



## Administration Budget: Zero for Amtrak

*Key High Speed Rail Program Also Eliminated; Criticism of Budget Grows*

*"This is serious."*

—Rep. James Oberstar (D-MN),  
ranking member, Transportation &  
Infrastructure Committee

A loud, bipartisan chorus of protest greeted the zero for Amtrak in the Fiscal 2006 budget request that the Bush Administration released February 7. Fiscal 2006 starts October 1, 2005.

On February 14, 35 senators led by Conrad Burns (R-MT) and Frank Lautenberg (D-NJ) wrote urging full funding of the \$1.8 billion in Amtrak's five-year plan. The letter was addressed to Senate Budget Committee Chair Judd Gregg (D-NH) and to Kent Conrad (D-ND), the committee's ranking member.

Criticism of the budget was so intense that Transportation Secretary Norman Y. Mineta held a Chicago Union Station news conference, also February 14, "to address criticisms of the Administration's proposal to reform Amtrak" (quoting DOT's media advisory). Mineta: "Very soon, the Bush Administration will reintroduce a comprehensive reform package..."

Also, House Speaker Dennis Hastert, through an aide, tried to calm the waters: "It's just too early to start scaring people about [the Amtrak proposal]. This is just the beginning of the process, and things can and do change" (Spokesman Brad Hahn, in the Feb. 15 *Chicago Tribune*).

But the budget anticipates an Amtrak bankruptcy, and has \$360 million earmarked for continuation of commuter-rail service (trains belonging to New Jersey Transit and other regional transit agencies) and freight trains using Amtrak-owned tracks in the Northeast Corridor.

While the White House often cuts funding for programs which Congress later restores, the "reality gap" that needs closing exceeds \$1 billion vs. just \$300 million a year ago.

*(continued on page 3)*



NARP Executive Director Ross B. Capon speaks at a Capitol Hill news conference on February 8. Rep. Jim Oberstar (D-MN) organized the conference. Pictured above (from left) are Reps. Allyson Schwartz (D-PA), Julia Carson (D-IN) and Bill Pascrell Jr. (D-NJ), Capon, Rep. Corrine Brown (D-FL), and Colin Peppard of Friends of the Earth.

### **Amtrak Board: \$0="Right Message, Wrong Number"**

Amtrak Chairman David M. Laney on February 17 sent a brief "annual report" to Congress, without the usual grant request. Laney explained that, "because Amtrak is engaged in a strategic planning process which could affect its needs for FY06, any such submission at this point would be premature. A grant request will follow as soon as a planning process permits..."

"At current funding levels, existing operations and capital investment will have to be severely curtailed or discontinued beyond FY05; conversely, without meaningful reform, Amtrak cannot reasonably expect to attract levels of funding from any...sources at levels adequate and predictable enough to sustain passenger rail service in this country..."

Laney labeled "particularly insightful and valuable...certain recommendations [from] the Amtrak Reform Council, as well as concepts in the Bush administration's

2004 proposed legislation and certain other proposed legislation."

He said the Amtrak Board "agrees that the President's proposed operating budget of 'zero' is the right message" but added "'zero' is not the right number at this juncture...to effect needed reforms..."

"Our recommendations will almost certainly require a transition period that will run well into FY06." Ominously, he added that "needed reforms will likely result in higher front-end restructuring costs. (Route elimination, for instance, will often incur substantially greater labor-related costs in the early years than would route continuation; but such costs can be carefully phased and managed.)"

The Amtrak Reform Board (not to be confused with the defunct Reform Council) has three vacancies, four voting members: Laney, Sec. Mineta (represented by DOT General Counsel Jeffrey A. Rosen), Floyd Hall and Enrique Sosa. ■



—David R. Johnson

Fiscal 2004 ridership was up 24% on Amtrak's *Cardinal*—seen here arriving Washington—thanks partly to the re-extension to New York City. Cities served include White Sulphur Springs, VA; Charleston, WV; Ashland, KY; Cincinnati; Indianapolis; and Chicago.

## NARP Responds to President's Budget Request

(Excerpts from NARP Press Releases)

"The National Association of Railroad Passengers is outraged...that President Bush will propose zero funding for Amtrak for fiscal 2006.

"Any zero budget request would end intercity passenger rail for Americans, notwithstanding Administration claims to the contrary.

"The Administration talks a lot about 'Amtrak reform.' However, Amtrak under President and CEO David L. Gunn has experienced more reform in the past two-and-a-half years than probably in the previous thirty. Headcount has dropped by 3,900... Meanwhile, the number of daily trains has risen from 265 in 2002 to 300 today. Amtrak has taken on no new debt since June 2002, although costs of servicing previously incurred debt continue to be significant.

—NARP News Release, February 3

"The Administration's Fiscal 2006 budget proposal eliminates all funding for Amtrak. The National Association of Railroad Passengers condemns this proposal as radical and irresponsible.

"The Bush Administration misleads the public by saying that a 'restructuring' based on zero federal support 'should lead to the development of short-corridor routes between major population centers.' On the contrary, the existing system has provided the framework and infrastructure for...significant corridor development...

"Clearly they are targeting Amtrak's long distance services and misrepresenting crucial facts.

- Far from lacking demand, the long distance routes handle 59% more travel than the Northeast Corridor (NEC). In FY 2004, the long-distance routes accounted for 2.7 billion passenger-miles, the Northeast Corridor for 1.7 billion. (A passenger-mile is one passenger traveling one mile.)

- The amount of federal funding needed to run the entire, nationwide network is only about 20% greater than what would be required to run the Northeast Corridor alone."

—NARP News Release, February 8

Coming next month in *NARP News*: a collection of editorial quotes and statements about the Amtrak system made in response

to the zero budget request for Amtrak. This will be a very effective tool to use in advocacy efforts and to share with others!

## MAKE YOUR VOICE HEARD!

The future of intercity passenger rail in the U.S. is in doubt. Many have asked us "What can I do?" Your voice can count; we urge you to get involved.

- **Visit our website**, <<http://www.narprail.org>>, which is updated regularly. There is a link to our new Action Alert flyer which is downloadable and printable—give it to fellow travelers when you ride Amtrak, and hand it out at the station.

- **Contact your Senators and Representative**, even if they already support Amtrak. They have many programs to defend and since the "squeaky wheels get the oil," they need to hear from you about Amtrak! The Capitol Hill switchboard, 202-224-3121, connects you to any office, or go to <<http://www.house.gov>> and <<http://www.senate.gov>> for more specific contact information. Local contact information is also in your phone book's "Blue Pages" if you do not have internet access.

- When writing to Congress, keep your letter to a single page and subject. **Include your postal mailing address** to show that you are a constituent. If applicable, include a personal statement about your most recent Amtrak trip and why Amtrak is important to you.

- **Spread the word!** Tell your friends, relatives and colleagues, about what is going on. Ask them to contact their elected officials. This is a great use for our "Action Alert" flyer.

- The more members NARP has, the louder our voice can be, **so sign at least one new person up for NARP**. Contact our office if you need membership information, or download a promotional piece from our website.

- Make a **tax-deductible contribution** to NARP. The more resources NARP has, the more effective we can be!

The Administration sought \$900 million for Amtrak in FY05. Congress added (and found offsetting spending reductions for) \$300 million to achieve the \$1.2 billion that was Amtrak's bare minimum.

Amtrak's minimum need this year is \$1.5 billion. The \$300 million increase stems from the expectation that—thanks to an aggressive capital program—Amtrak will begin fiscal 2006 with very little cash on hand vs. over \$200 million at the start of fiscal 2005. Also, major, new infrastructure projects require \$93 million.

In Chicago, Mineta insisted "the President and I support intercity passenger rail...[The President] has proposed no new subsidies for Amtrak because he is serious about fixing this problem once and for all."

But, far from "fixing" anything, the budget request may have immediate, negative consequences, like increasing the interest Amtrak pays on its debt. Even if such problems can be overcome, there is no way to fund service in fiscal 2006 without federal support. Service, once lost, is unlikely to return.

The budget also ends the Federal Railroad Administration's modest Next Generation High Speed Rail Program—\$39 million in 2004; \$31 million in 2005—of research, development and new-technology demonstration aimed at improving exactly the type of short-distance corridors Mineta professes to favor. ■

For the latest news, visit our website at <[www.nartrail.org](http://www.nartrail.org)>. Our news hotline is posted Friday afternoon.

"We've got a good Amtrak system in Illinois, and I don't think we want to destroy it by talking about privatization. The subsidies need to continue. These subsidies are the lifeblood of Amtrak continuing the kind of service they have to the college towns and the small communities in Illinois and around the country. I don't see us really tinkering with that."

—Rep. Ray LaHood (R-IL), telephone interview, *State-Journal Register*, Springfield, IL, Feb. 15

NARP agrees with Transportation Secretary Norman Mineta that the Pacific Northwest corridor is a success story, and that the federal government should have provided a 50% match for state capital investments there.

But we disagree with his corollaries: ridiculing the national network trains as "trains that nobody rides [running] between cities that nobody wants to travel between" and "de-coupling" the federal government from operating grants. It is hard to reconcile those positions and the preservation of any service.

Mineta said that, since Metra (commuter rail) ridership exceeds Amtrak's, Metra—not Amtrak—should own Union Station. "We think it makes sense to put control into local hands to ensure the highest level of service to the millions of Chicago-land residents..."

That's not obvious: commuters race through the station, but intercity passengers spend much more time in it.

In any event, he did not offer any funding to help "local hands" pay for their new responsibilities (and for Metra's higher wages). And he did not speak to the issue of whether attractive intercity schedules could be offered with Metra controlling the station.

It's tougher for a commuter authority to make peak-hour room for intercity travelers when the authority is in control (and paying for that control).

Indeed, if the Administration succeeds in transferring the Northeast Corridor to the states—and if the states fund intercity trains—it is doubtful whether hourly New York-Washington service patterns could be maintained, either for *Acela Express* or the *Regionals*.

Mineta's attack on Amtrak ownership of Chicago Union Station went one step further. He charged that it "complicates the impressive rail planning" for the CREATE project to modernize Chicago-area rail infrastructure (*News*, date 2004).

Doubtless planning is more complicated when intercity needs are represented than when they are not, but NARP has heard no previous criticism of Amtrak's role in CREATE.

Finally, Mineta thinks Washington "should have had a meaningful choice in picking someone to run the trains." However, most tracks in the U.S. are privately owned. The freight railroads oppose "transferring or franchising Amtrak's right of access, preferential access rates, and operating priority" (Association of American Railroad "Principles"). ■

**FISCAL 2005 TRANSPORTATION FUNDING**  
Compared with Previous Years  
Appropriations (\$ millions)

	2002	2003	2004	2005	2006	Change,
	Enacted	Enacted	Enacted	Enacted	Bush	Bush
					request	vs. 2005
<b>Administration</b>						
Federal Highway	32,928	31,593	34,689	34,350	34,700	+ 1.0%
Federal Aviation	18,512 (1)	15,886	13,840	13,858	13,779	- 0.5%
Federal Transit	6,747	7,179	7,266	7,646	7,781	+ 1.7%
Federal Railroad	1,045	1,261	1,449	1,425	552	- 61.2%
*Amtrak	827	1,043	1,218	1,207	0	-100.0%
*also in Federal Railroad Administration total.						
<b>Intercity Passenger Rail Categories</b>						
Amtrak Operations (2)	(3)	519	756	123	0	-100.0%
Amtrak Capital	522	232	462	456	0	-100.0%
Northeast Corridor	(3)	293	293	789	0	-100.0%
Extraordinary Funds	305 (4)	0	0	0	0	
<b>AMTRAK SUBTOTAL</b>	<b>827</b>	<b>1,043</b>	<b>1,218</b>	<b>1,207</b>	<b>0</b>	<b>-100.0%</b>
Commuter Rail Ops	—	—	—	—	360	n/a
High Speed Rail + Farley	52	50	37	19	0	-100.0%
<b>PASS. RAIL TOTAL</b>	<b>879</b>	<b>1,093</b>	<b>1,255</b>	<b>1,226</b>	<b>360</b>	<b>- 70.6%</b>

NOTES:

- 1) Includes \$5 billion in emergency reimbursement in 2002; \$2.396 billion in war supplemental funding in 2003.
- 2) Includes certain Railroad Unemployment and Retirement payments, mandated by law, which exceed Amtrak's costs to those systems, about \$160 million
- 3) Lumped into "Amtrak Capital."
- 4) In 2002, \$100 million from defense appropriations for Amtrak security items and \$205 million from emergency supplemental for Amtrak operations.

## Rail Travel Tips

**Tip #7—Want to visit a college campus with your son or daughter? Take advantage of Amtrak's Campus Visit program: code H459.**

Students receive a discount and may bring a parent or guardian with them as a free companion in coach. Reservations may be made for travel through December 15, 2005 (blackout dates: February 18-21, March 24-28, May 27-30, July 1-4, September 2-5, and November 22-29). Not valid on *Acela Express*, *Metroliners*, *Auto Train*, the Canadian portion of the *Maple Leaf*, or 7000-8999 series Thruway buses.

## Success of Trails and Rails

Amtrak ridership is not the only positive statistic from fiscal 2004. Trails and Rails, a cooperative effort between the National Park Service and Amtrak, showed strong growth as well. The program provides narration on many of Amtrak's national network trains and a few corridor operations as well.

- Amtrak passengers participating in program: 303,038
- Volunteers in program: 406
- Volunteer hours donated: 31,260
- Programs presented: 2,092
- Value of donated hours (@ \$17.19 per hour): \$537,359 ■

## TRAVELERS' ADVISORY

**Hotel discount**—Amtrak and Hotels.com have partnered to offer a discount on hotel rooms. When making a reservation on Amtrak.com, enter code H507 to receive (via E-mail) a \$25 coupon valid for a two night hotel stay. Restrictions apply. Allow 48-72 hours to receive e-mail coupon.

**Northeast Corridor group fare**—Amtrak has begun a special fare that benefits groups as small as three for travel between Feb. 22 and Aug. 31. The first two passengers pay full fare and passengers three through six get a 90% discount. Request code H505. Three day advance purchase required, valid for coach travel only, not valid on *Acela Express* and *Metroliner*, tickets are nonrefundable, blackout dates apply, other terms and conditions available from Amtrak.

**On-board ticketing in the NEC**—While the absolute prohibition against on-board ticketing in the NEC has been lifted, passengers are reminded that they should not arrive at a staffed station intending to purchase a ticket on board the train, and should allow ample time to purchase a ticket. As always, at staffed stations with gate attendants (e.g. Washington, Philadelphia, New York), passengers must show a ticket prior to boarding.

**Sunset schedule**—Amtrak's current printed timetable notes that *Sunset Limited* schedules may change

between November 2004 and April 2005. An early-March change is possible; check with Amtrak. This is part of a joint, Amtrak-Union Pacific effort to improve on-time performance, which has been very poor.

**Texas Eagle disruption**—Union Pacific will perform a major tie replacement project east of Dallas. Train 22 (the northbound *Eagle*) will hold at Dallas 90-120 minutes on the following days for the tie gang to clear: Feb. 23-28, Mar. 8-15, Mar. 23-30, Apr. 8-15, Apr. 23-27. Train 21 is unaffected, but may experience slight delays from the resulting slow orders.

**Michigan schedule change**—To improve reliability of crew turns, *Wolverine Service* train #353 (Pontiac-Detroit-Chicago) has begun operating 50 minutes later than the times published in the November 1 timetable. All connections at Chicago are preserved; if transferring to the *Capitol Limited*, you may be asked to detrain at Hammond-Whiting if #353 is late.

### NARP Region Meeting Updates:

**Region 3 (DE, NJ, PA):** April 2, Wilmington, DE.

**Region 10 (CO, IA, NE, SD, UT, WY):** March 12, Omaha, NE.

**Region 12 (CA, HI, NV):** April 9, Fullerton, CA.



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