



Amtrak Gets \$1.05 Billion for 2003

\$100 Million Loan Deferred

Congress approved H.J.Res.2, the Fiscal 2003 omnibus appropriations measure covering most government programs, on February 13. President Bush signed it into law February 20. (Fiscal 2003 began September 30, 2002.)

Former Amtrak President George D. Warrington unveiled the \$1.2 billion request on February 1, 2002. David L. Gunn, who became president May 15, called \$1.2 billion too low.

However, after the funding crisis of summer 2002, it appeared that Amtrak's 2003 appropriation (amount then unknown) also would need to cover repayment of the Department of Transportation's \$100-million loan to Amtrak.

Thus, the \$1.05 billion combined with deferral of the loan beyond fiscal 2003, puts the practical total close to the original request. Amtrak's reaction (see box) was cautious, reflecting the big uncertainties facing the nation, the economy and especially the transportation sector.

The total includes \$522 million for operations, \$295 million for Northeast Corridor capital, \$233 million for systemwide capital. In the continuing resolutions that came before the omnibus, Amtrak had been funded at an annual rate of \$1.039 billion, based on actual appropriations to Amtrak in fiscal 2002.

Deals Were Struck

Some House-Senate conferees opposed exceeding the shutdown-level of \$762 million approved by the House Appropriations Committee last fall. In exchange for giving Amtrak roughly what it needed in terms of funding, several conditions were laid out:

- Amtrak financial and business plan reports to Congress and the Administration are greatly increased, though much of this reflects what Amtrak under Gunn already was doing on his initiative or in response to the loan conditions.

- To get *any* appropriated funds,

Amtrak must submit grant applications to the Department of Transportation, as it has for certain capital projects, including New York tunnel safety work in 2002.

- Amtrak Board and DOT Secretary "shall ensure that...sufficient funds are reserved to satisfy [Amtrak's] contractual obligations...for commuter and [state-supported] intercity passenger rail services."

- Gone is the "killer" requirement the House Appropriations Committee approved last fall limiting operating funding

(continued on page 2)

Gunn Outlines Goals for 2004

Amtrak President David Gunn sent his funding grant and legislative request for fiscal 2004 to Congress on February 15. Below are some highlights:

"Our FY04 grant request is \$1.812 billion. The budget we propose is straightforward. The funding we seek would be used to improve the physical plant and equipment of the existing national system..."

"Under the capital plan, wreck-damaged equipment will be rebuilt and all major passenger cars and locomotives will be returned to a regular overhaul cycle, helping reduce costly en-route failures across the system. Also included is the start of major bridge reconstruction and the replacement of railroad ties on the Northeast Corridor, as well as ongoing refurbishment of the power supply, transmission and delivery systems..."

"We have taken significant steps to begin to reform Amtrak so that it becomes a more efficient and less costly operation. The reality, however, is that it will take the next few years and a level of funding similar to that made in this request before this task is done..."

"If [this budget is] fully funded, Amtrak will begin to see improvement both in the quality and reliability of the service it provides. In early spring, we will provide

"Amtrak's \$1.2 billion request for [fiscal 2003] was predicated upon projected revenue levels and tight controls on spending. The amount appropriated by Congress only reinforces that sustaining Amtrak operations will be an ongoing challenge. Though the budget will be extremely tight, this funding level should be sufficient to operate the national system for the remainder of the fiscal year, which ends September 30."

—Amtrak statement, February 14

Congress with a detailed five-year plan for both capital requirements and operating needs to provide a blueprint for how we go about rebuilding the railroad...

"A stabilized Amtrak means that the Company's Board and management, as well as commuters, state partners, and federal policymakers will not be distracted by financial crises. [It will be much easier] to decide the future of railroad passenger service in this nation...without the distraction of recurring crises." ■

COMMITTEES RESTRUCTURED

The House and Senate Appropriations Committees realigned subcommittees to make room for new Subcommittees on Homeland Security. Thus, for Amtrak:

- Ernest Istook (R.-Okla.) chairs the new House Subcommittee on Transportation, Treasury and Independent Agencies. John W. Olver (Mass.) is ranking Democrat.

- In the Senate, Richard Shelby (R.-Ala.) and Patty Murray (D.-Wash.) continue as chair and ranking member, respectively, of what is now the Subcommittee on Transportation/Treasury and General Government.

Final '03 Funding (from page 1)

for long-distance trains to \$150 million.

- House language requiring Amtrak to report per-passenger operating losses for each route was retained. (NARP noted in a February 7 letter to conference leaders that "subsidy 'per passenger' does not measure economic performance.")

- The Secretary of Transportation must "approve of funding to cover operating losses" of each long-distance route "only after receiving and reviewing a grant request for each specific train route," provided that the financial analysis in each request justifies the funding for that route "to the Secretary's satisfaction."

Conferees picked the phrase "receiving and reviewing" after first writing "receiving and approving." Consistent with the spirit of that change, this provision seems intended to thoroughly acquaint DOT with Amtrak financial data, but not to create a new kind of shutdown crisis.

The Washington Post (Feb. 18) had this: "National Association of Railroad Passengers Executive Director Ross Capon...said a close [Amtrak/DOT] working relationship 'should give DOT a greater understanding of where the money goes, how costs are allocated among Amtrak's routes, and which costs will not disappear' if a route is abandoned." This is

from our February 15 release, available in full at <www.narprail.org>.

The Administration did not seek this responsibility, but apparently got it due to frustration by some—especially the outgoing subcommittee chairman, Harold

Rogers (R.-Ky.)—with DOT's handling of the Amtrak issue.

As requested, Amtrak got its grant application to DOT by March 14, which should mean that the grant will be approved in time to avoid any crisis. ■

FASTER DOWNEASTERS APPROVED

Amtrak's Boston-Portland Downeasters have had a top speed of 60 mph on the northern 78 miles (owned by Guilford), since service began in December 2001.

The Surface Transportation Board (STB) approved 79 mph in 1999, but Guilford then argued that Amtrak's testing of the line, required by the STB, was flawed.

The STB ruled January 31 that the testing was adequate. STB orders

are effective immediately, but—rather than allow 79 mph—Guilford on February 20 filed a petition for reconsideration. Amtrak's March 12 reply said Guilford's petition shows neither new evidence or material error, the two grounds for granting such a petition.

The higher speeds—when they finally come—should cut the total Downeaster trip time from 2:45 hours to 2:30.

Bush '04 Request Leaves Big Gap to Fill

The Administration's \$900 million request for Amtrak for 2004 is \$379 million (or 73% higher) than the Administration's request for fiscal 2003. That reflects positive work within the Administration, but the request is \$912 million less than Amtrak's stated need (story, page one). The request also is about 40% below what Amtrak got 20 years ago (adjusted for

inflation) and 14% less than what Amtrak is getting this year. More to the point, \$912 million may be too big a shortfall for Congress to make up.

The Bush budget named six national network routes and their 2001 loss-per-passenger, suggesting it would be cheaper for people to fly endpoint-to-endpoint. But some passengers can't or don't want to fly. Many intermediate-point flights are costly or impractical. And subsidy per passenger is not a measure of economic efficiency.

Administration officials say the six trains were chosen as examples and did not constitute a directive to Amtrak.

- In changes announced well before the budget's release, Amtrak restructured its *Pennsylvanian* February 10; the train had dramatically improved February results. Amtrak said *Kentucky Cardinal* will be dropped in early July.

- *Southwest Chief* and *Three Rivers* are two of the three routes that together handle half of Amtrak's profitable mail business. The *Chief* is one of the strongest economic performers in the national network [measured by operating ratio, that is, costs divided by revenues]. Cost allocation issues may hurt *Three Rivers*, but this should change once reexamination of the mail business is completed.

- *Sunset Limited* and *Texas Eagle*—the other two routes named—have been hammered by bad on-time performance, which should improve (Feb. News). ■

2004 TRANSPORTATION FUNDING Compared with Previous Years Appropriations (\$ millions)

	2000 Enacted	2001 Enacted	2002 Enacted	2003 Enacted	2004 Bush request	Change, Bush vs. 2003
Administration						
Federal Highway	28,803	31,675	32,928	31,800	30,225 (1)	- 5.0%
Federal Aviation	9,997	12,074	18,512	13,579	14,007	+ 3.2%
Federal Transit	5,803	6,254	6,871	7,226	7,226	0%
Federal Railroad	735	744	1,044	1,270	1,089	-16.6%
*Amtrak	571	520	827	1,050	900	-14.3%
*also in Federal Railroad Administration total.						
Intercity Passenger Rail Categories						
Amtrak Operations (2)	(3)	(3)	(3)	522	671	+28.5%
Amtrak Capital	571	520	522	233	229	-56.6%
Northeast Corridor	(3)	(3)	(3)	295	(3)	—
Excess Retirement	(3)	(3)	(3)	(4)	(4)	—
SUBTOTAL	571	520	522	1,050	900	- 14.3%
Penn Sta./Farley	0	20	20	na	0	- 100%
High Speed Rail	27	25	32	31	23	- 24.6%
Extraordinary Funds	0	0	305 (5)	0	0	—
PASS. RAIL TOTAL	598	565	879	na	923	na

NOTES:

- 1) The 2004 highway request is 5.7% above the 2003 "baseline" (guaranteed) level—\$28.6 billion.
- 2) Includes certain Railroad Unemployment and Retirement payments, mandated by law, which exceed Amtrak's costs to those systems, about \$160 million.
- 3) Lumped into "Amtrak Capital."
- 4) Lumped into "Amtrak Operations."
- 5) In 2002, \$100 million from defense appropriations for Amtrak security items and \$205 million from emergency supplemental for Amtrak operations.

Chicago Envisions Much Better Rail Links

The City of Chicago's blueprint for expanding O'Hare Airport includes major, new passenger rail links. A new railroad station at the planned O'Hare Western Terminal is part of the official Airport Layout Plan which the city submitted to the FAA in December, 2002. This protects the needed land for rail use.

These and other ambitious plans discussed below come on the eve of renewal of federal surface transportation programs.

The rail facilities, if built, could dramatically improve linkages between O'Hare Airport and both commuter rail and intercity rail services, as well as links among various rail lines.

The increased flexibility given travelers would add great value to Chicago's existing rail passenger services (intercity, commuter, subway/el), which are extensive but, for the most part, have not tied together very well.

Earlier progress came when the city-owned airports got direct links to the Chicago Transit Authority (CTA)—O'Hare with the Blue Line in 1984, and Midway with the Orange Line in 1993. A less direct link (O'Hare Transfer; see map), requiring a shuttle bus, began in 1996

when Metra's North Central commuter line opened.

O'Hare Airport Expansion

Much of the expansion is southwest towards Bensenville, and would require rerouting Union Pacific's freight belt around the west side of the airport.

Included in the expansion is a new West terminal, to be served by an underground extension of CTA's Blue Line from the main O'Hare terminal. Further Blue Line extension north and west to Schaumburg is being considered.

Consideration will be given to incorporating Metra commuter service into the West terminal. Various routings are possible (see map). Intercity trains to and from Union Station (or the West Loop Transportation Center, see below) also could use these routings.

CTA is also studying providing express service on both its airport routes.

Easing Union Station Bottleneck

Like many cities in the U.S. and in Europe, Chicago developed with several passenger rail stations around its center. While many of them later developed

true "central" stations, Chicago never did.

Union Station was one of several in Chicago, and Amtrak consolidated all of its operations there by 1972. But though it has tracks leading in from north and south, its design hampers through operations. Essentially, it is two terminals (with dead-end tracks), sharing a central passenger concourse.

There are two through-tracks—on the east edge of the station—but only one borders a passenger platform. Amtrak often uses this track during the day for

its longest long-distance trains.

Breaking this bottleneck is critical to linking O'Hare Airport to places south and east of Chicago. Such points could include St. Louis, Indianapolis, Cleveland, Detroit, and intermediate cities (Midwest Regional Rail Initiative (Sept. '98 News),

A solution may be the West Loop Transportation Center, proposed in the City of Chicago's Central Area Plan document (July 2002). It would be a four-level facility running north-south below Clinton St. (Union Station's west edge).

A passenger concourse would be on the first level below the street. The second level would be a dedicated busway. Next would be a loop route connecting the two main segments of CTA's Blue subway—northwest (O'Hare) and west (Congress/Douglas Park). Two intermediate Blue Line stations would be at Union Station and at Metra's Ogilvie Transportation Center (former North Western Terminal site).

The fourth level would be for intercity trains and also could serve Metra commuter trains to enhance the capacity of Ogilvie and Union Station.

The project is on the region's official Transportation Improvement Plan, and in the Chicago Area Transportation Study (CATS 2030 plan). It could be complete between 2009 and 2012.

Metra Expansion

Finally, Metra on January 30 proposed a 55-mile "STAR" ("Suburban Transit Access Route"). Using diesel-multiple-unit (DMU) trains (Oct., Dec. '02 News), the intra-suburban line would start at the proposed O'Hare West terminal, then along I-90 northwest to Schaumburg and Hoffman Estates, then south on freight (Elgin, Joliet & Eastern) tracks to Joliet, crossing several Metra lines.

A later extension southeast to Midway Airport, along Indiana Harbor Belt tracks, is possible. Separately, Metra is proposing a new route from LaSalle Street Station south to Thornton and Crete. ■

LODGING SERVICE

Amtrak and Hotels.com have a three-year agreement to allow Amtrak reservations agents to connect passengers interested in "discount lodging" to Hotels.com. This is similar to the way passengers who want a rental car can be connected to a Hertz agent.



—Scott Leonard

TRAVELERS' ADVISORY

Downeaster—Amtrak now issues a “dummy” coupon to close the gap between its *Downeaster* service (from Portland) at Boston North Station and the rest of the Amtrak system at Boston Back Bay Station. The coupon is not good for transportation, but allows web users to make a single reservation that bridges the gap in Boston.

MBTA told NARP that the plan to make the coupon valid for the subway ride—sidetracked by various issues last year—is undergoing final review.

Timetables—The next general change, April 28, has shorter running times on Chicago-West Coast trains; *Lake Shore Limited* and *Capitol Limited* run west later and east earlier. *Cardinal* runs west later. *Texas Eagle* earlier east.

Washington-Boston night train (*Federal*), with Virginia connections, replaces *Twilight Shoreliner*.

Northeast Corridor—Amtrak now

calls “Acela Regional” trains simply “Regional,” effective March 17.

Stations—The Amtrak station at High Point, N.C., will close after March 28 for the duration of its reconstruction. Train service will resume in July.

Transit—Vermont’s new governor, Jim Douglas (R.), suspended Burlington-Charlotte Champlain Flyer commuter service February 28. Ridership was criticized, but a parallel road project, the rail service’s original reason for being, has not yet begun.

Thruways—A bus now connects Cleveland (bus station) to *Three Rivers* (eastbound) and from *Pennsylvanian* (westbound), both at Pittsburgh.

Discounts—Amtrak’s Spring 1-2-Free promotion allows an adult paying full fare to travel with a second adult paying 50%, and (if any) a third traveling free (code H270). Adults traveling alone get a 25% discount (code H305). Buy before April 30; travel through August 28. Some restrictions apply.

MENU VARIETY INCREASED

Amtrak will make menu improvements in its dining cars, effective April 1. Each meal will feature one choice more than offered today (including a “special” at dinner).

There will be three menu “cycles” (or groupings) offered systemwide, with no single train having the same menu cycle in one direction as in the other—guaranteeing that round-trip passengers won’t have the exact same menu coming and going. Two-night trains will have different specials and vegetables for each dinner. After six months, one menu cycle will be replaced with a new one.

Certain beverages—coffee, tea (hot and cold), milk—will be included in the price at all meals (and juice at breakfast). Seasonings made available to chefs will be increased.

The menu restrictions that were instituted in 2002 for budgetary reasons were unpopular with frequent travelers. This new menu system will help to increase variety in the dining car.

Cautious progress in Midwest

Missouri—The state’s House and Senate approved \$800,000 in supplemental funding for the two daily St. Louis-Kansas City trains. NARP and St. Louis-based Citizens for Modern Transit contacted several key legislators. Next, the money, in a big supplemental bill, HB515, goes to the governor.

Legislators in 2002 approved \$5.0 million of the \$6.2 million sought by Amtrak to run trains through June 30, 2003 (Aug.

’02 News). That was enough to run one round-trip (*Ann Rutledge*) all year, and the other (*Mules*) only through February 28.

To live within \$800,000, Amtrak will de-staff Kirkwood and Jefferson City stations, and impose a \$5 per ticket fee. Amtrak lowered its fiscal 2004 request from \$8.9 million to \$6.4 million.

Michigan—The state DOT has an adequate (\$8.3 million) budget to run the *International* and *Pere Marquette* in 2003.

But the legislature separately imposed a \$5.7-million spending cap on the services. Thus, Amtrak and the DOT developed a six-month contract to run the trains, expiring March 31.

A bill was introduced in the state House March 12 to lift the cap; a March 20 hearing was planned. Approval is uncertain, and there is no Senate bill yet. Amtrak has offered to extend service to May 15, giving the legislature more time. ■



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