

TRANSPORTATION

A New Era for Train Travel?

With high demand for passenger rail service, is it finally Amtrak's moment to shine?

By James McCommons

On a broiling summer afternoon, passengers jammed the tiny Amtrak station in Longview, Texas. Having run out of chairs, they plopped on suitcases, fingered their tickets and looked glum. Outside, away from the air conditioning, more people stood in the shade of the building, smoking cigarettes and fanning themselves with newspapers. The northbound Texas Eagle was three and a half hours behind schedule, delayed by Union Pacific freight trains, mostly long "intermodals" of four locomotives and 100 cars carrying steel shipping containers stacked two high. Railroaders call these "Wal-Mart Chinese Doo-Dad Trains" because they carry consumer goods manufactured in Asia.

Griff Hubbard walked out of the station, cradling the cat that keeps him company at work. He's been with Amtrak 34 years, first as station agent in Texarkana and now as a revenue agent for the Texas Eagle, which runs daily between Chicago and San Antonio. He sets the prices and discounts for coach seats, working to keep the train full. Ten years ago, Amtrak tried to shut down the Texas Eagle for a lack of ridership. These days, with \$4 gasoline, the story's different. Although it has the poorest on-time performance of any long-distance train, the Texas Eagle's ridership is up 7.3 percent this year.

Hubbard watched as a woman in a silky white pants suit and gold high heels unfolded a paper bag, placed it against her bottom and sat down on a dusty curb. He shook his head. "We are not a third-world country. We should not be treating passengers this way; yet it happens nearly every day," he laments. "It's like I'm still back in the 1970s. Nothing has changed."

Although Amtrak runs some trains on time, and with a degree of proficiency and professionalism, its deep-rooted, systemic problems continue to haunt the company: poor on-time performance, run-down equipment, unappealing stations and spotty on-board service. Veteran passengers and even train crews will share stories of broken toilets, dirty trains, diner cars without food and long delays due to freight traffic. Yet they also celebrate the comfort and romance of train travel on a good day — camaraderie among passengers, comfortable seating, pretty good food when it's available, sublime landscapes and freedom from driving.

HAVE SUBSIDIES, WILL TRAVEL

Despite its problems, Amtrak will carry about 28 million passengers in 2008, up from 25.8 million last year. Trains ran at 90 percent to full capacity. Ticket revenues exceeded last year's by 16 percent. It's no exaggeration then to say that Amtrak and America are on the verge of a rail renaissance, but this transformation won't happen overnight, warns Amtrak spokesman Cliff Black. "The irony of this boom is that we are not prepared for a wholesale shift to passenger rail. The market is there, but we don't have the additional equipment and the excess capacity. We're running the wheels off some of these trains," he admits. "We need to make significant investments, and it's going to take some time."

Amtrak has run bare-bones for years, unable to purchase new passenger cars, cutting routes, and paying down debt. It owns only a small portion of track on its 22,000-mile network, so it cannot add trains and routes except by negotiating with the freight companies, who are experiencing their own boom in business.

This resurgence in both passenger and freight rail comes after nearly 40 years of industry restructuring. When Congress created Amtrak in 1970, American railroads were near collapse, fearful of nationalization and anxious to shed intercity passenger operations. They turned their passenger assets over to Amtrak and agreed to give passenger trains priority over freights — a pledge many of the so-called "host railroads" have since ignored.

Congress also gave Amtrak conflicting mandates: maintain a national network, earn a profit and wean the company as soon as possible from government subsidies. Many politicians and railroads considered Amtrak a stop-gap measure, a way to ease the country into completely eliminating passenger trains. But then came the oil shocks of the 1970s, which drove people back to the trains, along with the growing realization that some individuals and regions of the country still depended upon train service.

Amtrak not only survived, but was befriended by members of Congress who saw a need for trains — especially those running through their districts. Several Republican administrations tried but failed to kill Amtrak, calling it a colossal waste of taxpayers' money. The company has never made a profit and over its lifetime has received \$30 billion in government subsidies — enough to keep most many of the trains running but not enough for the railroad to thrive.

"It's a perverse kind of thing. Amtrak was created because intercity passenger service was unprofitable, yet our critics use profitability to bludgeon us as a failure," says Black. "We may never be profitable, but that doesn't mean we can't use taxpayer money wisely and efficiently. We can and have." In the wake of airline meltdowns, expressway congestion and expensive gasoline, the subsidy criticism has lost much of its punch in Congress, especially given the post-9/11 federal airline bailout and the creation of the Transportation Security Administration (TSA). The fact is now self-evident that all modes of transportation are in some way subsidized. Governments build and maintain roads, airports, and waterways. No national rail system in the world is profitable, and all receive government subsidies.

Amtrak is up for reauthorization. In June, the House passed H.R. 6003, a bill that would provide \$15 billion for passenger rail over the next five years, including a modest increase in funding for Amtrak. In 2007, the Senate passed a similar bill, S. 294: Passenger Rail Investment and Improvement Act. Those bills now have to be worked out in conference.

The House bill would establish a \$2.5 billion capital fund to provide 80-to-20-percent matching grants to states that want to improve train service between their major cities. The fund, which works like the highway trust fund, will help finance improvements in infrastructure such as moving and

adding more track, building longer sidings to accommodate intermodal freight trains, improving gates at road crossings to keep motorists away from the tracks, closing unprotected crossings and separating roads and rails (what's known as grade separation) by building bridges. The improvements in infrastructure allow for more capacity on the freight system and improve safety. Passenger trains move much faster than freights.

The Bush Administration has already expressed its opposition to the House reauthorization bill, but a veto-proof majority (311-104) supports it. Several states — most notably California, North Carolina, Illinois, Washington and Wisconsin — are anxious to partake of that money. They already subsidize Amtrak trains, partner with the freight railroads to improve and expand track capacity and have even purchased their own trains. Until now, the feds have been unwilling to help, and Amtrak has been too strapped financially.

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“The states only have so much money. We badly need a federal partner just like we have for highway funds,” says Frank Busalacchi, Wisconsin’s secretary of transportation and chair of the States for Passenger Rail Coalition, an alliance of 29 state departments of transportation advocating for more intercity passenger rail. The federal government needs to adopt a coordinated national policy for rail, says Busalacchi, and stop unduly favoring highways and airports: “It’s a blockhead attitude, especially now that we are in a transportation crisis. We need leadership and massive investments in not only rail, but all modes and infrastructure.”

Wisconsin and Illinois annually spend \$8.7 million on the Hiawatha, a commuter train that runs seven times daily between downtown Milwaukee and Chicago, a distance of 85 miles. The city of Milwaukee and the state of Wisconsin built a gleaming new intermodal (bus and train) station in downtown and a new train station at Mitchell Field (Milwaukee’s airport) so passengers can transfer easily from one mode to another. The trains are clean, filled with passengers and boast the best on-time performance in Amtrak.

Amtrak has grown primarily through partnering with states and creating more of these corridor services between regional cities. State-supported services account for 35 percent of its ridership and half its passenger trains.

Corridor trains mean frequent, not just once-a-day, service. In California, Amtrak operates the Pacific Surfliners between San Diego and Los Angeles (12 daily trips) and the Capitol Corridor trains (16 daily trips) between Oakland and Sacramento. The California coaches, designed and purchased by Caltrans, the state’s Department of Transportation (DOT), are bright, comfortable, and equipped with tables and laptop plug-ins. Washington’s DOT purchased trains from Spain for its Cascades service, which runs four times daily between Seattle and Portland, Oregon. A European-styled train with a bistro car selling newspapers, fresh oatmeal and gourmet coffee for breakfast, it is a hit with business travelers. Ridership went up again this year — more than 10 percent — and the state hopes to increase trip frequency.

BEFRIENDING FREIGHT

The states have spent massive amounts (in California, more than \$1 billion) to finance infrastructure improvements — new signaling, double tracking, and sidings where trains can pull over to let each other pass. Amtrak has demonstrated that given these resources and a clear mission, it can run a railroad on time, but the host railroads have to clear the way first.

“Helping the freight railroads is our price of admission. In return, they allow us to run our trains with the frequency and on-time performance we want,” explains Ken Uznanski, rail passenger manager for Washington’s DOT. “Amtrak has a statutory right to run on their tracks, but the railroads can make it difficult. But we have found they are willing to accept public investment if it benefits their freight operations, too.”

Today, after decades of consolidation, seven major freight railroads control the majority of the nation’s rail infrastructure. Burlington Northern Santa Fe (BNSF), which owns 32,000 miles of track, exhibits a relatively generous attitude toward passenger trains. The Union Pacific — the nation’s largest railroad — has a reputation for being the most onerous.

BNSF earns cash incentives from Amtrak for the on-time performance of passenger trains. Although those payments pale next to profits made hauling coal, grain, and shipping containers, says D.J. Mitchell, assistant vice president of passenger operations, the company tries to treat Amtrak, commuter railroads, and transit agencies that run on its tracks like any customer. “It’s a matter of pride to us — a corporate value,” he says. “We have an obligation to provide good quality transportation to our customers. Passenger trains deserve the same treatment.”

All the freight railroads, however, BNSF included, run into problems because of congested infrastructure. In 1980, railroads operated on 380,000 miles of tracks. As they merged and cut costs, they abandoned routes, took out bridges, and reduced double tracks to single lines. Track mileage today is 172,000 miles. Railroads will have to spend an estimated \$200 billion over the next 20 years to add capacity — in some cases, to put back tracks that were torn out only a few years ago. Studies show that the railroads won’t be able to meet those needs without help from governments in the form of tax credits or direct subsidies. Passenger rail advocates say the price of that government help ought to be a requirement to make more room for passenger trains.

LAYING NEW TRACKS

To people who advocate building high-speed rail — trains going 150 mph or faster — wooing the host railroads and sharing tracks with slower freight is anathema. They want to bypass Amtrak and the freight railroads altogether.

“There is a fundamental conflict between private interests — the freight railroads — and the public interest — Amtrak. It’s been going on for 30 years, and it hasn’t been resolved,” says Mehdi Morshed, executive director of the California High-Speed Rail Authority. “If we want fast, efficient, and modern transportation, we must build our own tracks and facilities and run our own trains.”

On the ballot this fall in California is a \$9.95 billion bond issue to finance construction of a high-speed train (220 mph) from L.A. to San Francisco through the San Joaquin Valley. It has the support of the governor and legislature, and voters are likely to approve it — especially because of gas prices and congestion problems on state highways. The project would still require significant federal monies and private investment totaling \$40 billion, and

construction may take 15 to 20 years. Similar but less developed efforts are underway in Florida, Texas, and Ohio.

In the meantime, Amtrak will continue as America's intercity rail system — and so will riders' tribulations where it has no funding to expand its network. Recall those passengers in Longview, languishing in the 95-degree heat of northeast Texas. Most were bussed up hours earlier from Houston 200 miles to the south because a train, the Sunset Limited, only comes to Houston three times a week, and then only from the east (New Orleans) and the west (San Antonio). In other words, there is no daily train service to Houston, the country's fourth biggest city, and no direct rail connection between it and Chicago, the country's third largest city. To take a train north, passengers first have to get to Longview via motorcoach. And Longview is at the heart of a 26-mile stretch of single track where six different rail lines coalesce. It's one of the most congested railroad lines in the nation, and neither the Union Pacific nor the State of Texas has plans to increase capacity so as to hurry the Texas Eagle on its way.

Amtrak's corridor and state-supported train services will undoubtedly grow, and its long-distance trains will connect those corridors. Amtrak will probably refurbish cars that are currently out of service and will work with some states to design and buy new ones. It may add a few new routes and increase trip frequency. But without a huge influx of federal dollars and a new national rail transportation policy — something akin to the political will and vision behind the construction of the interstate highway system — the peculiarities and penury of America's passenger system will continue.