



NATIONAL ASSOCIATION OF RAILROAD PASSENGERS

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NARP BOARD HEARS CAMPBELL, HOLLAND

The best-attended NARP Board of Directors meeting to date took place in Washington April 21-2. 55 Board members from 25 states and DC were present. Two key figures in rail passenger service addressed the Board: Garth Campbell, Marketing Vice-President for Via Rail Canada Inc. (the new Canadian counterpart to Amtrak), who has been an important force in CN's vigorous promotion of passenger service; and H. Rex Holland, Amtrak's Director of On-Board Services, who has won exceptional respect from many NARP members and directors for his no-nonsense, direct approach to his work, and especially for his prompt action on individual complaints about service problems.

Garth C. Campbell

Campbell told the Board that "the passenger problem in North America boils right down, in my opinion, to the railroad problem." The railroad problem includes:

—"the spectacle of hundreds of billions of dollars" in general funds "poured on the highway system in both our countries" while the railroads build and maintain their own rights-of-way... and are taxed on the property they use.

—"the provision of water-way facilities at no cost to the users.

—"the spectacle of the post offices in both of our countries pouring untold millions of dollars deliberately, a direct subsidy, to the airlines to develop them";

—"the 1938 establishment of the Civil Aeronautics Board "for the express purpose of promoting the growth of air traffic";

He talked about the two kinds of vested interests which obstruct changing this system—first, carriers who benefit from public funds spent on the facilities they use defend the status quo

"The first kind of vested interest is the obvious one. It's where someone comes along and uses a facility, whether it be a highway or an airport, a harbor or a canal-way, which is provided at great expense by public money, and in turn they make a profit on the use of that... and any subsequent move to change the rules of the game and threaten that profit is met with the specter of subsidized competition, socialism, etc., etc., and there's a great rush to defend private enterprise which in fact is being found in this instance at public expense."

—Garth Campbell, Vice-President of Marketing,
Via Rail Canada, Addressing the NARP Board

in the name of "private enterprise"; second, the public servants associated with specific programs strongly defend those programs.

As an example of the latter, he told of a hearing he attended on the application by a bus company for a license to operate a Toronto-London non-stop, executive-type service. The gallery seats were packed with civil servants from the Province of Ontario routing for their favorites, the bus and highway lobby. There was

"a very interesting parade of witnesses all of whom swore to the general effect that they had never ridden a train and were very pleased about it".

(cont. on p. 2)

HEARINGS ADDITIONS AND CORRECTIONS: ICC's Rail Services Planning Office has scheduled three more public hearings on the Adams plan to cut Amtrak services: Racine, WI, July 7 (telephone 224-3183 in Milwaukee for address and to be scheduled); Pendleton, OR, July 14 (221-3102 in Portland); and Savannah, GA, July 17 (904/791-2551 in Jacksonville). There will be no evening session in Racine. Presumably the Racine hearing is to consider switching Chicago-Milwaukee Amtrak service from the Milwaukee Road to the C&NW so the route will serve more people.

The Boston hearing is July 7, not July 6; the Seattle telephone number (for Spokane and Seattle hearings) is 442-5480; the San Francisco number (for Sacramento hearing) is 556-1145; and the number for Los Angeles is 688-4008. The Miami hearing is July 13, not July 12.

California DOT has scheduled "follow-up hearings to develop further input to federal actions and state planning" for Los Angeles, July 15, State Bldg.; San Francisco, July 22, PUC Bldg.; and Sacramento, July 28, Capitol Bldg. "Information from these Caltrans hearings will be submitted to RSPO for inclusion in their final recommendations to DOT and Congress." (Caltrans: 916/445-5005)

The RSPO Detroit hearing will be July 12 and 13 but the only evening session will be July 13. Scheduling is being handled by the Michigan Dept. of State Highways and Transportation, 517/373-2953.

Continuation of Buffalo-Detroit service after Sept. 30 may depend on a strong showing of support for the state-subsidized "Niagara Rainbow" at the Detroit hearing. Michigan officials will be watching closely for comments on the "Rainbow" because they are considering ending support for the train. Ridership is low, and New York—which also helps pay for the train—would not pay for the overnight schedule, a section of the "Lake Shore", which Michigan believes would be more successful. A good case could be made that the "Rainbow" will not get its fair test until clean, new Amfleet equipment—expected soon—starts operating.

NARP apologizes for any inconvenience resulting from the above corrections and our incorrect reporting of the date of the Washington, DC, hearing (it was June 26).

These problems result from the ICC's last-minute decisionmaking, but NARP appreciates the fact that ICC has generally been prompt in releasing decisions to NARP as soon as they are made.

On Capitol Hill

On May 10, the full Senate approved the same reduced Amtrak authorization for FY '79 which had earlier been approved by the Commerce Committee: \$510 million for operations, and \$120 million for capital.

The amount for operations compares with \$613 million which Amtrak says is needed to run the existing system for 12 months, and \$575 million which Secy. Adams says would be needed to run the existing system during the planning process (until about June 1, 1979) and cut back to his reduced system for the last three months, although labor protection payments for workers displaced by the cutbacks might require additional funds.

The Senate's capital figure would provide no money for new Eastern long-distance cars or Corridor electric locomotives.

If the full House approves the \$613 million operating figure recommended by its Committee on Interstate and Foreign

LATE FLASH!—On June 23 the House voted 204-89 for an Amtrak authorization with \$600 million for operations, \$130 million capital, and the committee's requirement for approval of the DOT final plan by both Houses. The House-Senate conference will probably not come before July 17. Conferees (relevant committee/subcommittee chairmen and ranking Republicans) should be urged to support the House, especially on the approval requirement.

To serve on a committee to study Conrail commuter rail problems, write NARP Director Michael Kaplan, La Maison Apts., A-204, 219 Sugartown Rd., Strafford, PA 19087.

Commerce—thanks to the strong leadership of Chairman Harley O. Staggers (D-WV)—the House-Senate conferees may well agree on a final figure closer to the House figure.

But, since a supplemental authorization is always possible, the more crucial issue for the conferees may be the mechanism for Congressional action on DOT's final report. The Senate bill would have Adams' plan automatically adopted *unless* either body passed a resolution of disapproval, while the House bill (if the full House approves the Committee's version) would require both bodies to vote in favor of the plan before it could be adopted.

Those who anticipate that the final report will provide for inadequate service levels obviously hope the House bill's procedure will be approved in conference.

The House committee also approved provisions that would:

- give Amtrak a \$130 million capital budget for FY '79;
- prohibit the discontinuance of Amtrak trains before October 1, 1979 (except where a state subsidy is withdrawn), but permit the rerouting of existing service (such as sending the "Floridian" through Atlanta);

- give the ICC authority to require Amtrak to comply with requests of a state, regional, or local agency to institute or modify service—including fares, charges, schedules, marketing and operations—provided under Sec. 403(b);

- authorize Amtrak to operate commuter trains if a public agency agrees to reimburse Amtrak for the avoidable costs.

The House committee voted down a bus-inspired attempt to give the ICC regulatory control over Amtrak fares. Rep. Al Gore (D-TN) did not want a dramatic rise in Amtrak fares to occur during the route study process, and his alternative merely directs the General Accounting Office to "study the economic relationship of the Amtrak fare structure to the intercity bus industry". The committee would also give the ICC authority, "upon the application of any aggrieved motor carrier," to hold a hearing on "the complaint over an unfair or predatory practice".

A provision in the original version of HR 11493 aimed at causing Southern Railway to join Amtrak on the same terms as other Amtrak "member" railroads was deleted by the committee.

Earlier, the Senate Commerce Committee made several changes—besides the funding cut—and the bill it approved, S. 3040, was different from S. 2478, the original Amtrak bill (Feb. News), in several respects:

- Amtrak is not exempted from the Animal Welfare Act, but Amtrak will, according to the committee report, "conduct a marketing study of both on board passengers and potential

passengers to determine the demand for pet services and an appropriate fare structure to provide those services. In any event, the committee believes that Amtrak should permit carriage of pets in accommodations such as sleeping cars where passengers agree to pay whatever additional costs are imposed by such a policy."

- The "for profit" clause in the Amtrak law is not changed;
- There are no specific provisions regarding the Postal Service.

The bill would suspend the ICC's Adequacy of Service regulations from the date of enactment until 12 months after the effective date of the new system.

The only amendment added on the Senate floor was a "buy American" clause, sponsored by Sen. Birch Bayh (D-IN), which does include a provision under which the Secretary of Transportation could override the clause by determining that its application in a particular case would not be consistent "with the public interest". (The House Committee approved a similar provision.)

NARP Board Meeting *(cont. from p. 1)*

The bus service at issue was discontinued after about 18 months because it never developed significant ridership. "But the interesting thing was that (the bus company) issued a very strongly worded press release which accused Via or CN of using unfair practices and unfair means of putting them out of business." Then the Province of Ontario responded to the Canadian Transport Commission's transcontinental service proposal. "It seems to me that one of the heavy burdens in the Province's brief was that we ought to protect their buses. We ought not to be so hard on them. We ought to charge fares which would permit the bus people to take our business and to prosper."

Campbell continued, "The logic of that, of course, is that they are making a profit. But I see great confusion between the profit motive as such and the cost of transportation, which I think is a much more important issue. I'm not interested in whether any business is making a profit on what it is doing unless the business is paying for the full cost of the facilities it uses—that it makes a profit on any other basis is not a criterion, in my opinion, for preservation or extension or anything else.

"The whole basis of transportation investment in Europe and Asia as I understand it, is comparative economics, and has absolutely nothing to do with what we call profit and loss. It has to do with the cost of providing a given service. The Japanese decided that they were going to do something about transportation between Tokyo and Osaka. They had at least three

"When people tell you that the trains don't make money in Japan, make a clean distinction between branch lines and the mainline, because the mainline makes pots of money.... But it could be public policy to charge less than the cost of providing the service simply as a matter of national policy and in order to prevent unnecessary duplication of facilities in other areas.

"That's what the Europeans do. The European governments almost invariably have a standing policy that they are prepared to lose money on their rail passenger service in order to make certain that most people use it and are not tempted to go and buy gasoline and demand highways and are not tempted to fly. And they compound that policy with high charges for the use of highways and airports so that to drive an automobile costs at least 2½ times as much as in this country, by deliberate policy, and to fly is at least twice as much, perhaps now with all the U.S. bargain fares even three times as much. . . . And when people tell you that there's no railway passenger service in the world that makes money, I think we always have to remember that in many countries it is deliberate policy not to make money. They are anxious to use the alternatives because, in economic terms, not in profit-and-loss terms, that's what makes most sense to them."

—Garth Campbell

basic options: they could build highways; they could build airports; or they could build the Tokkaidoline. The rail option was the least attractive, and the one that had the least supporters. The

reason for this is that the Japanese were very much influenced by the Americans at that point—and you know what Americans thought of trains, officially. The simple fact was that, when the Japanese put all the figures down on paper, rail was by far the most economic use of land, of energy, and of just basic everyday operating costs.”

Campbell also discussed the present situation in Canada with respect to the impending takeover by Via of most intercity services. He said that Via has one major advantage over what Amtrak faced when it commenced operations in 1971—the standard of

“I personally think you preserve the future of the rail passenger business by having so many passengers that it's the public that does it for you. . . . This business has got to become relevant, it has got to be a major factor in the transportation sectors in both of our countries, something that cannot be ignored. The moment that happens, I think you will find that all the arguments about whether it loses money or how much it loses and all the problems of financing will be greatly eased. Not eliminated, but greatly eased. We never heard a problem with respect to the cost of highways when the public was demanding highways. We never had a problem with any of these other things when the public decided that it wanted them.”

service and the level of usage is far higher in Canada than it was—or is—in the U.S., and ridership is growing rapidly. “At the present time, three times as many people travel by train, per capita, in Canada than in the United States. The latest growth, which is about 15 to 20% a year, is compounding very rapidly, and I give some credit to that Via CN program of a few years ago which wasn't just a coat of paint—it was an extremely complex service program.”

In answering questions, he emphasized that the new common fare structure—which will replace the separate CN and CP fares—will be designed so as not to disturb the ridership increase. He felt it was important, however, to eliminate symbols, such as CN's “red, white, and blue” fare structure, which were closely associated with one railroad. “We have to have the cooperation of all railway people in Canada, and we don't want Via to appear to be just the stepchild of CN, which it is not.”

(The retiring CN fare structure has three levels, each designated by a color. Every day is assigned a color so that lower fares are in effect on days of lower demand, although a variation of this for travel within the Windsor/Sarnia-Ottawa-Quebec corridor subdivides days so that travel commencing between 4:01 and 6:30 PM costs more. For travel all or partly outside the corridor, as an example, the red, or cheapest, fares were in effect throughout February, March, and April, except that white applied on Fridays and Sundays, and blue, the most expensive, applied on Easter weekend, March 23-27.)

In response to another question, Campbell indicated that he had reservations about Amtrak's superliners (the bi-level cars to be introduced on Western long-distance routes late this year) “from the point of view of Canadian service”, but added that he had not seen the cars for over a year and didn't know what changes in interior design might have been made since his visit. “We'd have to look at a car designed for our purposes, but the way I saw those cars in terms of the cost of them was I didn't think we got as much additional benefit from the added cube (ed.: the upper level) as we did added cost.”

In response to other questions, Campbell indicated:

—His country is prepared to operate the Canadian portion of a Chicago-Toronto service, although “so far, we haven't been able to solve the technical operating problems”;

—“We're looking at the possibility in the long run of a dedicated passenger route, from Quebec right through to Windsor.”;

—“We anticipate that we will buy all existing CP passenger equipment as we have already purchased all CN passenger equipment.”;

—Via's equipment “is presently in excellent condition, by and large. It's not new, but it's in excellent running condition and we will certainly maintain that under contract, and our contract (ed.: with the railroads) both on the maintenance and on the operating

side will have a system of penalties and rewards, for good service and for efficient service.”

H. Rex Holland

As noted in our feature article (June, 1977, News), Rex Holland was the fifth On-Board Services Director to join Amtrak in less than six years, and Holland's talk outlined the sad situation he faced on April 1, 1977, when he took office:

—“. . . there was a lack of professional knowledge in certain areas requiring replacements—this was achieved very quickly . . .”;

—“Very little use was made of the innumerable surveys and studies as to what the passengers expected; Mr. Makowski, Manager of Food and Beverage Planning, conducted a meeting for our new menus using this information, and, in addition, invited on-line chefs, stewards, and representatives from Marketing and the Procurement department. They collectively sat down and decided that the menus should be based on what the American passenger wanted, rather than the infamous method of thinking that, ‘Me, I like this, so they must learn to like it.’ I think you'll find that these menus are being well accepted. There is some proof: revenue in this area is on the increase despite the drop in ridership.”

—“There was a total lack of methods and procedures, so I inducted Mr. (Bruce) Heard into the department, as the Manager of On-Board Services Methods and Procedures. He is re-writing and, in many cases, writing, procedures so that each employee knows what to do, how to do it, and when to do it. For example, every train now has clearly defined hours of service when those food cars should be available to the public, and shortly you will see on all trains signs which show the traveling public closing and opening times.”

—“The other thing we found was the standard of discipline . . . virtually, in my opinion, there was no discipline. We've now established a nationwide standard and we are closely following a ‘firm but fair’ concept. The employees are responding, they really are, and they are beginning to develop a pride in their job. We've also introduced some programs which will help this. There's the employee incentive program, where we will reward service above and beyond, plus communications such as our on-board service newsletter.”

“Again, my thanks for all your reports, but please, in a timely and concise manner; under our labor agreements we must investigate and bring charges, if necessary, within a 30 day period.”

Holland concluded, “Let me now place on record and clarify my understanding as to how I see the National Association of Railroad Passengers' role in our endeavors. I have heard it said that we at Amtrak do not listen to your comments. I commit to you, I will listen.

“I have heard it said that your recommendations are frequently ignored. I commit to you, I will not ignore; indeed, I will further advise you as to the disposition of your suggestions, adopted or not.

“I not only need, but will actively seek your help. I will meet with your members anytime and will travel anywhere to do so. For without your help, my task will be needlessly more difficult, and the time frame for achievement, much extended.” (Holland has already met with NARP Directors and members in Springfield, Mass., Tucson, and San Francisco.)

His presentation concluded with an extensive question-and-answer session, following which he accepted on behalf of California State Senator James R. Mills the Golden Spike Award “for his devotion to rail transit in California and in honor of his appointment to the Board of Amtrak as a Director”. The presentation was made in cooperation with Citizens for Rail California by NARP Director George Falcon, who is president of CRC's southern chapter.

Directors' Resolutions

The Board of Directors of the National Association of Railroad Passengers approved at its April 1978 meeting resolutions urging:

—Congress to recognize the limited significance of the DOT's route structure report, since the ICC's March 15 report stated that “even reductions in service over unprofitable routes would have a minimal impact on Amtrak's operating deficit, as the burden

caused by transportation expenses is minimal”;

—Amtrak “to initiate planning for substantial route expansion in accordance with NARP recommendations to make the system more marketable and to more adequately distribute fixed costs by better utilization of facilities.”;

—Amtrak’s Board to “authorize a ‘Crash Program’ to fully renovate and convert to head-end power all (conventional) cars so that Amtrak’s patronage will not suffer disastrous reduction as a result of Amtrak’s inability to provide a sufficient number of dependable cars . . . before the new cars are delivered,” renovated cars subsequently to be used for “emergencies, peak traffic demands, special movements and appropriate expansion of the system.”;

—the Federal government “to implement the conservation requirements of its energy plan by enacting into law, and implementing, programs which will provide incentives for the use of efficient forms of transportation—mass transit in general and the rail mode in particular—and which will provide deterrents to the use of energy-wasteful modes of transportation.” In this connection, the Board commended Director James Farny for his

“Long-term total dependence on imported oil” is the most accurate description of the U.S. energy policy which government officials call “self-sufficiency”, according to NARP Director James Farny, a professional engineer from Newark, DE. Farny told the NARP Board that transportation throughout the U.S. has been corrupted by Federal policies which encourage highways at the expense of mass transit. Only interstate highways enjoy 90% Federal funding. The four-year old “Interstate transfer” option allows state officials to use certain Interstate money for mass transit instead—but with only 80% Federal funding.

work as the initiator and leader of NARP’s energy committee, and for the report he presented to the Board.

—government action “to place highways and rail transportation on an equal basis so that U.S. cities, in selecting future modes for area transportation, will not be biased toward one particular mode simply because it will involve substantially less local financial involvement”;

—adoption of S. 2953 (Kennedy/Weicker amendments introduced April 19 to the Federal Aid Highway Act, see March News);

—DOT and the Congress, in developing the final route structure plan for Amtrak, to consider recent Harris and Hart polls showing strong public support for Amtrak (March News), the route structure prepared and endorsed by the NARP Board (Jan. News, back page), and the energy-efficiency of the rail mode.

—that no long-distance rail passenger route be discontinued until it has been given a fair test, which includes adequate trackage, reliable rollingstock, and a service frequency of at least one daily round-trip. “We particularly oppose the discontinuance of the (Chicago-Florida) ‘Floridian’. Given a chance to succeed by better management and by routing through . . . Atlanta, the ‘Floridian’ can achieve its full potential.”;

—adoption of a provision in HR 11493 which would require Southern “to observe the same considerations as do Amtrak-member railroads” and—absent an Amtrak/SR agreement consistent with the foregoing—NARP’s Washington office to lead a full-scale presentation in the “Southern Crescent” discontinuance case before the ICC. “If the ICC rules in favor of the SR, NARP should undertake a court challenge, the Directors to be polled on the questions which need to be answered at that time.”;

—the Administration “to direct the U.S. Postal Service to make substantially increased use of Amtrak as a hauler of the mail,” since, in the words of Sen. Russell Long (D-LA), “at present, many Amtrak routes are duplicated by mail hauled by truck, which results in the Federal Government paying for two kinds of transportation where in many cases the mail could be more efficiently carried by train at a lower overall cost to the Government.” (See Feb. News for a discussion of Amtrak and the Postal Service.);

—“full funding of Amtrak’s capital budget request and the operating subsidy, and urging the Administration to take into account the effects of inflation on the fixed ceiling which the Administration has been requiring for Amtrak.”;

—that the General Accounting Office “be required to audit Amtrak bills as though it were a government agency.”;

—the Administration and Congress to work for adoption of a law which authorizes state public utility commissions and the ICC to make their facilities available for the establishment, improvement, or expansion of commuter rail service.;

—DOT and the Commerce Committees to direct ICC “to undertake an examination and evaluation of the feasibility and cost of consolidating intercity rail passenger operations and intercity motor bus operations under one corporate agency.”

The NARP Board reaffirmed “its support of the officially endorsed route system plan (see Jan. News, back page, and corrections on back page of April News) which will be reviewed and updated by our National Route Structure Committee”. That committee is headed by John R. Martin, 4183 Paran Pines Dr., NW, Atlanta, GA 30327.

Also approved by the Board was a proposal from Transport 2000 (Canada), the Canadian counterpart of NARP, to establish Transport 2000 International. This would formalize contacts among rail passenger advocates in the U.S., Canada, U.K., and

“In Canada, we have an organization called Transport 2000. . . . I think there’s a kind of parallelism between the things that they’re doing and what (NARP is) doing. The only difference, really, seems to be in the name. They have chosen to call themselves Transport 2000, in common with the same kind of organizations that exist overseas. The interesting thing is that they say ‘Transport’ because they try to address themselves to general transport policy matters, although they have a very secret love, or not so secret love, of trains, and that bias does come out, I think, from time to time.”

—Garth Campbell

France. The secretary would be in London, and the only financial contribution from NARP would be \$25/year. NARP will appoint two of its members as representatives, and the International would seek consultative status with the U.N. and the E.E.C.

Finally, because of its importance, we have reprinted in its entirety a resolution approved by the NARP Board regarding track ownership:

“Whereas: a well-maintained railway system, in addition to the present highway system, is essential for the economic viability of the U.S. and the movement of goods and people, and

Whereas: the physical condition of this national resource has deteriorated due to the financial plight of many of the privately owned railroad companies, and

Whereas: public safety and convenience demand that the maintenance of railway track and related structures be equal to at least the standards of other industrial nations, and

Whereas: it is becoming increasingly clear that the private railroad companies, if they are to survive and prosper, must be able to compete with other modes of transportation on an equal basis, therefore be it

RESOLVED: that the Board of Directors of the National Association of Railroad Passengers urges Congress and the Administration to support establishment of Federal standards for the maintenance of our railway system and to provide for the funding of such a program; and further endorses the concept of public ownership and maintenance of fixed facilities of railroads within the U.S. which wish to transfer ownership to the public or which do not meet the Federal standards of maintenance, and be it further

RESOLVED: that the Board of Directors of the National Association of Railroad Passengers views this “Consolidated Facilities” concept of public ownership and maintenance of fixed facilities as a viable alternative to full, eventual nationalization of the United States railway system.”