

Big Passenger Victory in Senate: 77-21

Tax-Cut Bill Has Amtrak Half-Cent

The strongest-ever Senate vote for a dedicated fund for Amtrak capital improvements came on a point of order raised by Sen. John McCain (R-AZ). He was trying to kill the Amtrak "half-cent" provision that Senate Finance Committee Chairman William V. Roth, Jr., (R-DE) put in the big tax-cut bill. This provision would provide \$2.3 billion in capital investment over 3-1/2 years. One percent (about \$6 million a year) is earmarked for states with no Amtrak service; they can use the funds for rail passenger, rail freight, transit or air service.

The June 27 vote was an important show of strength for rail passengers. It also reflected both Roth's effort to make clear to other senators how much the vote meant to him—and the gratefulness most senators felt towards Roth for crafting a bipartisan tax-cut bill. The bill itself passed easily (80-18) soon after the Amtrak vote, in contrast with the contentious process that culminated in a largely party-line, 253-179 vote for the House's tax-cut bill on June 26.

Accompanying the Amtrak vote, Sen. John H. Chafee (R-

CHAFEE SUPPORTS HALF CENT

"After years of Congressional hearings, GAO reports and strategic plans, I and many of my colleagues have concluded that dedicating a portion of the Federal gas tax to a Rail Trust Fund is the most appropriate and reliable means of ensuring that passenger rail can continue to meet America's transportation needs. Such a solution provides passenger rail with the same type of Federal support for capital improvements that other modes of transportation have enjoyed for years."

—Environment and Public Works Committee Chairman John H. Chafee (R-RI), in June 27 Senate statement accompanying big pro-Amtrak vote

RI) made a strong statement for the *Record* in favor of the half cent (see box), and Budget Chairman Pete V. Domenici (R-NM) said the half-cent provision "is totally deficit-

(continued on page 4)

APPROPRIATIONS TROUBLE

The House Appropriations Subcommittee on Transportation approved its fiscal 1998 transportation funding bill on June 24. While the bill has \$310 million more Amtrak capital than the House approved at this stage of the game a year ago, the combined operations/mandatory payment level of \$283 million is a devastating \$104 million below Amtrak's request and \$61 million below President Clinton's request.

The subcommittee apparently took its cue from a letter Franklin D. Raines, Director of President Clinton's Office of Management and Budget (OMB), sent to Rep. Susan Molinari (R-NY) in May. The letter, which OMB strangely did not share with key Democrats, reaffirmed the Clinton budget request, while undermining it by arguing that mandatory payments are \$82 million, not the \$142 million Clinton and Amtrak requested and which Amtrak in fact *must* pay. It is also strange that OMB decided to raise the issue now after accepting Amtrak's methodology for six years. (The question is how to count employee retirement contributions that an employee never sees because they are payroll deductions.)

At the June 24 mark-up, during discussion with Martin Olav Sabo (MN), the subcommittee's ranking Democrat, Chairman Frank Wolf (R-VA) appeared to leave the door open for a further review of this crucial subject.

Full committee markup was possible as early as July 11. Amtrak clearly cannot survive a \$104 million 'hit,' so it is important that this issue be resolved favorably.

1998 TRANSPORTATION FUNDING

Compared with Current and Previous Years
Appropriations (\$ millions)

	1995 Enacted	1996 Enacted	1997 Enacted	1998 Amtrak Request	1998 Clinton Request	1998 House bill
Administration						
Federal Highway	19,879	19,970	20,650	—	22,030	22,976
Federal Aviation	8,392	8,216	8,563	—	8,461	9,060
Federal Transit	4,614	4,051	4,382	—	4,487	4,838
Federal Railroad	1,162	874	1,031	—	918	919
* Amtrak + N.E. Corr.	994	750	843	1,138	789	793

*These numbers also in Federal Railroad Administration total.

Intercity Passenger Rail Categories

Amtrak:	1995 Enacted	1996 Enacted	1997 Enacted	1998 Amtrak Request	1998 Clinton Request	1998 House bill
Operations (A)	392	285	223	245	202	201
Capital	230	230	223	751(c)	422(c)	260
Mandatory payments (B)	150	120	142	142	142	82
Northeast Corr.	222	115	255	(c)	(c)	250
Penn Sta./Farley	0	(d)	0	0	23	0
High Speed Rail	23	24	25	—	20	19
TOTAL	1,017	774	867	1,138	809	811

NOTES:

A) 1996 operating figure includes \$100 million for "transition costs" related to Amtrak restructuring, service cuts, equipment retirement.

B) Federal railroad retirement and unemployment insurance costs in excess of Amtrak's demands on system, therefore not part of true cost of operating Amtrak system.

C) The 1998 capital requests are for a single figure which includes Northeast Corridor (except the Administration says at least \$200 million goes to the Northeast Corridor).

D) \$20 million of Amtrak capital was divertable to Farley project in 1996.

As Reform Effort Gathers Steam, Some Urge (Another) Reorganization

Do Amtrak's problems stem from bad management or bad laws? In a June 2 editorial, "Don't derail Amtrak," *The Denver Post* said "Amtrak has struggled...primarily because it has never enjoyed a secure source of capital funding." The *Post* also urged Congress to pass reform legislation.

Similarly, House Transportation and Infrastructure Committee Chairman Bud Shuster (R-PA) said June 26 he has "a high regard for [Amtrak Chairman] Tom Downs and his management team. He is working with both hands tied behind his back, and with inadequate funding."

The reform effort is gathering steam and hopefully will not be derailed by two totally different suggestions that just popped up. Guilford Rail System has offered to buy the Northeast Corridor [NEC]. And the "Working Group on Intercity Passenger Rail" (Shuster "blue ribbon" panel, Mar. News) proposed creation of "Amrail," a new public corporation to own the tracks Amtrak now owns.

At the Working Group's June 26 news conference, Shuster praised the Group's volunteer efforts (members even paid their own travel expenses), but said all options remained on the table—including re-passing a reform bill similar to the one the House passed in 1995 under his leadership. (The Senate finally seems to be moving towards passing a similar bill; see bottom of page 3.)

After the June 2 *Traffic World* reported the Guilford offer, Amtrak NEC President George D. Warrington replied. Here are excerpts from his letter, published June 16:

Traffic World...[has given] readers a taste of Guilford's ongoing disinformation blitz against Amtrak.

[On] the NEC, costs are down \$119 million, ticket revenues are up \$72 million, on-time performance now exceeds 90 per-

cent and customer satisfaction is on the rise.

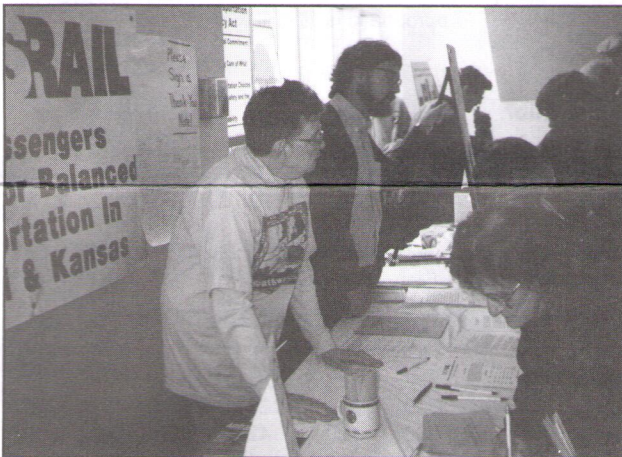
Amtrak, according to Guilford, cannot manage its assets. How does that explain the \$85 million in new revenue Amtrak has brought home through better management of its assets in the NEC? We struck an exclusive marketing deal with Pepsi-Cola, leased our right-of-way for fiber optics and sold more than \$11 million worth of excess property. We just reached a deal to cut our electric power costs in half, savings that we will share with commuter railroads that buy power from us to operate over the NEC. We even earn money on our commuter rail contract with the Massachusetts Bay Transportation Authority, the only passenger rail service Guilford ever operated before it lost the contract in 1987 to Amtrak...

As your article suggests, it is no coincidence that Guilford's "offer" comes at the same time that it is battling before the Surface Transportation Board [STB] to block the initiation of new Amtrak service between Boston and Portland, Me., over Guilford's tracks—a service for which the State of Maine chose Amtrak over Guilford as the operator...

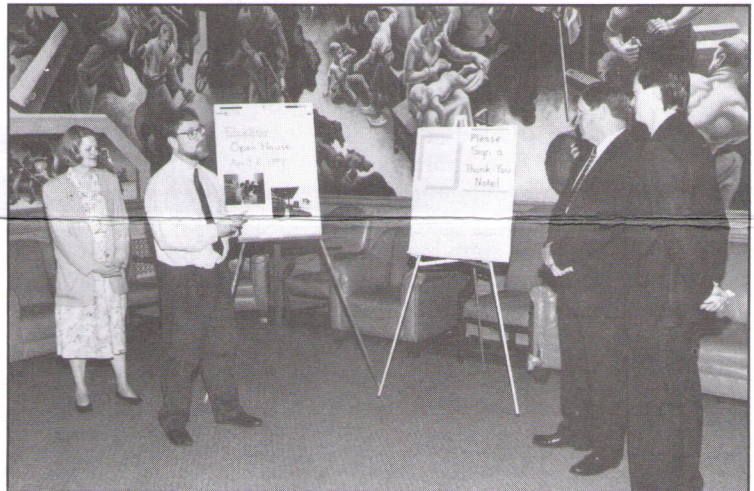
Guilford's own documents show that freight tonnage on the line has fallen considerably since Guilford took over, and that track conditions have deteriorated to the point that the present maximum speed is only 25 mph. Is this the company America wants running its first 150-mph high-speed trains?

The July 1 *Traffic World* carried Guilford President David A. Fink's reply. He claimed—because Amtrak loses money—there is "growing recognition at both the government and public levels that Amtrak is neither a going concern nor an effective repository for public funds." Ironically, Amtrak won its biggest-ever Senate vote of confidence while *Traffic World's* presses were printing Fink's letter. ■

CITIZENS TURN OUT IN MISSOURI



—Pete McMasters



—Missouri DOT

Open houses for the IC3 Flexliner's visit to Missouri in April—St. Louis, Jefferson City, and Kansas City—drew tremendous crowds. At Kansas City (above), the Missouri-Kansas Rail Passenger Coalition ("MOKSRail") collected 718 signatures in three hours on a "Thank You Note" to the state government, in appreciation for the Flexliner tour and demonstration service. Carolyn McMasters (left) and MOKSRail President Mike Klug are shown staffing the table.

On April 23, Klug led a delegation to the State Capitol in Jefferson City to present the document to state officials (right photo). From left are State Rep. Joan Bray, Klug, State Senate

President Pro-Tem Bill McKenna and State House Speaker Steve Gaw, who said it was the first time in his memory anyone had come to thank the legislature for something it had done. Klug said the signers were "excited about the future of rail passenger service in Missouri and would like to see equipment like the Flexliner used on a regular basis in the state."

That wish may come true, as strong use of the Flexliners in April have caused the Missouri DOT to consider going in on an equipment order with Pennsylvania (Apr. News). Missouri is considering three self-propelled diesel train sets. Ridership on the St. Louis-Kansas City line was up 40% in April over the year before—even though April 1996 had the Easter holiday in it.

Senate Votes on Amtrak Issues

Key: + indicates a pro-Amtrak vote, X an anti-Amtrak vote, — “not voting,” and a blank “not in office.”

Column A: Roth-Biden amendment to National Highway System bill June 21, 1995 to give states the choice to spend their ISTEA Surface Transportation Program funds on Amtrak/intercity passenger rail, to give states the choice to spend CMAQ funds on Amtrak/intercity rail, and to allow states to form compacts to plan and fund Amtrak/intercity rail services. **Amendment approved, 64-36.**

Column B: Roth amendment to 1997 budget resolution (S.Con.Res.57) May 23, 1996, expressing the sense of the Senate that one-half cent of federal fuel taxes (now going to the Mass Transit Account of the Highway Trust Fund) go to a new intercity passenger rail capital account in fiscal 1997-2001. The flow to the new rail account would stop during any fiscal year in which the Mass Transit Account would not cover estimated transit appropriations, thus protecting transit programs. **Amendment approved, 57-43.**

Column C: McCain amendment to the 1997 Department of Transportation Appropriations bill (H.R. 3675) July 30, 1996, reducing Amtrak funding by a disastrous \$330 million from the level in the bill, or by 38%. **Amendment failed 82-17.**

Column D: Roth motion (June 27, 1997) to waive McCain point of order to the Revenue Reconciliation Act of 1997 to strip out language creating an intercity passenger rail capital account funded by a half cent of the federal fuel tax now going to deficit reduction. **Motion approved, 77-21.**

ALABAMA	A	B	C	D	HAWAII	A	B	C	D	MASSACHUSETTS	A	B	C	D	NEW MEXICO	A	B	C	D	SOUTH DAKOTA	A	B	C	D
Sessions (R)			X		Akaka (D)	+	+	+	+	Kennedy (D)	+	+	+	+	Bingaman (D)	X	+	+	+	Daschle (D)	+	+	+	+
Shelby (R)	X	X	X	X	Inouye (D)	+	+	+	—	Kerry (D)	+	+	+	+	Domenici (R)	X	X	+	+	Johnson (D)				+
ALASKA					IDAHO					MICHIGAN					NEW YORK					TENNESSEE				
Murkowski (R)	+	+	+	+	Craig (R)	X	X	+	X	Abraham (R)	+	X	+	X	D'Amato (R)	+	+	+	+	Frist (R)	X	X	+	X
Stevens (R)	+	X	+	+	Kempthorne (R)	X	X	+	X	Levin (D)	+	+	+	+	Moynihan (D)	+	+	+	+	Thompson (R)	X	X	X	X
ARIZONA					ILLINOIS					MINNESOTA					NORTH CAROLINA					TEXAS				
Kyl (R)	X	X	X	X	Durbin (D)				+	Grams (R)	X	X	X	X	Faircloth (R)	X	X	+	+	Gramm (R)	+	X	X	X
McCain (R)	+	X	X	X	Moseley-Braun (D)	+	+	+	+	Wellstone (D)	+	+	+	+	Helms (R)	X	X	X	+	Hutchison (R)	X	X	+	+
ARKANSAS					INDIANA					MISSISSIPPI					NORTH DAKOTA					UTAH				
Bumpers (D)	+	+	+	+	Coats (R)	X	X	+	+	Cochran (R)	X	X	+	+	Conrad (D)	X	X	+	+	Bennett (R)	+	+	+	+
Hutchinson (R)				+	Lugar (R)	X	X	+	+	Lott (R)	+	+	+	+	Dorgan (D)	+	+	+	+	Hatch (R)	+	+	+	+
CALIFORNIA					IOWA					MISSOURI					OHIO					VERMONT				
Boxer (D)	+	+	+	+	Grassley (R)	X	X	+	+	Ashcroft (R)	X	X	X	X	DeWine (R)	+	+	+	+	Jeffords (R)	+	+	+	+
Feinstein (D)	+	+	+	+	Harkin (D)	+	+	+	+	Bond (R)	X	X	+	+	Glenn (D)	X	X	+	X	Leahy (D)	+	+	+	+
COLORADO					KANSAS					MONTANA					OKLAHOMA					VIRGINIA				
Allard (R)				X	Brownback (R)				X	Baucus (D)	X	+	+	+	Inhofe (R)	X	X	+	+	Robb (D)	+	+	+	+
Campbell (R)	+	X	+	+	Roberts (R)				+	Burns (R)	+	+	+	+	Nickles (R)	X	+	+	+	Warner (R)	X	X	+	X
CONNECTICUT					KENTUCKY					NEBRASKA					OREGON					WASHINGTON				
Dodd (D)	+	+	+	+	Ford (D)	+	+	+	+	Hagel (R)				+	Smith (R)				+	Murray (D)	+	+	+	+
Lieberman (D)	+	+	+	+	McConnell (R)	X	X	+	+	Kerrey (D)	+	+	+	+	Wyden (D)				+	Gorton (R)	+	X	+	X
DELAWARE					LOUISIANA					NEVADA					PENNSYLVANIA					WEST VIRGINIA				
Biden (D)	+	+	+	+	Breaux (D)	+	+	+	+	Bryan (D)	X	+	+	+	Santorum (R)	+	X	+	+	Byrd (D)	+	+	+	+
Roth (R)	+	+	+	+	Landrieu (D)				+	Reid (D)	+	+	+	+	Specter (R)	+	+	+	+	Rockefeller (D)	+	+	+	+
FLORIDA					MAINE					NEW HAMPSHIRE					RHODE ISLAND					WISCONSIN				
Graham (D)	+	X	+	+	Collins (R)				+	Gregg (R)	X	X	X	X	Chafee (R)	+	+	+	+	Feingold (D)	+	+	+	+
Mack (R)	+	X	X	+	Snowe (R)	+	+	+	+	Smith (R)	X	X	X	X	Reed (D)				+	Kohl (D)	+	+	+	+
GEORGIA					MARYLAND					NEW JERSEY					SOUTH CAROLINA					WYOMING				
Cleland (D)				+	Mikulski (D)	+	+	+	+	Lautenberg (D)	+	+	+	+	Hollings (D)	+	+	+	—	Enzi (R)				+
Coverdell (R)	X	X	X	X	Sarbanes (D)	+	+	+	+	Torricelli (D)				+	Thurmond (R)	X	X	X	+	Thomas (R)	X	X	+	+

Senate Commerce Approves Reform Bill

The Senate Commerce Committee approved S 738, the “Amtrak Reform and Accountability Act of 1997,” June 26, on a voice vote. It is similar to the reform bill the House passed 404-6 in 1995 (Jan. '96 News). Enactment of a reform bill is essential if Amtrak is to get any of the “half-cent” capital money, should the half cent also be enacted.

The committee passed the bill largely due to the tenacity, knowledge and skill of the bill's author, Kay Bailey Hutchison (R-TX), and strong support from Olympia Snowe (R-ME). They faced Democrats opposed to liability and labor provisions

(and angry about the latter). They also faced six of the 21 Senators who were to vote against Amtrak the next day (Column D, in table above). Slade Gorton (R-WA), for example, said, “We can't have both a national and a self-sufficient Amtrak.” Another of the 21, Commerce Chairman John McCain (R-AZ), responded, “I don't disagree, but we have an obligation to authorize and give Amtrak a chance to succeed.”

Attempts to change the bill's liability and labor provisions were narrowly defeated (9-10 and 9-9, respectively). Our liability views, generally consistent with Amtrak management's position, are set forth in our March 1996 letter to Sen. John Breaux (D-LA). The labor-reform provisions are essentially what the House passed with rail labor's consent, but which labor now opposes. Send us an s.a.s.e. for a copy of our liability letter and/or more information on the labor issues.

Unfortunately, the bill includes an “Amtrak Reform Council,” which is required to determine just two years after enactment whether or not Amtrak should be shut down because it is off its business plan.

FREE BUMPER STICKER...from NARP member Jim Norton (153 Rebecca Pines; Madison, AL 35758)—it says “Support an Expanded Amtrak” on a red, white and blue background. Send a legal-size, self-addressed, stamped envelope (first one free, \$1 each for more).

TRAVELERS' ADVISORY

Cascadia 11th-hour reprieve: Just before adjournment, the Oregon legislature approved funding averting a July 8 shutdown of Amtrak Cascadia service between Portland and Eugene. Thruway buses on the route also survive.

Northeast Checked Baggage: Northeast Corridor checked baggage now is limited to long-distance trains, the *Vermonter* (Washington-New Haven-St. Albans), and (only for connecting long-distance passengers) the NortheastDirect *Mayflower* (7:20 am from Boston; 6:15 am from Washington, in a compartment in Custom Class cars).

This means no baggage service for Corridor customers at both Boston stations, Providence and New London. And putting the baggage on the early train from Washington means baggage from all long-distance connections will arrive those points a day after the customer. NARP has protested.

Thruways: Plans changed for the daily bus service

connecting Denver to *Southwest Chief* points (New Mexico and west) since our last newsletter—the connection is made at Raton. The Denver stop is Union Station (departs 7:15 am, arrives 10:30 pm), and intermediate stops are Colorado Springs, Pueblo, Trinidad (Amtrak). This bus started June 23, and does not connect with the *California Zephyr* at Denver.

Another daily bus from El Paso (Greyhound station) to Albuquerque began June 23 and connects with the *Chief* to and from the west. Intermediate stops are Las Cruces, Hatch, Truth or Consequences, Socorro, Belen. It departs El Paso at 8:45 am, arrives at 9:00 pm, and so does not connect with the *Sunset Limited*.

A third, twice-daily service has run since May 11. It connects Laramie, Cheyenne, Fort Collins, Loveland, Longmont and Boulder to the *California Zephyr* (both directions) at Denver Union Station.

Transit: Washington Metro opened its 3.3-mile Blue Line extension, Van Dorn-Franconia/Springfield (connection with VRE commuter rail), June 29.

Senate Passes Half Cent

(from page 1)

neutral...We have done this [provided offsets for new spending] about 10 times heretofore in budget and reconciliation and budget resolutions."

Sen. Christopher S. Bond (R-MO) was the only speaker in favor of the McCain amendment (i.e., against the half cent).

The tax-cut bills now go to a House-Senate conference to resolve the many differences between the two bills. The House bill is silent on Amtrak, and the number of co-sponsors on HR 1437 (the half-cent bill) could influence how the conference handles the half cent. (By early July, there were more than 60 co-sponsors.)

The Senate budget resolution makes clear that, even if the half cent is enacted, Amtrak would get the resulting extra funds only if reform legislation also is passed (see page 3).

The half cent at issue is part of the 4.3 cents in federal gas tax that now goes to deficit reduction. In a July 1 letter to Roth and to House Ways and Means Committee Chairman

Bill Archer (R-TX), House Transportation and Infrastructure Committee Chairman Bud Shuster (R-PA) sought to condition availability of the half cent not just on Amtrak reform legislation but also on the ability to spend the remaining 3.8 cents in deficit reduction gasoline taxes on highways and transit. Shuster's letter also wants the freight railroads exempted from the 4.3 cent tax, which costs them over \$150 million a year.

Offsets are spending reductions and revenue increases that "pay for" new spending—that is, keep it "budget neutral." Finding offsets for the full 3.8 cents (about \$5 billion a year) would be next to impossible. ■

GOVERNORS FOR HALF CENT: Tommy Thompson (R-WI) and Tom Carper (D-DE) strongly supported the Amtrak half cent, and state flexibility to spend federal transportation funds on passenger rail, at the National Press Club in Washington, June 27. Thompson urged everyone there to get and wear a half-cent pin.



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