



NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

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U.S. Rail Situation 'An Embarrassment'

Respected NBC News commentator John Chancellor decried America's neglect of rail transportation in his March 10 "Commentary" segment of the NBC Nightly News, calling our situation "an embarrassment." The veteran newsman's comments came in the wake of the tragic English Channel ferry accident and are reprinted here in their entirety, courtesy of the National Broadcasting Company.



—Photo by NBC

John Chancellor

"Boats have been used for thousands of years to get people and freight from Europe to England and back again; and for thousands of years, that's been a risky business. There's another way, a tunnel underneath the English Channel.

"The French and the British are planning one now. The Channel tunnel could be opened six years from now. It's to be a railroad tunnel with special cars to carry automobiles, trucks and buses. The West Europeans are making plans for new, high-speed rail lines to link up with the tunnel.

"By 1993, travelers and freight may be able to get from London to Paris in slightly under three hours in a clean, fast train.

"Contrast that with the United States, which has no coherent policy on rail travel and fewer and fewer trains. When you compare the American passenger rail network with the one that exists in Europe, we're a Third World country. It's an embarrassment.

"The *Chicago Sun-Times* recently said that one key measure of a civilized country is whether its passenger rail system works. Well, the American passenger rail system works in some places, the Metroliners in the East, but it doesn't work in many other parts of the country.

"The Europeans and the Japanese ride in speedy comfort; but after years of dithering, Washington can't even

decide what to do with Amtrak. If the price of gas should shoot up again—not an impossibility—trains will not be able to provide cheap transportation.

"And it's not just the poor who are inconvenienced by the lack of trains. What about people who get stuck at airports and would like a choice in how they travel? The airports are jammed with planes and the roads are full of potholes. But in too many places, there's no longer any rail service at all. Not a good measure of a civilized country.

"Which is Commentary for this evening, Tom." ■

NARP Works on Amtrak's Texas Problems

Two of Amtrak's 3 tri-weekly trains—the Chicago-Dallas-San Antonio "Eagle" and the New Orleans-Houston-San Antonio-Phoenix-Los Angeles "Sunset"—are the only Amtrak trains serving Texas. This reflects the nation's biggest gap between population size and available passenger train service.

In Dec., 1986, NARP Pres. John R. Martin asked for and received from Amtrak Pres. W. Graham Claytor Jr. a commitment that Amtrak would study whether savings from crew takeovers and potential revenues from mail and express traffic would enable "Sunset/Eagle" to run daily without increasing the subsidy requirement.

As if tri-weekly service isn't bad enough, "Eagle" had severe on-time performance problems last year, continuing a trend that has plagued the train throughout its entire history. This was the subject of extensive correspondence and phone conversations between Martin and Amtrak officials. On July 3, 1986, Martin outlined "Eagle" delays in detail in a letter to Claytor, who responded July 23 with an assurance that "we will make every effort to bring about significant improvement."

On Aug. 28, Martin wrote again, noting that "Eagle's" performance "has continued to decline." Claytor's Sep. 26 response included explanations for the delays Martin cited, noting that "most... are Illinois Central Gulf responsibility.

(continued on page 4)

Rerun: Legislators & FRA Chief Again Praise Claytor

"As chairman of this subcommittee I can safely say...very simply: Amtrak and continued improvements on the Northeast Corridor will be funded."

—Sen. Frank R. Lautenberg (D-NJ), Chairman, Senate Appropriations Subcommittee on Transportation, opening Mar. 5 hearing on Amtrak

"At a time when the Energy Secretary suggests we may be just 2 years from another oil crisis, and the Federal Aviation Administration is hard-pressed to manage our crowded airspace, I am puzzled and disturbed that the Administration would again send such an Amtrak/transit budget. I think the Chairman [Lautenberg] has set the proper tone and I will be supporting him. . . . [Amtrak Pres. W. Graham Claytor Jr.] truly has done a magnificent, magnificent job. With scarce resources and yet full of energy, he has really helped turn around the fortunes of Amtrak, and I know I think the Chairman shares my high regard for Mr. Claytor and his work. It has been a pleasure being able to work with you. There are lots of things that yet remain to be done, but with tough budget constraints, he has made a remarkable improvement of an ailing system."

—Sen. Alfonse M. D'Amato (NY), Ranking Republican, Senate Appropriations Transportation Subcommittee, Mar. 5

"I want to echo in spades everything that's been said about Graham Claytor. He's done a marvelous job at Amtrak. He has run it like a railroad, and that is what is really needed."

—Federal Railroad Administrator John H. Riley, Mar. 5

And so began another round of appropriations hearings on Amtrak, of congressional reaffirmation of the need for the system, and of praise for Mr. Claytor's performance even from President Reagan's own rail administrator. The Senate subcommittee met Mar. 5; the House subcommittee, chaired by William Lehman (D-FL), on Mar. 11.

Claytor's testimony included five major suggestions as to how Congress could reduce Amtrak's subsidy needs without cutting service.

1. Do more to encourage use of Amtrak for government travel. (See "Amtrak vs. General Services Admin.")

2. Transfer Amtrak employee claims from Federal Employers' Liability Act (FELA) to state workers' compensation commissions under applicable state law. Riley endorsed this, saying FELA is "one of the last major insurance programs that hasn't shifted to no-fault. 25% of awards go to lawyers, and there is a tremendous disincentive to immediate rehabilitation." The General Accounting Office estimated savings at between \$3 and \$17 million a year, but Amtrak believes savings "would be significantly more."

3. Prevent a court or jury from awarding punitive damages (as opposed to compensatory damages) against Amtrak in a personal injury or death case. Claytor said "for sound public policy and fiscal reasons, punitive damages cannot be recovered against the U.S. or against such agencies as New Jersey Transit," and logically the exemption should also apply to Amtrak.

4. Switch from Railroad Retirement to a Social Security/-company pension fund combination, saving \$20 to \$30 mill. a year while maintaining existing benefits and *reducing* the employees' payroll tax burden. Said Claytor, "The \$100 mill. that Amtrak will contribute for Tier II (RR Retirement) benefits in FY '88—nearly 6% of Amtrak's total budget and

AMTRAK VS. GENERAL SERVICES ADMINISTRATION

"Amtrak's overall share of the New York-to-Washington air/rail market has increased over the past 2 years from 20% to 32%, passing previously first-place Eastern Air Lines in the process. If one expands the calculation to include the intermediate cities of Baltimore, Wilmington, Philadelphia, Newark, and Trenton, Amtrak's share rises to nearly 70%." Thus wrote Amtrak Pres. W. Graham Claytor Jr. in a letter *The Wall Street Journal* published Nov. 14, 1986.

If Amtrak does so well in the overall travel market, you'd think the federal government would encourage its employees to use Amtrak as well. As Federal Rail Administrator John H. Riley told the NARP Board in Apr., 1984, "If Amtrak can offer you a better price, and better service, how are you serving the taxpayers by not even letting them bid? I want to tell you, I'm going to take that one one!"

Sadly, even after Congress ordered GSA to accept Amtrak's bids, GSA still doesn't take train travel seriously. When asked why at a recent hearing, Claytor said: "Because we're not an airline. . . . They refused to consider reliability and the ability of people to work together on the train for extended periods of uninterrupted time."

Of ten bids Amtrak submitted—Los Angeles-San Diego, New York-Albany, and eight in the Northeast Corridor—GSA accepted only one: Philadelphia-Newark. GSA rejected New York-Philadelphia, which takes only 15 minutes longer, even though Amtrak offered a \$30 fare—vs. \$47 on winner USAir. So GSA is paying \$17/trip to save 10 minutes.

GSA ruled out Amtrak wherever running-time was even 1 minute longer than air, which was the New York-Albany case (2:26 vs. 2:25 center-to-center). The winners: Pan Am \$66 to Kennedy Airport, and Piedmont \$63 to LaGuardia—vs. Amtrak \$20 to Grand Central. Before considering transfer costs (usually higher for air), Amtrak calculated this decision says in effect that a federal employee's time is worth \$2,580 per hour!

16% of Amtrak's grant request—in effect constitutes a federal subsidy through Amtrak to retirees from the private railroads. . . . The requirement that Amtrak participate in the Railroad Retirement system significantly inflates Amtrak's costs in a manner that management cannot control, and for a purpose that has no connection with the provision of rail passenger service."

5. Switch from Railroad Unemployment Insurance Act to state-sponsored unemployment benefit programs, saving between \$10 and \$20 mill. a year. Claytor noted the administration wants to let all railroads participate in the state unemployment insurance programs, but cited the involvement of taxpayers' money as a reason why Amtrak might be used as a "test bed" for this—and for "escape" from FELA (see #2).

Under questioning, Riley said his initial FY '88 Amtrak funding request to Secy. Dole and hers to the White House had been \$478 mill., which he said would be \$440 mill. for operations and \$38 mill. for capital. In explaining how he proposed to run the system for \$124 mill. less than Amtrak suggested, Riley presented a list of "efficiencies" slightly revised from his testimony last year (*NARP News*, Mar. '86). Chairman Lautenberg seemed to accept Claytor's view that

Riley's items "won't work or wouldn't save money."

Service Items Update: The detailed hearings on the House side brought out this information:

●Washington Union Station is on schedule for a 1988 opening, but the parking garage—a responsibility of the District of Columbia—is running badly behind schedule. Claytor said, "I think the city has taken a firm stand with the contractor now."

●Atlantic City service should start sometime in 1989. 60% of the trackwork is done, but signal-work accounts for much of the cost and most of the lead time needed.

●Testing of the 3 prototype cars has been delayed by a "less than satisfactory" module supplier. Amtrak hopes the first car will be ready for testing in July; the other 2 later in the year.

●After completion of Baltimore and Philadelphia trackwork in the spring, Amtrak will run a New York-Washington nonstop test train and consider revenue nonstop service for the fall timetable. ■

TRAVELERS' ADVISORY

Dedicated Bakersfield-Barstow bus service, funded by Amtrak and California DOT, began Apr. 5, linking Oakland-Bakersfield "San Joaquins" 708 and 709 with Los Angeles-Salt Lake City "Desert Wind." Arrangement permits dramatically reduced travel time between San Joaquin Valley points and Las Vegas, Salt Lake. NARP had strongly urged Amtrak to add this service.

Also Apr. 5, Amtrak shortened these schedules: New York-Chicago "Broadway Ltd." by :50 each way; Washington-Chicago "Capitol Ltd." by :40 eastbound, 1:10 westbound; New York-Chicago "Cardinal" by :30 eastbound, :40 westbound. New York-Florida schedules south of Jacksonville were also tightened by up to :09.

Northeast Corridor schedules were altered Apr. 5—consult Amtrak or new timetable before traveling. Chicago-Milwaukee pattern was also adjusted: northbound "Badger" dp. Chicago 10:30 AM; southbound "Nicollett" dp. Milwaukee 12:15 PM, southbound "LaSalle" 8:00 AM.

"California Zephyr" stop at Akron, CO, was discontinued.

Special All Aboard America Coach Fares now available: round-trip costs \$118/158/198 for 1/2/3 regions. 45 days' of travel allowed; children half-price. No stopovers; not good in sleepers or on Auto Train, Metroliners. Regular AAA Fares [\$150/200/250] are good in sleepers and permit 2 stopovers in addition to final destination.

Hertz rental cars may now be reserved directly through Amtrak. Hertz is offering Amtrak passengers (and employees) preferred rates on all classes of automobile, and will either transport passengers between station and Hertz office or reimburse taxi fares up to \$5. Now available at: Albany, Ann Arbor, Atlanta, Boston, Chicago, Fullerton, Harrisburg, Los Angeles, Miami, New Haven, New London, Newark, New York, Oceanside, Portland, Providence, Reno, Route 128 (MA), Richmond, Seattle, San Juan Capistrano, Springfield (MA), Springfield (IL), Stamford, Trenton, Washington, West Palm Beach. 19 other locations expected by late April.

TRAIN CREW TAKEOVERS—PHASE IV

On Feb. 18, Amtrak assumed train and engine personnel running its trains on Soo Line: Chicago-St. Paul; and on Burlington Northern: St. Paul-Minot.

On Mar. 18, Amtrak completed Phase IV by taking over crews on BN: Chicago-Lincoln, Galesburg-W. Quincy; on Illinois Central Gulf: Chicago-Memphis, Chicago-St. Louis; on Atchison Topeka & Santa Fe: Chicago-Kansas City; on Union Pacific: St. Louis-Kansas City; and on Southern: St. Louis-Centralia. This brings to over 1070 the number of T & E employees who have transferred to Amtrak from contracting freight railroads since the beginning of 1986.

WEYRICH JOINS AMTRAK BOARD, CONSUMER COMMITTEE

Secretary of Transportation Elizabeth Dole appointed NARP Member Paul M. Weyrich, a prominent Washington-area conservative activist, to a one-year term on the Amtrak Board succeeding Richard M. Ferry. As president of Free Congress Research and Education Foundation, Inc., Weyrich publishes ten conservative periodicals.

While attending high school in his native Racine, WI, Weyrich attempted to save the Chicago, North Shore & Milwaukee Railroad, founding an organization called Transit Associates and gaining some publicity in the process. Later, he covered transportation for the *Milwaukee Sentinel*. In 1965, he produced an award-winning TV documentary, "The Role of Rails," promoting mass transit, as he puts it, "before that was a popular cause and before the creation of the federal Urban Mass Transportation Administration."

February was his first Amtrak Board meeting. At the second, on Mar. 25, he spoke up. Federal Rail Administrator John Riley had complained of food run-outs on three recent Amtrak train trips, including an announcement that "we're out of everything but hard liquor." Director Samuel H. Hellenbrand said "half the items on the menu weren't there" when the 7 AM Metroliner left New York Mar. 24.

Amtrak Pres. W. Graham Claytor Jr. said a new computerized system designed to solve such problems should be fully operational "by the first of June" and, when pressed as to what could be done before then, said he would order increased stocking, although this raises costs because of increased spoilage of unused food. He also noted that Passenger Services staff had been cut back sharply.

Riley protested that spoilage was not relevant to the lack of soft drinks and insisted, "I think there is an on-board management issue here. . . it's becoming embarrassing." Weyrich—who is on the board's Consumer Affairs Committee—said the problem had been dealt with effectively before computers were invented. He also expressed dissatisfaction with the "attitude" of the Amtrak officials who had briefed the committee on this the day before, and suggested appointing a task force to look into the problem. Ultimately, the board accepted Claytor's promise to "give you a report next meeting."

Weyrich told your editor that he would like to receive legitimate Amtrak consumer complaints from fellow NARP members. Send them to NARP marked Dept. PMW.

Tussle Over Dole's Amtrak Commission

Secretary of Transportation Elizabeth H. Dole on Mar. 6 announced she had appointed a "blue ribbon" commission "charged with devising a comprehensive proposal for intercity rail passenger service, to the extent economically feasible, in the United States without federal involvement in the subsidization of Amtrak."

House Appropriations Transportation Subcommittee Chairman William Lehman (D-FL), displeased with the commission's unbalanced makeup, "defunded" the commission on Mar. 25 by including this language in a supplemental appropriations bill the subcommittee approved: "None of the funds provided for the DOT in this or any other act shall be used to implement any charter establishing an advisory commission on the privatization of Amtrak."

During Federal Railroad Administrator John H. Riley's Mar. 11 appearance before the subcommittee, Ranking Republican Lawrence Coughlin (PA) asked Riley if the administration wasn't putting "the cart before the horse" in sending a zero Amtrak budget request *before* the commission's report. Citing the Secretary's Aug. 1 report deadline, Riley said he "believed implementing legislation would be available" when Congress returns from its August recess.

Lehman lamented DOT's failure to include "consumer groups. . . such as the Rail Passenger Association" [NARP], and he smilingly told Riley the commission's report "may be another Tower report, full of surprises." Indeed, if the commission's main impact is to build support for changes that would reduce Amtrak's subsidy needs (see *Claytor's suggestions, separate article*) some commission members may be unhappy, since the more efficient Amtrak becomes the harder it is to kill.

Lehman's unhappiness was shared by House Energy & Commerce Chairman John D. Dingell (D-MI) and Subcommittee Chairman Thomas A. Luken (D-OH) whose joint Mar. 18 letter to Lehman said in part: "The scope and objectives set forth in the Commission's charter reflect preconceived policy views about Amtrak that Congress has repeatedly rejected. The group's membership, similarly, is extraordinarily unbalanced and unrepresentative of the many interests concerned with Amtrak, its service, and its future." They noted Amtrak "will be required to expend time and resources cooperating with the Commission. . . . It is both ironic and distressing that Amtrak funds will be wasted on a political effort to end Amtrak service—an outcome that obviously has been predetermined by DOT."

In a similar vein, NARP wrote a letter focusing on unsupportable statements in recent reports by two "think tanks" whose executives Dole appointed to the commission: "Under current conditions, the Northeast Corridor (NEC) is close to breaking even" (Citizens for a Sound Economy); "There is every reason to suppose that the NEC can be turned into a profitable enterprise in employee hands" (Heritage Foundation).

Said NARP: "One can respect—but disagree with—the argument that America does not need passenger trains and should not invest in them, but the above-cited references to subsidy-free passenger trains appear either to be based on ignorance or to be a deliberate attempt to fool readers into thinking they can support NEC privatization and keep most of the trains.

"In either case, these papers undermine John Riley's assertions to your subcommittee that 'what we want are honest answers' and that commission membership is based on 'financial expertise and previous noninvolvement in the Amtrak issue.'

"We believe the public interest would not be served by using public funds on a commission some of whose members are associated with statements such as those quoted above. We respectfully suggest that you refuse to fund the commission."

Except for former Illinois Gov. Richard Ogilvie, whom Dole named commission chairman, the members whose names are familiar to us appear to have been chosen to avoid "minority reports" and to help lend credibility to the administration's own unsupportable statements about the possibility that passenger trains could survive an end to Amtrak funding.

Besides Ogilvie, Dole named these people to the commission:

- Richard Fink, Pres. and CEO, Citizens for a Sound Economy
- Ed Feulner Jr., Pres., The Heritage Foundation;
- Former Sen. James T. Broyhill (R-NC), a longtime Amtrak foe on the House Energy & Commerce Committee who served briefly in the Senate after the suicide of Sen. John P. East;
- Robert Woodson, Pres., National Center for Neighborhood Enterprise; Adjunct Fellow, The American Enterprise Institute;
- Stephen M. Wolf, Chairman and CEO, Flying Tiger Line, who previously served Continental and Republic Airlines;
- Philip Abrams, Pres., Philip Abrams and Associates, Inc.; former Under Secretary of the Dept. of Housing and Urban Development;
- Dr. John "Jack" Albertine, Vice Chairman, Farley Industries; former Pres., American Business Conference;
- Jim Tozzi, Director, Multinational Business Services;
- Carolyn Kuhl, Partner, Munger, Tolles & Olson; and
- W. Grant Gregory, former Chairman, Touche Ross & Co.

As Lehman observed, the commission "looks like an establishment type of commission rather than a broad-based type of commission."

Even if the commission is funded, the Secretary may not be around to receive its report. Washington observers think she will resign soon to help her husband's presidential campaign. ■

TEXAS PROBLEMS (continued from page 1)

. . . We are carefully monitoring the performance of the Eagle and get a daily report for the purpose of determining why these trains are not maintaining their schedules so that proper action can be taken with the railroads involved or Amtrak's Mechanical Dept. and crews when they are responsible for poor operation."

For a time, it appeared that the message had gotten through. "Eagle" was 82.1% and 61.5% on-time in Nov. and Dec., respectively, vs. 66.7% and 28.6% a year earlier. Unfortunately, the train slipped again in Jan., appeared to be somewhat better in Feb., and has been unpredictable since then.

We continue to monitor the "Eagle's" performance. ■