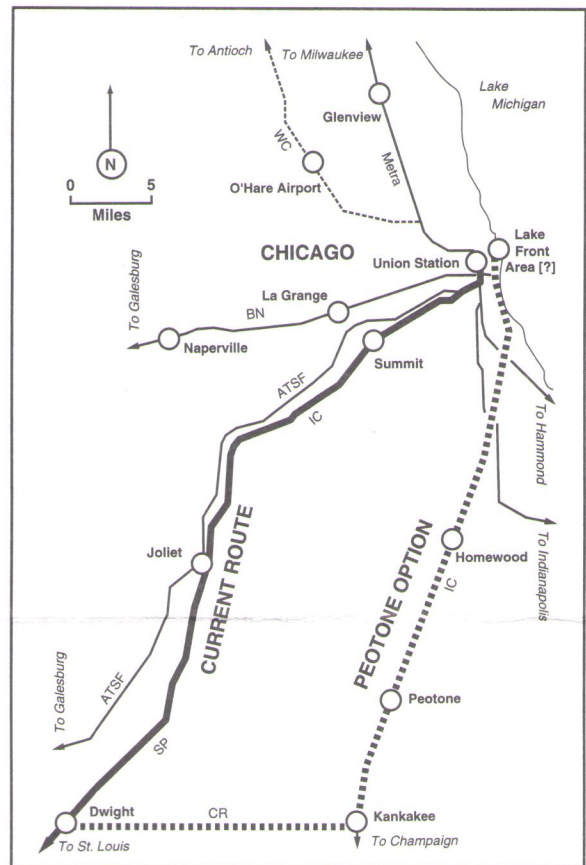
Any of these running times would be much better than today's times of around 5:30. The report notes that the 110-mph trains would be air-competitive. However, the report envisions eight daily round-trips—twice as many as now but possibly not enough to compete with airlines.

The report states: "The Plan assumes that the passenger rail developer or the State purchases the track from the freight companies that currently own it and leases back trackage rights to the freight operators...The freight operators' exposure to tort liability would be greatly reduced by the change in ownership." Southern Pacific took over the bulk of the route—Joliet to near St. Louis—in 1989 and this was subsequently repaired with federal and state funds.

It is unfortunate that the report devotes so much space to a circuitous Peotone alignment whose only "strong point" is the ability to serve an airport that may not be built. It would be far better to connect high-speed trains to O'Hare Airport. High-speed trains feeding downtown Chicago and O'Hare would be cheaper to build than a new airport, more environmentally friendly, consume less energy, and help relieve the O'Hare congestion that leads some (not us!) to favor a new airport.

Metra will open a commuter rail station at O'Hare in 1996, when its Wisconsin Central line opens. The station will be tied into the airport people-mover system and will be able to serve Amtrak regional trains routed through Union Station from all directions except Milwaukee. Direct access to O'Hare should be attractive to Amtrak passengers coming from places like Bloomington, Champaign, Lafayette or Kalamazoo.

The report leaves to the city the decision of where to locate the Chicago high-speed train terminus. A Peotone routing likely would serve an area on the east edge of downtown near Lake Michigan—far from other Amtrak services at Union Station (on the west side of downtown) and from important Metra commuter lines at Union and North Western Stations.



As next steps, the report sees need for a public awareness program and enabling state legislation. Enactment of federal matching grant legislation would be helpful, too. ■

DOWNES, MITCHELL TO ADDRESS NARP

This is a special invitation to all NARP members to attend the NARP Board meeting at Portland, Maine, Thurs.-Sat., Oct. 27-29, 1994. Speakers: Amtrak Pres. Thomas M. Downes, Senate Majority Leader George J. Mitchell (D-ME), others tba. A Thursday morning Boston-to-Portland inspection train is planned and there may be a Friday morning Brunswick-Augusta tour. (Maine plans eventually to restore passenger service to Augusta, the state capital, and Bangor.) Send NARP a s.a.s.e. for more info and to get further updates.

READING TERMINAL AND MARKET...

...is a new, 96-page book by architectural photographer Carol M. Highsmith and James L. Holton about the decline and revival of this Philadelphia landmark. While SEPTA commuter trains now run beneath it (calling at the Market East station opened in 1984), Reading Terminal remains a unique food market and has a new role as Pennsylvania Convention Center. This book has many color and black-and-white illustrations. Highsmith co-authored a popular book on Washington Union Station in 1988. To order, send \$19.95 (soft-cover) or \$29.95 (hard) plus \$5.00 for shipping to Pennsylvania Convention Center; 1101 Arch St.; Philadelphia, PA 19107-2929; or call 800/438-9000.

THE WINTERIZATION OF AMTRAK

NARP asked Amtrak why Canadian trains fared much better last winter, and what Amtrak is doing. Amtrak Pres. Downs pointed to additional insulation VIA has put on its cars and to VIA's extensive indoor facilities.

His April 25 letter said by next winter the majority of Amfleet II, Horizon and Superliner cars will have gone through the new progressive overhaul program (Apr. News, p. 4), which will help reduce equipment-related problems. Amfleet I cars will begin this process next year. Separately, Amtrak is starting "an aggressive winterization program on all equipment types."

Amtrak is spending \$11.3 million on: hinged Dutch doors to replace sliding outside doors on Horizon cars; heaters on Horizon steps and in Amfleet restrooms; and more standby electric power, ice-melting equipment, switch heaters and sheltering of water lines.

National Transportation Policy (from page 1)

led by Horsley and Cooper.

In a June 30 letter to Horsley, Capon urged letting states spend flexible highway money on intercity passenger rail. He said big trucks should pay a larger share of their road costs, lest highways deteriorate so much that states spend every trust fund dollar on highway repair, even if rail has strong support and a future ISTEA (federal highway authorization) allows states to spend flexible road funds on Amtrak projects.

NARP's Harriet Parcels, in a July 27 Campaign for New Transportation Priorities letter to Horsley, said: "NTS investment decisions must be an integral part of...regional and statewide transportation planning processes....The NTS should also embrace policies central to making cities...more amenable to use of modes other than driving." ■

COMPARING THE FUNDING BILLS

(\$ millions)

Program	1994 Appropriations	1995 Amtrak Request	1995 Authorization		DOT Appropriations		1996 Authorization	
			House HR 4111	Senate (1)	House HR 4556	Senate HR 4556	House HR 4111	Senate (1)
Amtrak: Operating	\$ 351.7	\$ 430.0	\$ 373.0		\$ 376.7	\$ 392.0	\$ 373.0	
403(b)	(2)	8.0	17.0		(2)	(2)	17.0	
Capital	195.0	337.0	332.0		245.0	230.0	355.0	
Mandatory payments (3)	137.0	150.0	156.0		150.0	150.0	165.0	
Northeast Corridor	225.0	270.0	250.0		165.0	230.0	250.0	
Penn Station/Farley	0.0	0.0	0.0		0.0	40.0	0.0	
High Speed Rail	3.5	—	—		25.0	25.0	—	
PASSENGER RAIL TOTAL	912.2				961.7	1,067.0		
Federal Highway	19,938.4				19,811.6	20,249.4		
IVHS (4)	214.0				232.8	235.8		
Federal Aviation	8,644.8				8,515.7	8,393.0		
Federal Transit	4,582.6				4,620.4	4,604.8		
BILL STATUS			Pending on Floor	Pending in Subcomm.	Passed June 16	Passed July 21	Pending on Floor	Pending in Subcomm.

(1) S. 2002, the Administration's bill, was introduced as a courtesy, but no committee markup has been held.

(2) Included in operations line. HR 4556's report earmarks \$8 million. Amtrak's actual share of long-term 403(b) costs will be \$18 million in 1995.

(3) Excess retirement and unemployment costs paid by the Federal Railroad Administration directly to the Internal Revenue Service.

(4) Intelligent Vehicle Highway Systems, included in Federal Highway figure.

APPROPRIATIONS are what agencies actually may spend; AUTHORIZATION is a ceiling which appropriations normally do not exceed.



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