



News from the

# National Association of Railroad Passengers

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April 1999

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Vol. 33

## Flexibility This Year?

Support appears to be growing for letting states spend their flexible transportation dollars on intercity passenger rail projects. This flexibility was endorsed by the Senate in 1991, 1995, and 1997 and is supported by the Administration.

Missouri State Rep. Joan Bray—for the National Conference of State Legislatures—testified April 15 before the Senate Environment and Public Works Transportation and Infrastructure Subcommittee. She said, "State legislators from all over the country...would like to see increased flexibility, such as in Surface Transportation Program funds and National Highway System funds for public transit and passenger rail."

After hearing similar testimony from Fort Worth Mayor Kenneth Barr, vice chair of the transportation committee of the U.S. Conference of Mayors, John Chafee (R-RI), chairman of the full committee, reiterated his strong support for passenger rail flexibility and asked representatives of the National Association of Counties and the League of Cities their opinions. Both indicated support. A second TEA-21 implementation oversight hearing will be held April 29, where the National Governors Association (*Mar. News*) will indicate their support. A bill providing for passenger rail flexibility remains possible this year.

*The "omnibus" bill enacted last fall gave Vermont a right which Oklahoma had won in TEA-21: the ability to spend transit formula money on Amtrak capital investment and operating support. Our previous reports that Vermont has the broader flexibility described above were incorrect.*

### Funding Update

The final budget resolution approved by the House and Senate includes a Senate-passed provision opposing changes in distribution of "RABA" (revenue-aligned budget authority) funds—"excess" gasoline-tax revenues which TEA-21 earmarks for highways. The Administration had proposed to

Two new locomotives arrived in Raleigh January 13, ready for service on Amtrak's *Piedmont* in February. The General Motors F59PHI's are similar to those used on the West Coast. They were bought for \$2.3 million each by the State of North Carolina and named "City of Salisbury" and "City of Asheville" (numbered 1755 and 1797 for those cities' incorporation dates).

North Carolina Transportation Secretary Norris Tolson called them "the latest technology in passenger trains...The locomotives are much more fuel efficient and produce less pollutants than the older models." With their higher horsepower (3000), they will cut 7-10 minutes off the Raleigh-Charlotte travel time. Existing state-owned GP40H locomotives (from the 1960's) are to be rebuilt. The expanded fleet will help allow the start of Salisbury-Asheville passenger service in two or three years (the first on that route since 1975).

### OKLAHOMA SERVICE JUNE 14!

After a near-twenty-year absence, daily Amtrak service between Oklahoma City and Fort Worth begins June 14. Senate Assistant Majority Leader Don Nickles (R-OK), Oklahoma Transportation Secretary Neal McCaleb and Amtrak President George Warrington made the announcement April 14. Nickles also recognized the efforts of BNSF officials, whose track the train will use. A release from Nickles' office said, "Nickles, McCaleb and Warrington also committed to working toward expanding the route to connect with points north of Oklahoma as well."

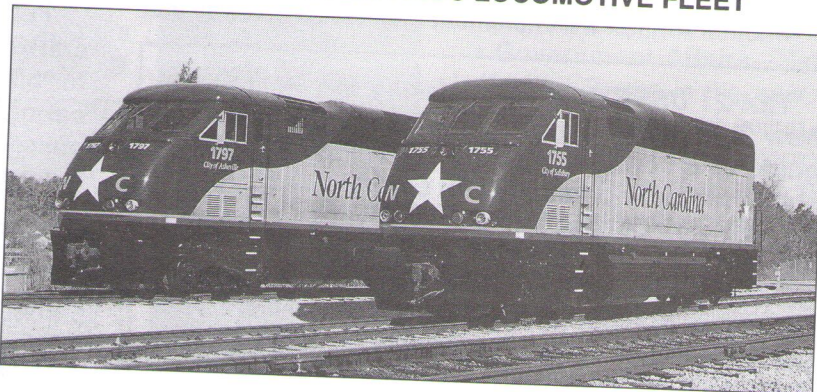
NARP has urged Amtrak also to provide a "customer-friendly" service to Dallas, even if it has to be a Thruway bus. NARP also suggested a Thruway connection between Newton, KS, and Oklahoma City. There is no name for the train as yet.

divert some of this money to high-speed rail. It is unclear whether legislators will find another solution or simply let high speed rail funding drop to \$12 million, the level of the Administration's general-funds request.

NARP on March 31 submitted a statement to the Senate Appropriations Subcommittee on Transportation (on our web site) expanding on our earlier House statement. NARP expressed appreciation for Chairman Richard Shelby's (R-AL) "initiative in educating colleagues and the public on the budgetary impact of AIR-21 [House aviation bill], [including] in amendment #225 to the Senate Budget Resolution. This amendment notes that AIR-21 would result in firewalled transportation spending (aviation, highways, transit) exceeding" the resolution's transportation spending total. This would leave nothing for Amtrak and Coast Guard. The Shelby

(continued on page 3)

### NORTH CAROLINA EXPANDS LOCOMOTIVE FLEET



—Ellen Holding, NCDOT Rail Division

## Florida Project Derailed

Gov. Jeb Bush not only killed the Florida Overland eXpress (FOX) project just as—the promoters say—they had every indication they were about to achieve success in assembling Wall Street's part of the financing. He also dismantled the state's high speed rail office and called for repeal of its enabling statute (1992 revision of the original 1984 law).

The governor told the private sector firms that they should assume more risk and put in more equity, so the firms said they would negotiate changes. They never got the chance. The firms think Bush did not understand the relationship between public and private capital because FOX also never had the chance to review the details of the financial plan with him. Indeed, state DOT staff never got to brief the governor on FOX, and learned of the decision the day it was made public.

(An increase in private equity could have increased costs, because private investors need a higher return than publicly financed projects. The project was structured with cheaper state borrowings funding civil works. Engineering costs were shared and rolling stock procurement was to be private.)

One factor that helped make Bush's decision look smarter: a report requested by House Budget Chairman John Kasich from the General Accounting Office, which in recent years has developed an intense anti-rail bias. A Wall Street rating agency that reviews large infrastructure projects for debt ratings told state officials that FOX and Florida DOT had conducted the most thorough ridership analysis of all the transportation projects this agency had reviewed.

Nonetheless, the GAO faulted the ridership projections, including FOX's airline-fare assumptions, even though (a) FOX told GAO that the fares were based on asking air passengers what they actually paid, and (b) the FOX airfares were verified in a subsequent U.S. DOT quarterly report.

Other factors likely influencing Bush's decision:

- Some airlines and rental car companies could have viewed FOX as a threat and not a partner.
- Local transportation agencies pressed to get the state's FOX money. Killing FOX let the governor please many local road, airport and transit officials by giving them small pieces of this year's \$70 million and the prior two years' unallocated funds. The transit agencies were key "vultures" even though they would have benefited the most from connecting FOX passengers. (In fairness, Bush also earmarked \$7 million for start-up capital investment for Amtrak's planned service on the Florida East Coast Railroad. It remains unclear whether FEC will agree to a reasonable contract with Amtrak, and—if so—whether Amtrak will implement the service in a way that

does not reduce capacity at Orlando.)

- Real estate interests feared that FOX—by encouraging development near stations—would slow the rate of growth in land values elsewhere. In other words, FOX threatened the statewide sprawl development that many developers love and future generations likely will hate because of its negative quality-of-life impacts.

- Some environmentalists tagged the project as "environmentally damaging" even though the preferred route followed existing road and rail rights-of-way for about 80% of the way.

Project Manager (and NARP Board Member) Eugene K. Skoropowski notes, "Florida spent 14 years developing this project, through four different administrations—two Democratic and two Republican—and it had never been a partisan issue." While this experience may not totally sour the private sector on doing a similar deal again, private partners—who here will get just partial reimbursement of costs—may demand conditions protecting against arbitrary decisions absent prior independent professional review and evaluation. ■

### MORE ON SERVICE TRAINING

**Amtrak expects to give two days of "service success" training (Mar. News, p. 3) to all 7,000 customer-contact employees nationwide by the end of June. Classes (30 employees each, not 35) mix the different job categories, e.g., conductors, on-board service personnel, ticket agents, Red Caps. There is also some mixing of people from the different business units, since Intercity employees on the coasts, like everyone, use the training location nearest home.**

**Topics will include the business case for customer service, service delivery, service recovery (how to keep customers as happy as possible after a service failure), and service guarantees. These guarantees have existed on the *Coast Starlight*, except for mechanical and on-time performance issues. They are likely to be extended systemwide, perhaps with fewer exceptions.**

**A program to give managers two days' training on "managing in a service culture" started in April. Remaining employees (including reservation agents) will get four hours' training. This will begin in September, so full staffing can be maintained during the peak summer months.**

### MORE ON GRADE-CROSSING SAFETY

**Following the Illinois tragedy (March News), Federal Railroad Administrator Jolene Molitoris promised to "blitz" communities along Amtrak routes to get local officials and commercial vehicle operators focussed on this issue. FRA will work with railroads and public officials to target crossings for priority action. The Federal Highway Administration expects to issue its rule on penalties for grade-crossing violations "soon" (May '98 News). Operation Lifesaver is discussing with the National Advertising Council an opportunity to encourage teens to become promoters on grade-crossing safety to other teens.**

**TEA-21 USER'S GUIDE: Making the Most of the New Transportation Bill** is an excellent, readable guide to a complex law. [One correction: It says states without non-attainment or maintenance areas can use their Congestion Mitigation/Air Quality funds "for any purpose" but should say "for any eligible purpose"—generally excluding intercity passenger rail.] The 70-page book is \$15 from Surface Transportation Policy Project, 202/466-2636; 1100 17th St., NW, 10th fl., Washington, DC 20036; <www.tea21.org>.

## MIDWEST CORRIDOR EFFORTS

The governors of Illinois, Wisconsin, Michigan and Minnesota, wrote Congress March 25 urging approval of \$7.5 million in FRA planning funds in connection with the Midwest Regional Rail Initiative.

**Chicago-St. Louis:** Rep. William O. Lipinski (D-IL), a senior House Transportation and Infrastructure Committee member, has made improving the Metra Heritage Corridor—also part of Amtrak's Chicago-St. Louis route—a high priority. Operations on the 35-mile Chicago-Joliet line are slow and unreliable because of several railroad/railroad grade crossings. Amtrak's fastest schedules call for a 34 mph average (50 minutes, including one intermediate stop).

Lipinski wants the affected parties—Federal Transit and Railroad Administrations, Metra, freight railroads, Amtrak—to work together to get needed funding. TEA-21 includes low-interest loans to railroads for projects over \$100 million and this entire project—including four new rail overpasses and modern signal and dispatching systems—will cost over \$200 million. He suggests that Metra could add a Midway Airport station on Cicero Ave., funded from the passenger facility charge paid by airline passengers.

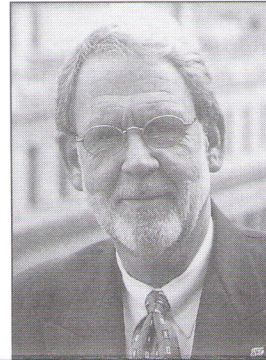
**Chicago-Carbondale/Indianapolis:** The Grand Crossing project (Feb. News) apparently took another step forward in February when the City of Chicago dropped its opposition to the takeover of Illinois Central (IC) by Canadian National (CN), and CN agreed to abandon the St. Charles Air Line.

Freight trains coming north on the IC main line would have to find an alternate route through the area. That would include the Grand Crossing connection, plus a new bridge at Englewood (crossing of Conrail main line and Metra's Rock Island commuter line).

## Amtrak Management Restructured

George Warrington, President and Chief Executive Officer of Amtrak since December, made several appointments on February 11 that round out his current management team:

• **Northeast Corridor Business Unit**—E. S. (Stan) Bagley, Jr., is the new president. He had been acting president since Warrington left that post in late 1997; before that he was vice president for operations. Bagley joined Amtrak in 1974 and was a longtime Washington Division General Superintendent. He has served on the board of the Washington Terminal Company since 1984.



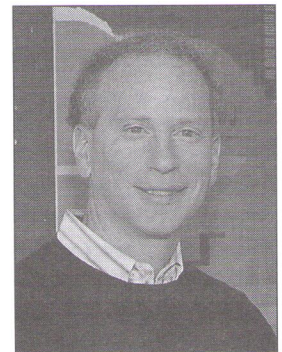
Stan Bagley

Bagley is a native of Townsend, MA. He has a degree (B.S.) in Business Administration from the University of Tampa (1969) and served with the Air Force in Vietnam (1969-73). He completed Harvard's Business

School Program for Management Development and the University of Virginia's Darden School of Business Executive Development Program.

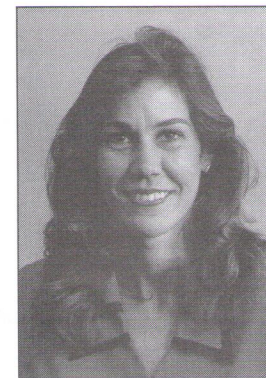
• **Finance and Planning**—Arlene Friner was named Chief Financial Officer, replacing Al Altschul. She will oversee a new Finance and Planning Department. Friner was acting vice president of Budget and Planning.

• **High-Speed Rail Development**—David J. Carol is vice president of a new High-Speed Rail Development Department, to advance corridors across the country in partnership with federal and state governments, railroads, and others. Carol had been Vice President, High-Speed Rail in the Amtrak Northeast Corridor business unit since 1994, with responsibility for implementation of all aspects of the current Boston high-speed rail project. He first joined Amtrak in 1984.



David J. Carol

• **Executive Vice President**—Barbara J. Richardson will assist Warrington in day-to-day management of Amtrak. She will be in charge of marketing and communications, and will work directly with the Board. This includes support of the new Acela brand (Mar. News). She was acting chief-of-staff and corporate secretary.



Sandy Brown

• **Government Affairs**—Sandra J. (Sandy) Brown is the new vice president, having been acting vice president since Tim Gillespie's a year ago. Before joining Amtrak in 1995, she was Legislative Assistant to then-Senate Majority Leader George Mitchell for six years. She is responsible for Amtrak's legislative strategies and relationship with Congress, the Administration, and other federal agencies.

## Flexibility, Funding

(from page 1)

amendment was dropped in conference, likely due to Speaker Hastert's promise to Rep. Bud Shuster (R-PA) to do a budget resolution compatible with AIR-21, in case the latter is adopted.

However, since Shelby's amendment was cosponsored by Majority Leader Trent Lott (R-MS) and Senators Domenici (R-NM) and Stevens (R-AK), the Senate may well hold firm against AIR-21. Senate Commerce Chairman John McCain (R-AZ), with jurisdiction over aviation, is ready to move a "non-firewall" aviation bill. Last year, the Senate did go along with highway/transit firewalls. Then, however, over 60 senators supported a Byrd-Gramm "pro-firewall" amendment. ■

### CAPITOL LIMITED COINS AVAILABLE

Amtrak commemorative coins honoring the 75th anniversary of the *Capitol Limited* are now available for sale to the public. They are 1.5 inches in diameter and come inside a protective acrylic case. They cost \$35 each (checks made out to Amtrak), maximum 5 per order—Amtrak Capitol Limited Product Line, 10 G St., N.E., Washington, DC 20002 (or 202/906-4300 for questions or to ask for an order form).

## TRAVELERS' ADVISORY

**Correction:** *Three Rivers* sleeping car passengers get complimentary morning juice and coffee, but must buy the tray meals separately (Apr. News).

**Stations:** The new Rutland, VT, station opened March 2...A new station at Burlington, NC, opened March 23. Amtrak's *Piedmont* and *Carolinian* serve the station, which cost \$260,000 (paid by the state).

Though it burned last August, the Amtrak station in Lafayette, LA, may yet be saved. According to the *Lafayette Advertiser* (Dec. 3, 1998), the Downtown Development Authority bought the charred, brick shell from Union Pacific for \$14,000 (down from a \$29,000 pre-fire offer). The city still has plans to incorporate the station into an intermodal facility.

**Thruways:** The connecting buses from the Miami Amtrak station to University and Dadeland North Metrorail stations were discontinued in February. They had only been running a few months.

Restored Thruway service from New York Penn Station to Kennedy, LaGuardia Airports began April 5.

A Temple-Killeen-Fort Hood (TX) bus began April 15 connecting with *Texas Eagle*, both directions...A Little Rock-Branson (MO) bus begins May 1, connecting with *Texas Eagle* to/from north only...The existing Longview-Houston bus is extended to Galveston.

The Indianapolis-Davenport Thruway—which began January 1—will no longer run west of Peoria after May 1, due to a bus company service cut.

## EDELSTON, MARTIN TO ARIZONA

Allan F. Edelston, Vice President—Customer Services, Amtrak Intercity, Chicago; NARP President John R. Martin; and NARP Director George Chilson of Sedona, AZ, will speak Sat., May 15, at the NARP Region 11 meeting in Scottsdale. The meeting, at the Ramada Valley Hotel and Conference Center, is from 9:30 am to 12:30 pm (registration, 9:00 am). Cost: \$7. Contact: Judy Eisenhower, 602/947-5710.

## WHEN IDEOLOGY AND THEORY MEET REALITY

"Some services, especially long-distance routes, could be operated at higher fares as 'land cruises' with costs paid in full by users. For hopelessly unprofitable routes, service should be canceled..."

—1996 think-tank Cato Institute report, "Amtrak at Twenty-Five: End of the Line for Taxpayer Subsidies" (Jan. '97 News), co-author Wendell Cox (recent Amtrak Reform Council appointee)

"It used to be I could go down to the depot [in Laramie, WY] and get on and get all the neat places I wanted to go. Now it's like this..."

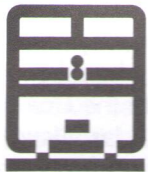
"One has to find their way to an unmarked filling station of dismal sorts to meet a bus at 2:45 am and hope for their life there isn't a derelict waiting to hit someone over their head or shoot them...Ride for 4-1/2 hours all around the country and finally arrive in the depot in Denver. Nothing open anywhere. A place to have some breakfast would be welcome, but forget that and sit on that bench until 9:30 and with luck the train will come in...To get back to Laramie it is the same all over only worse...I was scared to death the whole time..."

"We have no transportation to Denver, nothing unless one drives the 145 or so miles. I am 85 years old and have enjoyed Amtrak so much but I am not up to hitchhiking to Denver. There is no transportation in Wyoming at all..."

—January 1999 letter to NARP from a woman who was a Pioneer passenger until it was discontinued May 1997, part of the government's mandate for Amtrak operational self-sufficiency

## NARP SUPPORTS MAINE ON RAIL WEIGHT

NARP filed a Petition to Intervene, and a statement, in the Surface Transportation Board case in which Amtrak and Maine seek 79-mph operation on 115-pound rail (Portland-Boston service). NARP focussed on the commercial importance of avoiding the extra 12 minutes a 60-mph top speed would require.



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