



# Senators Pan Bankruptcy; Funding Tough

## Other Bush Budget Cuts Make Amtrak "Zero" Hard to Fix

*"I do not believe that bankruptcy will solve our Nation's problems with Amtrak. Amtrak is too complex, the costs potentially too great and the result too uncertain to trust bankruptcy as the solution. I am not sure anyone understands the true costs of bankruptcy or who will pay for them. I am from the Show-Me State and a great believer in certainty."*

—**Christopher S. Bond (R-MO), Chairman, Senate Appropriations Subcommittee on Transportation, Treasury, the Judiciary, Housing and Urban Development, and Related Agencies, at May 12 hearing**

Bond chaired the Senate's Amtrak appropriations hearing on May 12, his first Amtrak hearing since transportation became his responsibility.

Although not known as an Amtrak fan since coming to Washington, Bond as governor was considered a rail passenger supporter. He noted at the hearing that Missouri's intercity rail passenger funding program [St. Louis-Kansas City] began while he was governor.

Both Bond and Patty Murray (D-WA), who continues as ranking member, emphasized the difficulty of funding Amtrak in the current environment without support from the Bush Administration, and while dealing with severe budget cuts the Administration proposed in other popular, domestic programs.

Bond: "Even if I was to agree that the \$1.82 billion request for Amtrak is justified, I do not know how this Subcommittee will be able to provide such a significant increase from the [President's] Budget Request...I acknowledge your hard work and commitment to making Amtrak work successfully [referring to Amtrak President & CEO David L. Gunn]. Unfortunately, it is still not enough..."

DOT Inspector General Ken Mead and Amtrak officials insisted that with \$1.2 billion [what Congress provided for this year], Amtrak would not make it through

fiscal 2006.

He suggested paying off Amtrak's high-interest debt, contrasting the 9.5% interest the federal government pays (through Amtrak) on the New York Penn Station mortgage with the current rate on 10-year Treasuries, "a little over 4%".

Amtrak Chairman David Laney emphasized that all of the increase Amtrak requested is for capital improvements; operating grant needs are basically flat.

Mead said, as he has before, that "eliminating long-distance service will not solve the problem," but would only save about \$300 million and those savings "would not be immediate. In fact, in the first year, it may cost Amtrak more to eliminate the service than to operate it because of its labor severance payments (commonly called C-2)."

His testimony continues to emphasize that many riders on long-distance trains "do

not really travel long distances. That is, long-distance trains carry only a small number of end-to-end riders."

His focus on literal endpoints (i.e., Chicago-Los Angeles) as opposed to, say, Illinois-California travel, obscures the fact that average trip lengths reported on the long-distance trains are indeed very great—for example, *Southwest Chief* 1,140 miles; *California Zephyr* 870 miles.

Moreover, even those numbers understate passengers' actual trip lengths because so many people make connections with other trains. For example:

- Memphis, TN to Flint, MI—a 776 mile trip—is 520 miles on the *City of New Orleans* and 256 miles on *Blue Water*.
- Mount Pleasant, IA to Albany, NY—1,051 miles—is 233 miles on *California Zephyr*, 818 miles on *Lake Shore Limited*.

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## NARP Honors Specter with Award



Senator Arlen Specter (R-PA, center) and NARP President George Chilson (right) hold The George Falcon Golden Spike Award. NARP Executive Director Ross B. Capon is at left. The award, presented to Specter on Capitol Hill April 21, honors "his long service on the Senate Appropriations Committee. Thanks in part to Senator Specter's hard work, our national rail passenger system continues to operate and report growing ridership, and has reasonable prospects for weathering the current crisis."

## NARP/Mineta Meeting; Mineta Threatens Amtrak

Secretary of Transportation Norman Y. Mineta met for over an hour with NARP Executive Director Ross B. Capon and Assistant Director David Johnson on May 11. Also present: DOT General Counsel Jeffrey Rosen, who represents DOT on the Amtrak board and at some Amtrak hearings, Acting Federal Railroad Administrator Robert Jamieson, FRA Associate Administrator for Railroad Development Mark Yachmetz, and Suzanne Te Beau, a Mineta policy advisor.

There was a lengthy discussion about long-distance trains. Capon emphasized that the “avoidable loss” of these trains is \$300 million; a relatively small portion of Amtrak’s total funding requirements. At the end of the meeting, Mineta expressed the need for continued “give and take.” He readily agreed to another meeting.

Unfortunately, however, his subsequent comments and actions showed continuing animosity towards Amtrak and the facts.

- On May 18 at his seventh Amtrak-bashing event—this one at the Mobile station—he said long-distance trains in 2004 lost “more than \$908 million.” [DOT Inspector General: cuts would save only \$300 million; see front page.]

- In a May 25 letter to Amtrak, he threatened to withhold \$60 million in already-appropriated funds. He seemed to be taking language in the appropriations law intended to minimize a crisis and using the language to *create* a crisis.

- In May 31 “telephone news conference” remarks to Montana reporters, aimed at undercutting June 1-2 “pro-*Empire Builder*” town meetings, Mineta said long-distance trains keep “Amtrak from providing shorter distance, more frequent corridor service in states like Montana.”

NARP issued releases regarding those three matters, and earlier Mineta events—Chicago, Charlotte (Feb.), and St. Louis, Detroit and Sacramento (March).

## House Passenger Rail Caucus Formed

The House of Representatives now has a Passenger Rail Caucus. This bi-partisan group of legislators was formed with the leadership of Reps. Michael Fitzpatrick (R-PA), Michael Castle (R-DE), Earl Blumenauer (D-OR), and Robert Andrews (D-NJ). Here is the mission statement of the caucus:

“The Passenger Rail Caucus is a bipartisan group composed of Members of the United States House of Representatives who are dedicated to improving rail transportation. The Caucus is intent on facilitating communication between the Department of Transportation, Amtrak, the Congress, and all of the other experts and concerned groups who have put forth proposals to reform passenger rail. The goal of the Caucus is to identify and discuss realistic solutions for sustaining and improving passenger rail service - which is critical to our transportation system.”

The caucus is the first of its kind in the House. The Caucus works within five principles:

- “Identifying a realistic plan” (to improve passenger rail);
- “Sustaining Passenger rail”;
- “Improving Passenger rail”;
- “Promoting the benefits of passenger rail”;
- “Enhancing rail security.”

## Appropriations (from page 1)

Mead noted that “there are at least 16 states with only long-distance trains and little potential for any corridor development.” [Currently, 25 states have long-distance trains only. This includes Texas and Oklahoma, where the Oklahoma City-Fort Worth *Heartland Flyer*, though a short-distance train, could not survive in isolation if the *Texas Eagle* went away.]

He suggested “formula grants with no match required” as a method for funding long-distance trains. This appears to be an attempt to “split the difference” between the Bush Administration’s opposition to federal operating grants of any kind, and the reality that long-distance trains would disappear if not accepted as a federal responsibility. The proposal is interesting, but still implies endless, counterproductive haggling among states both over whether to sign the required grant request, and to approve particular schedules.

Indeed, Sen. Robert Bennett’s (R-UT)

Rep. Castle said, “We need to seriously talk about a comprehensive strategy for improving passenger rail, including more clearly defined goals and a thorough understanding of the consequences. Traveling by rail is environmentally friendly and it plays an important role in alleviating congestion on the rest of our transportation system.”

Rep. Blumenauer: “Today, the case for an efficient national passenger rail system has never been stronger. Since the 1990s, Amtrak has seen a significant increase in ridership. In 2003 alone, Amtrak carried 23.5 million riders. Yet the anti-Amtrak forces are ready to pull the plug entirely, saying it should receive no money whatsoever. This is simply unacceptable, and that’s why we need this caucus, to protect the rail service that we have, and to build a stronger rail service in the future.”

In a release issued when he joined the caucus, Rep. Joe Schwartz (R-MI) said, “I am extremely disappointed with the state of passenger rail in the United States. While we have spent countless billions of dollars building a superb interstate highway system, we have neglected the important task of building a modern passenger rail system.”

Please ask your House member to join the Passenger Rail Caucus! ■

## House Appropriations Hearing

Amtrak got a hostile reception when testifying April 27 before a House Appropriations subcommittee. Chairman Joe Knollenberg (R-MI), at his first hearing since gaining responsibility for transportation, was critical of the long-distance trains, as was Reps. Todd Tiahrt (R-KS). Rep. John A. Culberson (R-TX) called Amtrak a waste of taxpayers’ money. There were repositive comments from Reps. John Olver (D-MA), the ranking member, and Carolyn Kilpatrick (D-MI).

lament at this hearing of low *California Zephyr* usage in Utah is a perfect illustration of how a single train cannot serve every place at an ideal time. The *Zephyr* is a heavily used train, except in Utah where Salt Lake City is scheduled around 3:30 AM east and 11:45 PM west.

Bennett did support Murray’s attempts

*(continued on page 4)*

## Gunn To NARP Board: Amtrak is Getting the Job Done

Amtrak President and CEO David L. Gunn addressed the NARP Board of Directors in Bethesda, MD April 22.

"If you look at the progress (Amtrak) has made, I think you can be fairly proud at what the company has done," said Gunn. "We went back to a very standard accounting system using GAAP accounting and one set of books..."

"Since 2001 we have [held] operating expenses flat. We've decreased the deficit per train mile significantly. We've undertaken a fairly massive capital program to try to overcome the years of deferred maintenance in physical plant and locomotives." Restarting a program that "was totally dead," Amtrak has done major work (remanufacture or heavy overhaul) on around 200 locomotives and nearly 300 passenger cars.

Amtrak also has addressed years of backlogged infrastructure needs on tracks it owns, including replacing switches and installing new rail on the Northeast Corridor.

Gunn highlighted recent and continuing progress on the Philadelphia-Harrisburg line: "By the end of this summer, nearly all the jointed rail will be gone...We're doing 160,000 concrete ties this summer...(it) is almost entirely done...it's really starting to look like a railroad!"

These efforts come in spite of the North American rail supply industry's woes. "To tell you how bad it is, last month...we were holding cars out of service because we couldn't buy passenger wheels. There is one supplier left and they have a 50 year old machine which malfunctioned..."

### Amtrak is Effective

On Amtrak reform: "I feel good about Amtrak's organizational structure, I feel pretty good about the financial results we've been able to get. I'm particularly pleased with the organization [in that] when you gave them some direction and settled on a course of action, they were able to carry it out.

"The thing that needs reform is the funding, it's the mission, it's the political and legal structure in which we operate. It's not the organization; the organization is pretty competent."

He cited as an example Amtrak's ability to replace so many *Acela Express* trainsets. By April 25, there were 14 week-day New York-Washington *Metroliner* round-trips vs. 15 *Acela Express* round-trips before the *Acela* withdrawal. [Com-



—Donald R. Stewart

**NARP President George Chilson (left) watches as former NARP Director Stuart Adams (center) of Bellevue, WA presents to Amtrak President David L. Gunn a signed original J. Craig Thorpe painting of the eastbound *Empire Builder* passing the Izaak Walton Inn at Essex, Montana. Special thanks to NARP Board Member Chuck Mott of Mukilteo, WA, for donating this painting and the other four that were given to speakers at the April NARP Board Meeting.**

parable numbers for New York-Boston: 11 and 2.]

Senior Vice President-Operations William L. Crosbie has testified that this response would not have been possible if Amtrak did not control both infrastructure and operations.

An effective response also was possible because Amtrak controls the entire nationwide fleet, and because Amtrak had "repaired so many Amfleet cars." That quotation is from Gunn's May 25 talk to the Transportation Research Forum in Washington, DC, where he also praised Amtrak's ability to restore service quickly after a May 12 fire on the Hackensack River bridge east of Newark, NJ.

### Board's Reform Plan

"Amtrak Strategic Reform Initiatives and FY06 Grant Request" (*News*, April-May) came out the day before Gunn spoke to NARP. He acknowledged that parts of the package are controversial, but called it "pretty thoughtful... You may not be able to support everything in it, but there's an awful lot of good stuff in it."

"First of all the board...all appointed by [the Bush] Administration—put forth a grant request for \$1.820 billion dollars. Chairman (David Laney) said 'This money is necessary if you don't want trouble. If you try to level fund us we will go bankrupt.' ...

"This board has stood up and said we have looked at the options...and we recommend that you give us \$1.8 billion which, by the way, will continue the system and

also allow us to really pick up the capital program, [including] some projects which have been put off for years."

Gunn told TRF that \$1.2 billion in federal funding for FY06 would force the capital budget down from \$500 million to \$300 million, and mean an inability to install \$350 million of material already ordered.

The proposed 80%-20% federal-state match for passenger rail capital investment is critical to the success of Amtrak's proposal: "What (an 80-20 match) does is allow the states that have real plans to develop physically good corridors. They have to agree to pick up the operating deficit—if they do a good corridor, there won't be a big operating deficit. The key is that it gets us to the point that intercity passenger rail is treated the same as transit and highways."

### Long-Distance Trains

Gunn does not think the Amtrak plan is a veiled attempt to eliminate long-distance trains: "The long distance trains—this is the most controversial piece—but if you read the plan it calls to keep the national network intact. It talks about setting economic standards for the trains and putting the burden on management to meet those standards. It puts the challenge to us to reduce the deficit.

"There is a clear implication in the plan that the federal government has an obligation to maintain the long distance network. It doesn't say 'nothing.'" ■

## TRAVELERS' ADVISORY

**Metroliner First Class Food Service**—Effective July 1, will be downgraded with elimination of hot meals. NARP has protested to Amtrak.

**Beach Trains**—Metrolink (Los Angeles area) will operate three "Beach Trains" this summer on weekends. In previous years, one train per Saturday and Sunday operated. This year, three beach trains will run on weekends between San Bernardino, Riverside, and intermediate points, en route to San Clemente and Oceanside. Visit the special Beach Train website, <<http://www.takethebeachtrain.com>> for more information.

**Empire Corridor Food Service**, effective July 1, will be eliminated on trains that run only between New York City and Albany. Amtrak says the service is lightly patronized and anticipates savings of about one million dollars a year. NARP is urging Amtrak to be more creative, including doing more to promote the service and insure the longest possible service hours.

### **Capitol Limited-Silver Service**

**connection**—This must be made using the *Silver Meteor*, although this requires a longer Washington layover, at least in theory. The eastbound *Capitol Limited* will be hurt by several upcoming trackwork projects on the Pittsburgh-Washington CSX line. All *Silver* trains—including the northbound *Silver Star*—have had bad on-time performance in recent months (*News*, March).

**Northeast Corridor Share Fares**—Program for small group travel on Northeast corridor trains allows first two travelers to pay regular fare, passengers 3-6 get a 90% discount. This has been extended for purchase through September 30 for travel through December 15. Visit Amtrak's website, click on "Hot Deals" for complete terms and restrictions.

**Oregon trackwork**—UP will replace ties between Eugene and Portland throughout June and July. Hour-long delays are expected for the *Coast Starlight*, *Cascades* trains 504 and 509 will have substitute bus service, delays of about 30 minutes for train 500 and 507.

## Rail Travel Tips

**Tip #10—Train riding with small children is more fun when you have a "survival bag." Here are some ideas for what to include.**

- Moist towellettes (such as Wash 'n' Dries)
- Sippy cup to reduce spills—you can't get lids on the train.
- Easy-to-carry snacks in case the snack bar runs out
- Small pillow. (Amtrak provides these on long-distance trains.)
- Paperback story books
- Magnetic games
- Drawing pad and colored pencils or crayons
- Deck of children's playing cards, such as Uno
- Real or toy camera, to encourage watching out the window
- Earphones and extra batteries for portable game systems.

## Bond, Burns Ride *Empire Builder*

Senators Christopher Bond (R-MO), a key appropriations subcommittee chairman (lead story), Conrad Burns (R-MT), and Amtrak President David L. Gunn rode Amtrak's *Empire Builder* May 21 from Whitefish to Cut Bank, MT. The trip was very productive and in a news conference

at the Cut Bank station, Bond said, "The Administration is trying to bankrupt Amtrak, and I'm not going to allow that."

Town hall meetings were held June 1 and 2 across Montana. Senator Max Baucus and other dignitaries attended and spoke on behalf of a national rail network.

## Appropriations (from page 2)

at the hearing to get DOT to be specific about what funding it would request. He told DOT General Counsel Jeffrey Rosen, "You have hit us with a two-by-four, now I would advise you to define the carrot." Rosen, however, said in effect there would be none until Congress actually enacted "reform." ■



## National Association of Railroad Passengers

*NARP News*

Vol. 39, No. 5

June 2005

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National Association of Railroad Passengers *NARP News* (ISSN 0739-3490), published monthly (except Nov.) by NARP; 900 Second St., NE, Suite 308; Washington, DC 20002-3557; 202/408-8362, fax 202/408-8287, <[narp@narprail.org](mailto:narp@narprail.org)>, <[www.narprail.org](http://www.narprail.org)>. ©2004 National Association of Railroad Passengers. All rights reserved. Membership dues \$30/year (\$16 under 21/over 65), of which \$5 is a subscription to *NARP News*. Periodicals Postage Paid at Washington, D.C., and at additional mailing offices.

**Postmaster:** Send address changes to National Association of Railroad Passengers *NARP News*; 900 Second St., NE, Suite 308; Washington, DC 20002-3557.

(This has news through June 2. Vol. 39, No. 4 was mailed second-class May 26.)