

# Flawed Report: U.S. Should Cut Off Amtrak

## But Libertarian Group Oddly Mum on Costlier Government Roads, Airports

The Cato Institute published a negative, inaccurate report, AMTRAK AT TWENTY-FIVE: End of the Line for Taxpayer Subsidies, by Jean Love, Wendell Cox and Stephen Moore. Cato distributed the December 19 report widely. At least three papers ran anti-Amtrak editorials inspired by it: Investor's Business Daily, The Oakland (MI) Press, The Boston Herald.

Moore, a longtime Amtrak critic, is Cato's fiscal policy studies director. Cox opposes the successful, new light rail system in St. Louis, where he and Love are based. An August 20, 1996, *Milwaukee Journal Sentinel* article on light rail "pros and cons" stated: "Cox, a consultant to St. Louis-area light rail opponents, said: 'It's about visions and an idea of free-

#### **ECONOMIST SUPPORTS AMTRAK TRAINS**

Operating grants for Illinois-supported Amtrak trains "as a regular element in the state budget can be defended on the grounds of overall benefits to the state," writes John F. Due, an emeritus professor of economics at the University of Illinois (Urbana-Champaign), in his recent paper, "Railroad Passenger Service: Amtrak and State-Supported Passenger Trains." A condensed version appeared in the summer 1996 *Illinois Business Review*.

Due concluded that Illinois should weigh all costs and benefits before deciding to cut train funding. "The case for continued support of these trains is strong... But even \$18 million a year," he notes, "is less than one-tenth of one percent of the total state expenditure. In contrast, according to [Illinois DOT] the cost to build one mile of urban expressway is typically \$140 million, or rural expressway, \$7 million."

Due called Amtrak "relatively successful...The political influence on the original route structure was largely eliminated." He discusses Amtrak's economic misfortunes of the early 1990's—making his sympathetic views are noteworthy because he lacked favorable, post-1994 Amtrak financial data.

Back issues of Illinois Business Review are available for \$3.50 from Bureau of Economic and Business Research, University of Illinois, 428 Commerce West, 1206 S. 6th St., Champaign, IL 61820; 217/333-2331. The complete paper is available from John F. Due, University of Illinois, Department of Economics, 484 Commerce West, 1206 S. 6th St., Champaign, IL 61820.

AMTRAK AND ILLINOIS SIGN DEAL-p. 3

dom.' And he scoffs at 'quasi-religious' anti-highway, protransit visions, and he associates automobiles with freedom."

The Cato Amtrak report relies heavily on nationwide averages, which masks Amtrak's significance in the markets it does serve. The study also is riddled with factual errors.

Cato looks only sees the bad points in Amtrak's past, while ignoring America's future—the economic advantages of more intensively using existing tracks and rail rights-of-way as travel demand increases where roads and airports are at capacity.

#### Nationwide Averages Obscure the Truth

**Commuter rail** is profitable for Amtrak. The corridors where commuter rail exists tend to be congested ones where commuter rail is very important. One measure of this importance is the fact that states and localities pay 100% of the services' net costs. Ignoring all this, Cato—citing Amtrak contract commuter-rail ridership as a percent of *all work trips nationwide* —takes Amtrak to task for making "an inconsequential contribution to getting the nation's workers to their job."

**Long-distance** trains are "land cruise" trains, according to Cato, who compares them with the tourist-only trains in the Canadian Rockies. But *Amtrak's* long-distance trains are transportation "melting-pots," heavily used for basic travel needs. The majority of riders are in coach and are not wealthy.

Amtrak Alleviates Congestion!: In 1995, for example, the General Accounting Office found that Amtrak's Los Angeles-San Diego service reduced highway congestion by 2,241 cars and 49 flights and saved nearly 2.2 million gallons of motor fuel *each day*. Because some shuttle flights have empty (continued on page 3)



-Tuscaloosa, AL, 1988 (mentioned in book), Scott Leonard

Great American Railroad Stations, by Janet Greenstein Potter, is a fascinating, new, 570-page book profiling surviving, historic train stations—many still used by Amtrak and commuter trains. Photos and drawings show most stations profiled. Foreword by Sen. Daniel Patrick Moynihan (NY). It is published by John Wiley & Sons, 605 Third Ave., New York, NY 10158.

## Wheels of Progress

Here is our annual list of major rail passenger improvements planned to enter service and the dates of planned openings (if available). Dates and projects subject to change. *NARP News* regularly reports actual start-up dates.

#### 1997

• Jan. 10—Dallas DART light rail extension Pearl-Park Lane.

• **May**—New Amtrak West stops open at Hayward, CA (for Capitol Corridor trains); new *San Diegan* stops open at Goleta and Carpenteria. Capitols get Custom Class. Remaining *San Joaquins* get California Cars, so all have Custom Class, checked baggage, and unboxed bicycle carriage.

• May—Dallas LRT extension Illinois-Ledbetter (2.9 mi.).

• **May**—Memphis Area Transit Authority's downtown streetcar shuttle (opened 1993) expands to Riverfront Loop along west edge of downtown, with Central Station at south end (see "Late 1997," below).

• June—Washington Metro Van Dorn-Franconia/Springfield (Blue Line), 3.3 mi.

• **Mid**—BART extension Bay Fair (Fremont line)-Dublin/ Pleasanton (14 mi.).

• **Summer**—Baltimore light rail extensions—Timonium-Hunt Valley (4.5 mi.); Linthicum-BWI Airport (2.7 mi.); Mt. Royal-Penn Station (0.3 mi.—also an Amtrak and MARC stop).

• **Summer**—Restoration work is complete at the historic Greensburg, PA Amtrak station.

• Late Summer—Extension of Cape May Seashore Lines Cold Spring-downtown Cape May (2 mi.). It opened in 1996 as a 10-mile, rail-diesel-car shuttle from Cold Spring north to Cape May Courthouse; a successful alternative on this autochoked resort peninsula. Call 609/884-2675 for information.

• **Sept.**—MBTA Old Colony Lines commuter rail, Boston South Station to Plymouth and Middleboro, where service ended in 1959. Track work is done, but opening delayed to install a cab signal system. A Greenbush branch comes later.

• **Fall**—Boston-Portland Amtrak service, four times a day, funded by State of Maine. Supplementary bus round trips planned as well, with interchangeable tickets.

• **Fall**—Jacksonville Skyway reopens after being retrofitted with a Bombardier monorail (closure began December 23, 1996 with interim shuttle buses), serving Central, Jefferson, Terminal (old Union Terminal, now a convention center).

#### **EXPERIMENTAL EQUIPMENT TOURS IN 1997**

The RegioSprinter (Siemens diesel light rail car; Feb. '96 *News*) was in trial service in several California communities and Grand Canyon, AZ, during January. It also is expected to be in trial service at:

- Austin, TX, Feb. 14-21
- Tampa, FL, Mar. 3-30
- Raleigh-Durham area, NC, Apr. 9-20
- Camden-Trenton, NJ, May 9-18
- Hoboken (NJ) Rail Festival, May 25
- More touring may follow later in 1997.

The ADtranz IC-3 Flexliner (Jan. '96 News) will return from Canada, but there is no schedule for it yet except for its planned use by Amtrak and Missouri DOT on the St. Louis-Kansas City *Mules* in April. • **Oct.**—Phase I, Richmond (VA) Main St. Station intermodal terminal project. Amtrak NortheastDirect trains to and from Newport News begin calling there (they pass by now without stopping), in addition to Richmond Staples Mill.

• Oct.—First American Railways starts "Florida Fun Train," Port Everglades (Fort Lauderdale)-Orlando Airport; via Florida East Coast to West Palm Beach, then CSX (Amtrak route) to Orlando. Several new cars, including entertainment cars, to be built by Rader Railcar of Denver. Contact: 954/920-0606.

• Nov.—SEPTA R2 extension Wilmington-Newark (12 mi.).

• Late—Most catenary foundations and poles are complete between New Haven and Boston.

Late—Phase one of intermodal terminal project at Memphis Central Station—track areas, local bus loop, parking area.
Late—Tri-Rail commuter line extended (2 mi.), to site of future intermodal terminal (and closer to Miami airport).

• Late—Amtrak West opens new San Diegan stops at Surf and Guadalupe, CA.

• Late—San Francisco Muni streetcar shuttle Embarcadero-CalTrain Station, connects local rail transit to commuter rail for the first time in years. Initially, passengers change to other rail lines at Embarcadero (see "Sometime 1998").

• Late—Metrolink commuter rail Riverside-Fullerton-Los Angeles (62 mi.)—this already has been postponed due to Orange County's fiscal problems, and could be again.

• **Dec. 1**—Vermont Agency of Transportation commuter rail, Burlington-Charlotte, 20 mi.

 Dec.—Mission Valley extension of San Diego's North-South light rail line from Old Town to Jack Murphy Stadium (in time for the Super Bowl), 6.1 mi.

 Sometime—Production starts on Bombardier's American Flyer high-speed trains (Mar. '96 News), for use on Northeast Corridor.

• **Sometime**—Amtrak's *Sunset Limited* begins stopping at a new station at Maricopa, AZ, south of Phoenix.

• **Sometime**—Greater Cleveland RTA commuter rail trials, either southeast to Aurora (ex-Erie route with commuter rail until the mid-1970's), or south to Hudson and/or Akron.

#### 1998

• Jan.—Stockton-Altamont-San Jose commuter rail (85 mi., Sept. '94 News).

• **Early**—Regular 110-mph Amtrak service on the Chicago-Detroit line in southwest Michigan, with completion of experimental signal system installation (Sept. '96 *News*). This will be the fastest regular speed outside the Northeast.

• **Spring**—Tobacco company Philip Morris' "Marlboro Unlimited" cruise train, using 21 custom-built cars (by Rader Railcar) and two General Motors locomotives. Passengers will be 2000 ticket winners, roaming the West on a five-day trip. Strong ventilators provided to accommodate the smokers.

• **Mid**—Completion of \$2.3-million restoration project at Tampa Union Station, using mix of ISTEA, state, local funds.

• June—Sacramento Regional Transit light rail extension Butterfield-Mather Field Rd. (2.5 mi.).

• **June**—Phase two (and completion) of intermodal terminal project at Memphis Central Station—building restoration and passenger waiting areas.

• **Summer**—Delivery of three new, custom-built, Talgo tilttrain sets to be used in the Pacific Northwest Corridor (Eugene-Portland-Seattle-Vancouver). Two will be owned by the State of Washington, one by Amtrak West, all replacing the two sets leased now (and re-equip the *Cascadia*).

• **Summer**—Washington Metro Wheaton-Glenmont (Red Line—only two Green Line segments remain to complete 103-mile "basic" system).

• **Sept. 8**—Portland West Side light rail line from downtown to Beaverton and Hillsboro (18 mi.).

• **Fall**—MBTA commuter rail extension Ipswich-Newburyport, MA (10 mi.).

 Late—Metro-North commuter rail extension Dover Plains-Wassaic, NY, 4.4 mi.

• **Sometime**—Syracuse intermodal terminal opens, serving Amtrak, ONTrack (local commuter shuttle), local transit, intercity bus, airport limousine.

• **Sometime**—San Francisco Muni streetcar shuttle from CalTrain station is run through Embarcadero to other rail (Muni Metro) services—perhaps either the J and N lines, or a proposed Castro local shuttle.

 Sometime—Jacksonville Skyway extension to Hemming Plaza and FCCJ (a college and local bus node), and across St. Johns River to San Marco.

#### LONG-AWAITED ILLINOIS / AMTRAK DEAL MADE

Illinois DOT and Amtrak agreed January 14 to run the *State House, Illinois Zephyr* and *Illini* (Chicago to Springfield-St. Louis, Quincy and Carbondale) through June, 2000. The state will pay \$7 million the first year, \$7.55 million the second and \$7.95 million the third (subject to appropriations).

If, in a given year, these trains do not originate within 30 minutes of the schedule at least 99% of the time, Amtrak will pay \$2,700 for each such failure. This provision—apparently a first for Amtrak—results mainly from late Chicago departures of the *Illinois Zephyr*, whose train and engine crews have been turning from the unreliable, eastbound *California Zephyr*.

In a news release, Amtrak said it "will operate the trains within service parameters outlined by IDOT, including trip times, scheduling and minimum seating capacity on each train." Amtrak Intercity President Mark S. Cane said, "The partnership between Amtrak and Illinois has been strengthened by an agreement which challenges both parties by properly placing incentives and raising performance standards."

#### **SLATER CONFIRMATION HEARING IN BRIEF**

At Transportation Secretary-Designate Rodney Slater's January 29 confirmation hearing, Sen. Kay Bailey Hutchison (R-TX) emphasized the need for a national rail passenger network—not just high-frequency corridors—and for a dedicated funding source. John Kerry (D-MA) spoke eloquently about the past

### Flawed Report

(from page 1)

seats, however, Cato doesn't even admit that Amtrak alleviates congestion in the crowded New York-Washington corridor. Sure, *off-peak* planes have empty seats, but at peak hours the shuttle *and* the train tend to be full.

#### Getting the Facts Wrong (or Out-of-Date)

• Cato's claim that "Amtrak need not worry about such matters as bottom line profit and loss statement" is laughable to anyone who has watched Amtrak in recent years struggle with the financial impacts of various service changes.

• "The federal...airline trust fund has accumulated a large surplus balance (\$12 billion)," says Cato, quoting the 1996 federal budget—prepared in January, 1995. When Cato went to press in late 1996, that trust fund was nearly empty, as aviation taxes were not collected January-August, 1996. The taxes expired again January 1, 1997; absent their reinstatement, the fund would be exhausted by July.

Cato says, "The Federal Aviation Administration's (FAA) costs are largely covered by an airline ticket tax." This ignores the tax-free status of airport bonds, airline use of the National Weather Service, the FAA's ability to shield airport operators from local payment claims (recently invoked against New York City) and the big tax advantages of leasing aircraft.

Moreover, the federal government invested \$15.8 billion in the aviation system before the 1971 assessment of air user taxes. The Congressional Budget Office in 1988 determined that, private users enjoyed a further "general fund subsidy of \$17 billion" from 1971 to 1988.

neglect of and growing need for passenger rail. Ron

Wyden (D-OR) said "we've made a commitment to re-

invent passenger trains in Eastern Oregon..." Wyden

said Amtrak President Tom Downs would visit Oregon

soon to help work on "a new model based on mail and

express." Slater: "Rail is critical" to America's future.

• Cato says "New Hampshire is not served by Amtrak trains," yet Amtrak's *Vermonter* stops in Claremont Jct., four Vermont stations are adjacent to New Hampshire, and populous southeastern New Hampshire is across the state line from some Amtrak contract commuter stations, and not far from Boston.

• Cato ignores sharply differing approaches to driving in Europe and the U.S., notably the *exclusion* of cars from many European city centers, and the growth of light rail in countless cities smaller than rail-transit cities in the U.S.

Cato says "neither management nor labor has sufficient competitive incentives to minimize costs." The incentives *are* there; they seem obvious to management but, admittedly, not to labor—at least not based on the record of the past two years. Amtrak President Tom Downs, answering a question, told a January 22 National Press Club forum that he was optimistic new agreements would be reached this year.

Given Cato's clear distaste for public subsidies, it's ironic they ignore subsidies for highways and aviation. Those modes' external costs also are ignored. Moreover, federal highway and aviation programs are designed to encourage massive, additional state and local funding, whereas there are minimal federal matching dollars for state-sponsored intercity passenger rail projects.

(Send NARP an S.A.S.E. and \$5 for more detailed comments on the Cato report.)

#### TRAVELERS' ADVISORY

Checked baggage: There were several errors in Amtrak's November 10 national timetable—

• *Sunset Limited:* No checked baggage at Phoenix. In Tucson, agent meets bus, checks bags going *to* train.

• Three Rivers: No baggage service at Nappanee, IN.

• *Piedmont:* Baggage service is available at Charlotte, Greensboro, Durham, Raleigh (where it can be transferred to the *Silver Star*).

• *Silver Palm:* No baggage service at Sebring, FL (but it's available there on other trains).

• San Joaquins: Baggage service is on trains 713 and 714 (as well as 712 and 717) and on connecting buses (at staffed stations).

• San Diegans: Train 769 does not have baggage service at Oxnard or Santa Barbara. Trains 775, 784, 792 have no baggage service at all.

*Fares:* Amtrak West January 28 changed its excursion fares to one-way. (Explore America, 10-ride or monthly fares continue to be offered.) This affects the four West Coast corridors and the *Coast Starlight*. The Northeast Corridor already has this system.

Amtrak Intercity offers two-for-one adult tickets on

#### LAKE SHORE—LOOKING UP?

The February *Rail News* (the recent merger of *Pacific Rail News* and *Passenger Train Journal*) published an interview of Amtrak President Thomas M. Downs, written by NARP member Wes Vernon. He is a recently retired, veteran reporter for CBS radio, who did annual radio interviews of Amtrak presidents.

The *Rail News* story includes this: "The Boston-Albany segment of the *Lake Shore Limited* has the best chance of long-term survival. Amtrak is working with Massachusetts on some trade-offs, including upgrading of the line through the Berkshires. In exchange, Conrail would reduce trackage charges, which Downs called 'some of the highest we've got."



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short-distance routes in Illinois, Missouri and Michigan through February 28.

Amtrak Northeast February 1 expands monthly and multi-ride tickets to many new city pairs. However, it also will ban them on reserved trains north of Washington (except trains 55-56, *Vermonter*). The price of pre-existing monthly and multi-ride tickets rises 5%.

Thruways: Bus service from the Coast Starlight at Salinas, CA to Carmel and Monterey began November 10 (San Joaquins and Capitols already had a link to Monterey)...A new bus connecting with Capitols 724 and 725 parallels the Coast Starlight route from San Jose to Santa Barbara...Flagstaff-Williams (AZ) bus service (suspended for the winter) resumes April 4; bus connects Southwest Chief with the Grand Canyon Railway.

*Intermodal:* Greyhound moved back into Indianapolis Union Station in the fall.

Bikes on Trains: The project to allow unboxed bikes on certain overnight trains (July '96 News) has been postponed indefinitely. The space once intended for bikes is going for the new smoking lounges (Oct. '96 News). Amtrak has the bike racks and is considering other options for them.

#### **NEW ACCOMMODATIONS NAMES**

Amtrak on December 12 changed the names of these sleeping-car rooms:

Car Type	Old Name	New Name
Superliner	Economy Room	Standard Bedroom
Superliner	Special Bedroom	Accessible Bedroom
Viewliner	Compartment	Standard Bedroom
Viewliner	Special Bedroom	Accessible Bedroom

#### **TRAVEL ON AMTRAK RISES**

In the October-December quarter, Amtrak passengermiles rose 1.6% from a year earlier. Amtrak Intercity (with most of the long-distance trains) passenger-miles were up 3.9% (7.0% just for December). Systemwide passenger revenues were up 11% from the year before.

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