

Sharply Curtailed System Recommended In Transportation Department Report

At a press conference held in Penn Station, New York City, on Wednesday, January 31, Secretary of Transportation Brock Adams announced that his department was recommending a "streamlined national network" for Amtrak's rail passenger system. He also reiterated the Administration's support for an expanded program to rehabilitate the Boston-to-Washington Northeast Corridor.

Adams said he was recommending in DOT's "Final Report" to Congress, which was required by the Amtrak Improvement Act of 1978, a revised Amtrak network that "retains border-to-border and coast-to-coast service" but which eliminates 43 per cent of the existing mileage, although serving 91 per cent of the present ridership.

Adams said the routes would serve 22 of the nation's 25 largest population centers, 40 of the 50 largest cities and a total of 40 states.

"The taxpayers have been paying an increasing share of Amtrak's costs and the passengers are paying less," said Adams. "Five years ago it was dollar for dollar. Today, the customer is paying only 59 cents for every dollar provided by the taxpayer."

Continuing the existing Amtrak network would require a federal subsidy of nearly \$6 billion for the five years 1980 through 1984, said Adams. The proposed slimmed-down system can be operated with an estimated \$4.6 billion in federal support, for a tax saving of \$1.4 billion, he noted.

"Let me emphasize that we are not selling Amtrak short," he said. "I believe the public and Amtrak both will

be better-served by focusing on the routes with the greatest promise."

The network recommended by the Secretary would retain three north-south routes and three east-west routes.

The recommended north-south routes would connect New England and the Northeast with Florida; the upper Midwest with the Gulf Coast; and the Northwest with Southern California.

There would be two New York-Chicago trains, one operating through Canada between Buffalo and Detroit.

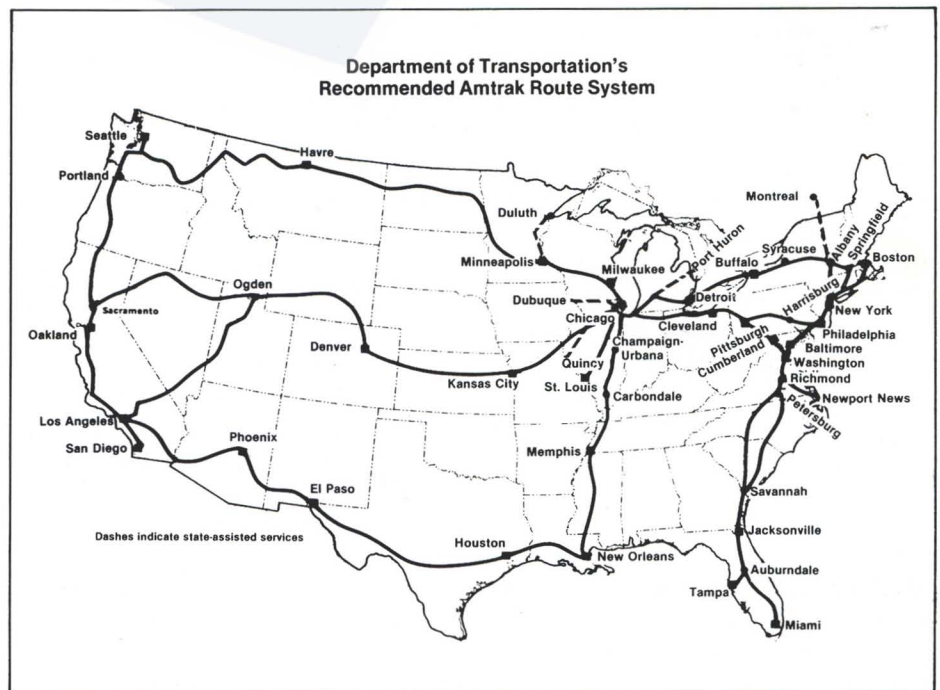
West of Chicago there would be a Chicago-Seattle train and a second Chicago-West Coast train that would first serve Denver, via Kansas City, then split at Ogden with one section each heading for Oakland/San Fran-

cisco and Los Angeles, via Las Vegas.

Another east-west service would connect New Orleans with points in Texas, Arizona and California.

The national network would be supplemented by a system of short-distance trains linking major population centers and feeding into the national system. All currently operating state-supported services are included in the recommended system, provided there is continued state support for them.

In addressing the problems of the Northeast Corridor project, which is upgrading rail passenger service between Boston and Washington, Adams said he will request Congress to authorize \$654 million in addition to the \$1.75 billion already approved and to extend the completion date from 1981 to 1983.



“Perspective” Lists Amtrak’s Concerns Regarding DOT Route Restructuring Report

What is it worth to America to acquire and maintain benefits which are generated by a rail passenger transportation system?

That’s the primary question Amtrak believes has to be answered following the release of the U.S. Department of Transportation’s plan to restructure the Amtrak system.

In an *Amtrak Perspective* on the DOT Report, the company said, “The question of what specific routes are to be operated will always be subjective regardless of the efforts made to describe and define economic and social criteria” and that after seven-and-a-half years of experience “there is no statistical method whereby an optimal rail network can be established.”

Amtrak concluded, therefore, “The issues are not resolved initially by a map” but by “deciding the key policy issues relating to the benefits and costs of a rail passenger system in context with the nation’s total transportation needs.”

On the benefits side, Amtrak’s board of directors believes there are clear and substantial arguments for a

rail passenger system. These are:

- Availability of an intercity mass transit mode for those who cannot or choose not to travel by other means,
- Environmental aspects of land use, air and noise pollution,
- Potential energy savings through efficiency, especially since railroad energy consumption is, or can be, derived from energy sources other than imported oil,
- Availability of the safest mode of travel, and
- Provision of city-center service which in turn promotes economic development, including intermodal facilities.

Amtrak acknowledged that while these benefits can be identified, some are difficult to quantify. And they must be purchased at a cost.

“Experience shows that rail passenger services in the U.S. and in all major countries of the world are not capable of operating solely on the income from commercial revenues,” said Amtrak’s statement. “Social benefits are an integral, but not easily quantifiable, element.”

The company, which said it will be

“fully responsive to the requests of Congress for information and assistance as it develops its views on the future of Amtrak,” released a list of concerns regarding DOT’s recommendations.

Issues raised include level of service over routes, future use of tracks owned by the private railroads over which it operates, lack of management flexibility, operating and cost problems in making the transition to a new route structure, cost reimbursement for providing commuter rail service and Amtrak’s role in national emergencies.

Level of Service

Amtrak said its problems are due largely to the fact that limited service is being maintained over a too-large system without adequate resources.

“The Amtrak board believes that the route restructuring process is essential. However, if it leads to still inadequate service operated over a smaller system, then the public will not be well served,” said the statement.

Future Use

Amtrak said its trains operate by virtue of contracts between itself and the private railroad companies that own most of the lines. Changes in train routings could affect future operations.

“To the extent the current route system is reduced, the contractual obligations of the railroads no longer providing passenger service will be lost. The net effect of this is clear: those railroads will no longer be required to maintain their physical plant at the elevated level of condition necessary to operate a rail passenger system,” said Amtrak.

It suggested that in any route reduction, funding to maintain current-

History Of Report Process

The Amtrak Improvement Act of 1978 required the Department of Transportation to recommend a route system for Amtrak which would provide “. . . an optimal intercity railroad passenger system, based upon current and future market and population requirements . . .”

DOT published its preliminary report—proposing the elimination of over 8,000 miles of Amtrak’s system—in May 1978. The Interstate Commerce Commission’s Rail Services Planning Office then conducted hearings in 51 cities to get public response to the proposed routes. It submitted its evaluation report in Sep-

tember 1978.

DOT has since studied and considered the public comments and the RSPO’s recommendations and announced its “Final Report” on January 31.

The 1978 law provides that the final report shall be considered approved unless, within 90 calendar days of continuous session, either House of Congress disapproves.

Implementation of the proposed system must be completed within one year of its adoption. However, no changes can be made until October 1 because Congress has “frozen” the current system as is until then.

System Comparisons

	CURRENT SYSTEM	PROPOSED SYSTEM	CHANGE
Route-Miles (Thousands)	27.7	15.7	- 43%
Passengers (Millions)	19.6	17.9	- 9%
Passenger-Miles (Billions)	4.6	3.7	- 19%
Passenger-Miles/Train-Miles	141.0	173.0	+ 23%
Cost in FY 1980 (Millions)	\$ 949	\$ 760	\$ 189
Cost FY 1980-1984 (Millions)	\$5,981	\$4,590	\$1,391

Costs include operating subsidy, capital, debt retirement, Northeast Corridor purchase payment and restoration of loan amounts used for previous Northeast Corridor purchase payment. The new system also includes funds for labor protection.

Transportation Department Figures

ly used facilities in a standby state of readiness should be considered.

Management Flexibility

Amtrak said it is a management function to determine train frequencies, routings, on-board services, equipment usage, and schedules and fares according to its legislative mandate.

In the DOT report, however, the recommended system—in relation to the funding provided—effectively eliminates that flexibility.

“For example, the Amtrak board has adopted a policy that daily train service is the minimum service that should be offered the traveling public. The report recommends tri-weekly service over some routes,”

Next Issue

The regular February issue of *Amtrak News* will carry a listing of recommended service on a train-by-train basis.

said Amtrak.

Transition to Recommended Routes

Should DOT's report be accepted by Congress, Amtrak is expected to change routes on October 1. But, said Amtrak, “The report overlooks the real possibility that not all railroads will be in position to permit operation of proposed routes on the schedules assumed or at the cost levels contained in the funding. The need for track connections and other modifications requires unavoidable lead time in many instances.”

This raises a possible funding problem in connection with continuing service on existing routes designated for abandonment pending the completion of necessary construction on the proposed restructured routes.

Commuter Services

Amtrak urged that the economics of commuter rail service be realistically addressed. Since the recent

change in the law authorizing Amtrak to operate commuter trains, several state and regional agencies have shown interest in having Amtrak undertake such service.

It is strongly believed by Amtrak that full reimbursement for total costs must be provided for it to enter into commuter rail contracts.

National Emergencies

The DOT report was not required to consider the extent to which, if at all, railroad passenger service is required in a national emergency. Amtrak's board pointed out in its *Mission Statement* released in December that this is a point which could be properly addressed by Congress in considering a revised route structure.

Contractual Relationship

Amtrak said it is prepared to propose a refined set of standards or criteria against which its operation should be measured and through which future route alignments could be considered.

This coincides with the Amtrak board's belief, as announced in December, that the most effective method of handling public financing of Amtrak is through establishment of a “contractual relationship” with Congress. Amtrak supported DOT's recommendation for long-term authorization as an essential element of this relationship.

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DOT Explains Projected Costs, Regular Funding, Amtrak's Goals

Costs

DOT says the proposed system would be much less expensive to operate. In fiscal year 1980, the first full year of the new system, it would require a \$552 million operating subsidy.

This is 23 per cent less than the \$718 million which would be required if the current system were continued unchanged.

Over the next five years, the proposed system would cost \$1.39 billion less than the current system if it were to continue unchanged.

Funding

To provide greater stability for Amtrak, DOT is recommending that Congress authorize funding for three-year periods. This would give Amtrak's management greater ability to conduct long-range planning.

In addition, the Department and Amtrak have agreed that a reasonable estimate of capital expenditures between fiscal years 1980 and 1984

would be \$1 billion.

Key Goals

By fiscal year 1982, Amtrak should be able to pay 44 per cent of its cash expenses from revenues collected from customers, and 50 per cent of those expenses by fiscal year 1985. Currently, Amtrak is able to pay roughly 37 per cent of its expenses from revenues. The remainder is paid


through federal subsidies.

Amtrak should develop specific goals for improving the service it offers the public, and report annually on progress toward achieving them.

Amtrak should make every effort to implement the new system on October 1, 1979, to realize all of the savings that are possible in fiscal year 1980.



Amtrak's Broadway Limited, here shown heading toward New York and Washington over the wooded Pennsylvania countryside, would be rerouted through Cleveland in DOT's recommended route restructuring.

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