ProRail Nebraska Annual Meeting Set for May 19 at Elkhorn

The Metro Community College Elkhorn Valley Campus at 204th & Dodge Sts. west of Omaha will be the site of the 2001 annual meeting of your organization, ProRail Nebraska. The event will get underway at 9:30 a.m. with coffee. The meeting in Room 143 will be called to order at 10 a.m., with adjournment no later than 3 p.m.

The principal speaker will be Chuck Ferguson, Commuter Rail Project Director for Johnson County, Ks. He will discuss the progress of a proposal to initiate rail commuter service from Overland Park, Ks., on the BNSF line paralleling I-35 to downtown Kansas City, Mo., terminating at Union Station. His insights should be helpful to us as we pursue the elusive target of establishing rail commuter service between Omaha and Lincoln.

A number of important issues will be discussed at the meeting. In addition to a progress report on Omaha-Lincoln commuter rail and other action on rail-related bills in the Nebraska Legislature, several organizational issues will be reported to members.

At a ProRail Nebraska board meeting on March 3, it was recommended that three additional annual membership dues categories be established for ProRail: corporate--$100; family--$30; and students--$10. Family memberships would include only one mailing to the same address, but two votes would be allowed at membership meetings. The present regular membership would continue at $20 per person.

The board also approved exploration into changing ProRail Nebraska status as a nonprofit organization from the present 501(C)6 to 501(C)3. The latter status allows federal income tax deduction for membership fees or cash contributions. It will be necessary to get IRS approval of 501(C)3 status, and also to change ProRail Nebraska’s articles of incorporation. The board believes this would stimulate membership growth, which at present is at a plateau, and also encourage additional cash contributions.

Reports on matters discussed at the NARP Region 10 meeting April 7 at Grinnell, Ia.; and the NARP directors meeting in Washington D.C., in late April will be given, as well as a status report on the Midwest High Speed Rail Initiative. Developments regarding the ProRail Nebraska web site, “a work in progress,” also will be reported.

To reach the meeting site: via I-80 eastbound from Lincoln, Grand Island, et. al., take the Gretna Interchange, north on Highway 31 through Gretna, continue on, crossing Highways 92 and 6 (west Dodge St.), and turn at sign for Metro Community College. Elkhorn also can be approached by Highways 92 and 275 from the west; Highway 31 from the north.

Release of Amtrak Reform Council Report Prompts Flurry of Reactions

by Dan Lutz, President

The second report to Congress by the Amtrak Reform Council, released March 20, evoked mixed reactions from Amtrak, various members of Congress, labor unions and other entities associated with or interested in passenger rail service in the U.S. Congress formed the Council as part of the Amtrak Reform and Accountability Act, which has provided billions of dollars in support of Amtrak, but gave it five years to prove it can run without annual operating subsidies. The 11-member council recommends improvements to Amtrak’s operations and monitors its progress toward self-sufficiency.
Amtrak Reform Council Report - Continued

**Background:** Amtrak has spent more than $23 billion in subsidies since 1971. Amtrak officials say the railway is set to wean itself from operating subsidies in 2003, though they maintain the government will have to continue providing capital funds for projects such as construction of high-speed rail corridors. Government watchdogs have expressed doubts about whether Amtrak will meet the 2003 deadline. The Council’s report raises similar questions.

In short form, the Council proposes dividing Amtrak’s responsibilities into a profit-focused company responsible for train operations, a separate government-owned corporation to oversee assets (i.e., tracks and stations), and a new government oversight agency. (Amtrak owns tracks in its Northeast Corridor from Washington to Boston).

The Council proposes five options, but rules out one: full privatization of the rail system (which has proven to be disastrous in Great Britain). In three of the other four options, a newly created government corporation would own and operate Amtrak’s physical assets, including the trackage between Boston and Washington. In the fourth option, the states would assume ownership of the physical assets.

**Thomas Till,** the Council’s executive director, said the report does not rule out a continuing role for Amtrak as a provider of rail service. “The issue for the longer term is whether or not it is going to be the exclusive operator.”

I visited Amtrak headquarters in Union Station in Washington, D.C. the week the report was released. I was fortunate to receive from Amtrak a summary of comments and analysis of the report from key mass media outlets, particularly large daily newspapers, compiled in the 2-3 days after the Reform Council’s news conference. I have attempted to pull out some of the most telling and provocative statements from a veritable “blizzard” of news and editorial reports.

Kicking off the report was a statement that Amtrak suffers “from fundamental institutional flaws,” and no longer should be expected to balance business and governmental responsibilities. **Gilbert Carmichael,** Council chairman, set the tone of the report in his statement: “The old Amtrak cannot meet the challenges of the 21st century. We need a new Amtrak, a restructured Amtrak.”

An official response by Amtrak to the report acknowledged that “the (Reform) Council recognizes the growing role of passenger rail services in alleviating the nation’s transportation gridlock. The report also makes a strong case for a stable, adequate source of federal capital funds for passenger rail. However, the policy options presented...are unnecessary and unwise. The options would substantially increase the role of government in intercity passenger rail--an idea that runs counter to sound practice and Congressional mandate--and increase the cost and complexity of managing the national passenger rail system. For these reasons we believe the ARC recommendations would weaken, not strengthen, passenger rail service and would undermine Amtrak’s steady progress toward commercial success.” In a letter to Carmichael, Amtrak President **George Warrington** said the federal panel weighing Amtrak’s future is proposing “a new federal bureaucracy” to manage passenger rail. “The ARC proposal clearly moves away from the statutory mandate to make Amtrak more businesslike and less reliant on the government.”
Here is a sampling of commentary from national media:

**Don Phillips, Washington Post staff writer:** One recommendation was to separate the Northeast Corridor into an authority that would concentrate on upgrading infrastructure. An estimated $20 billion in capital funding over 20 years will be needed to bring the New York-Washington portion up to a state of good repair and to undertake other improvements. The council offered several possible forms such an authority could take. Intercity passenger trains run by Amtrak and commuter train authorities would become customers of the new entity. Chicago lawyer **James E. Coston**, a Council member, said that Amtrak must remain in control of the Northeast Corridor and that it is time for the government to pay off Amtrak’s debt because government policies forced the debt on the railroad.

**Laurence Arnold, Associated Press writer:** “The ARC has rolled out a murky series of opinions and rationales for its ideological agenda, when it should have called on Congress and the president to fully fund Amtrak and give it a real chance to be viable,” said **Edward Dubroski**, chairman of the Rail Labor Division of the AFL-CIO. But **Rep. Don Young**, R-Alaska, chairman of the House Transportation Committee, said the report confirms that “Amtrak will continue to fail without substantive and immediate changes in its management and administration.”

**David Machalaba, Wall Street Journal reporter:** In its report, the Council says, “Amtrak has not met its potential as an efficient, modern provider of high-speed intercity rail passenger service.” It says that despite a “resurgence of interest in passenger rail service,” Amtrak accounts for about 0.5 percent of passenger trips in the U.S. of more than 100 miles. The Council adds that Amtrak’s unaudited fiscal 2000 loss of about $943 million was wider than Amtrak had planned by more than $100 million and was $26 million wider than its loss for the previous fiscal year. Amtrak sees its loss as significantly narrower than the $943 million, partly because it doesn’t include depreciation charges, which totaled nearly $370 million, in its calculations.

**Jerry Abejo, Knight-Ridder Newspapers:** One obstacle, the panel (Reform Council) wrote, is that while Amtrak tries to operate like a private, for-profit company, it is managed like a government unit. Five federal agencies, including the Federal Railroad Administration and the Office of Management and Budget, oversee its operations. The panel proposed consolidating oversight in one agency, which Amtrak officials would welcome, but it offered five reorganization plans for the carrier that the officials say won’t work out. Unanswered is how Amtrak might come by the $73 billion it seeks over the next 20 years to develop high-speed rail corridors nationwide...When it comes to high-speed trains, better tracks and other future capital projects, the 11-member panel recommended only that Amtrak “establish a long-term source of capital funding.”

**Laurent Belsie, staff writer for the Christian Science Monitor:** “What’s going on is a long-term distrust of Amtrak by Congress and a refusal to really fund Amtrak to what it needs to provide a good service,” says **Carl Martland**, of the Civil and Environmental Engineering Department at the Massachusetts Institute of Technology. “Amtrak is a system the country needs. We should be spending more money, not forcing them to live on less.”
Legislative Update

At this writing, here is the status of several bills in which ProRail Nebraska has an interest in their being adopted by the Nebraska Legislature and signed by the Governor:

**LB 244 - for Nebraska to join the Midwest High Speed Rail Compact.** This bill has moved through two readings with no amendments and has been engrossed for final reading by the Unicameral. It is unclear whether this measure will be considered before the end of the session, since it is not a priority bill.

**LB 245 - To extend the “Sunset date” in which N-TRAC (Nebraska Transit and Rail Advisory Council) is mandated to present the results of an Omaha-Lincoln commuter rail feasibility study to the legislature.** This bill was passed by the legislature and signed by Gov. Johanns. However, Transportation and Telecommunications Committee chair Sen. Curt Bromm said that an appropriations bill for state funds to help underwrite costs of the feasibility study would not be introduced this session. In the 2000 legislative session, Gov. Johanns vetoed an appropriations request for $100,000 to underwrite the study and the Legislature declined an attempt to override the veto. N-TRAC has submitted a federal grant application for $350,000, which has been endorsed by Senator Chuck Hagel and particularly Congressman Doug Bereuter. Support by Senator Ben Nelson has been requested. The fate of the federal grant request will not be known until October. Duane Eitel, N-TRAC chairman, said it is likely that the body will not meet until August, since funds are not available to seek bids from consulting firms to initiate the feasibility study. (Note: see more on the feasibility study below).

**LB 283, to re-name the Nebraska Department of Roads, and LB 661, relating to economic development: to provide for a task force and study of the I-80 corridor between Lincoln and Omaha;** both have been placed on general file, the first step in the 3-stage process of a bill becoming law. Both have amendments. It is not known whether either will reach the floor and progress through the select file and final reading stages, given the workload of the legislature. ProRail Nebraska testified at the hearing for each of the bills, favoring passage of LB 283, and not opposing LB 661, but questioning whether its intent and goals might duplicate or be in conflict with the feasibility study called for in LB 245.

**Further developments on Commuter Rail Feasibility Study: Gov. Mike Johanns,** in a letter to the Nebraska Congressional delegation March 7, stated: “(I)...fully support this endeavor (feasibility study) and request your support of the N-TRAC request for (federal) grant funds of $350,000 for this project.

**Congressman Doug Bereuter,** in a letter to the U.S. Department of Transportation, stated: “...A farsighted approach is necessary to address the needs of commuters and others using the (Omaha-Lincoln) corridor. The proposed study is a necessary component of this process. It would examine such important issues as travel patterns, ridership potential for rail service and cost evaluations. The TCSP (federal) grant is clearly needed to make this study and the overall project a reality. A transportation alternative for this corridor holds the promise of increased economic development, improved in quality and safety and decreased congestion...I believe that N-TRAC has identified proper and useful goals and objectives that will contribute greatly to the project’s overall success. This is a meaningful study which has the potential to benefit all Nebraskans as well as the region.”
ProRail Nebraska Pitches Commuter Rail to Omaha City Council
Submitted by Joe Kelly, ProRail Nebraska vice president

After some delay in securing approval for an appearance, ProRail Nebraska presented the case for the Omaha-Lincoln Commuter Rail system to the Omaha City Council. Our strategy was to verify the support from the City of Lincoln and smaller communities along the line so that the Council would know that we had “done our homework.”

A special presentation portfolio was designed and printed for each Council member. Each Council representative received this packet one week before our appearance at the planning meeting. We were allowed a short (10-minute) presentation.

ProRail Nebraska was assured by Council member Kraft that “we should have no problem with this” and a resolution of general support should be forthcoming, possibly after the May elections (which include some Council seats). ProRail Nebraska members Dave Purdy and Dale Monsell assisted in the planning and preparation for the visit to the Omaha City Council.

(Note: some ProRail Nebraska members may already have seen this information if they are subscribed to HighSpeedRail@Yahoo.com. However, because this relates to the Amtrak Reform Council report, it is important for all members to be aware of).

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Midwest High Speed Rail Coalition: Rail Infrastructure Pgm. Needed

The Midwest High Speed Rail Coalition, a non-profit group favoring a fast passenger train network to serve one third of the nation’s population, called for the creation of a federal program to develop and maintain advanced rail infrastructure to speed the movement of people and goods.

The Coalition referred to the recently-released Amtrak Reform Council report which explained that transportation officials nationwide view convenient, advanced rail service as an important part of the solution for the nation’s growing mobility crises. The report also identified the need for a federal funding program to plan and construct the needed tracks and signal systems.

The report further noted that such a program would make rail travel more like the nation’s other transportation modes, where the federal government and the states provide policy, planning and infrastructure financing.

The High Speed Rail Investment Act (HSRIA), recently introduced in the Senate as S. 250, is the first step toward creating this program. A similar bill will be introduced in the House. HSRIA will create a $12 billion fund to begin construction of advanced rail systems throughout the country.

Rick Harnish, Coalition Executive Director, said the organization welcomes the idea of a rail infrastructure policy and funding program. “Nine Midwestern states (including Nebraska) have developed a plan to link their major population centers and hub airports with a fleet of high-speed passenger trains.” As the system’s various segments of upgraded track are opened for high-speed train operation, up to one-third of the nation’s population will have the option to escape backed-up highways and jammed airports by using rail.
Midwest High Speed Rail Coalition - Continued

Economic growth cannot continue if the Midwest relies totally on highways and airports for intercity mobility, Harnish declared. “Those (highway and airport) systems are ‘built out,’ and it will be extremely expensive to add even small amounts of incremental capacity to them. By contrast, our neglected rail lines are underexploited and suffering from more than 50 years of underinvestment...The Midwest has a number of critical rail bottlenecks that require Interstate-style engineering, such as flyovers and bypasses before rail traffic can move at speeds that appeal to the public.”

In a related development, since the states representing the Midwest High Speed Rail Initiative (MHSRI) are covered by four different NARP regions (5,6,7 and 10), NARP directors of Regions 6 and 7 have taken the lead in banding together to communicate with one another to get the High Speed Rail Investment Act passed. Iowa and Nebraska, states included in MHSRI, are in NARP Region 10. The goal of the banding together is to work with elected officials from the several states involved to push for passage of the federal legislation. ProRail Nebraska has responded affirmatively to the request to join the effort. Interactive communication will occur via mid-am-rail@yahoogroups.com. ProRail Nebraska president Dan Lutz and NARP Region 10 director Roger Clark of Grand Island will be primary contacts.

Transportation Notes and Quotes - Tracks, Roads, Airlines
The Rotten Roads Go Ever On - ABC News.Com

Highway construction is booming across America, and the federal government is pouring money into roadwork like never before--$162 billion over the next six years. So how come we’re all sitting in so much traffic these days?

Congestion is the worst it has ever been. Statistics tell an alarming story: Americans spend 14.5 million hours every day stuck in traffic, trying to commute or move goods to market. They also spend an estimated $23 billion a year, or $126 per motorist, on vehicle repairs and operating costs incurred because of poorly maintained roads. And idling cars and trucks emit environmentally unfriendly gases at an alarming rate.

Consider these statistics:
- The U.S. population has grown by 32 percent, while
- The number of licensed drivers has grown by 64 percent.
- The number of registered vehicles has grown by 90 percent, and
- The vehicle miles traveled has grown by 131 percent. However,
- Total number of road miles has grown by only 6 percent.

The annual Mobility Report released by the Texas Transportation Institute tracks the cost of traffic immobility. In its latest study it reported that travelers in 68 urban areas spent more than $72 billion in lost time and wasted fuel, or about $755 annually per driver. That’s more than the cost of auto insurance in many places.
Transportation Notes and Quotes - Continued

Spending More on Road Than at Home - USA Today

Blame it on congested roads...blame it on sprawling neighborhoods...blame it on expensive gasoline. Whatever the cause, the average household in six metropolitan areas--from Houston to Pittsburgh--now spends more on transportation than on it does on housing. According to research by the Surface Transportation Policy Project, Houston households spent the most on transportation in 1999, an average of $9,237, while shelter costs were only $7,167.

In the top transportation spending areas, 18 cents of every dollar spent is used for travel, either in cars or in public transit. One factor that drives transportation costs is the attempt to gain more affordable housing by moving farther out of city centers, researchers say. Commuting from outlying suburbs to the areas where there are jobs, shopping and entertainment raises costs.

“The transportation system we built over the last 30 or 40 years has costs associated with it that people don’t pay attention to,” says Roy Kienitz, executive director of STTP.

As Congestion Worsens, Amtrak Looks Better

(Excerpt from a column by Robert Reno in Newsday)

If automobiles and planes continue to bear the burden of 95 percent of intercity traffic, an increasing amount of the American landscape will have to be paved over for airports and highways. Much of the Interstate Highway system will have to be made to resemble the New Jersey Turnpike. Air traffic delays, largely driven by trying to shoehorn more planes into existing airports, set a record in 2000. Driver delays in the nation’s largest cities are also up as existing highways reach capacity. Environmental delays involved in building new highways or airports make future projects increasingly uncertain.

In a study offered to support its new capital plan, Amtrak estimates that it would cost $50 million a mile to add a third lane to Interstate Highway 95 in Connecticut and that a lesser investment in rail would yield better results. The plan calls for $1.5 billion annually in capital investment for Amtrak over 20 years. In a federal budget of $2 trillion, one in which nearly $40 billion goes for transportation, this is hardly a lavish outlay for the nation’s most underutilized and neglected form of transportation.

There are signs that even Congress has succumbed to the idea that paving over the nation is no longer an unlimited option for moving people from city to city. The capital spending proposal already has 51 co-sponsors in the Senate. It may be fraction of what it will take to provide a 21st century rail passenger system that people will use in large numbers. But as a down payment, it is impressive.

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Taking the Rail Transit Case to Congress - William W. Millar, President, Public Transportation Association, in February 2001 edition of Railway Age

Commuter rail and rail transit advocates are looking forward to a busy legislative year in 2001, making the case that rail passenger investments are critical in providing the public with transportation choices and to the nation’s economic health, and that using railroad rights-of-way for both passenger and freight services is necessary.
Taking the transit case to Congress.....

Public transit ridership is at highest in more than 40 years. In 2000, and in the past four years, more Americans have decided to leave the driving to someone else. Transit usage grew more than twice as fast as highway vehicle miles traveled. Last year, ridership on U.S. public transportation systems grew by an estimated 320 million rides, to a total of 9.4 billion trips, according to APTA’s preliminary estimates. When people are given a choice, they will ride quality public transportation.

Leadership at every level of government is speaking out loud and clear that now is the time to make passenger rail service a top priority on the transportation agenda. On January 17, the U.S. Conference of Mayors devoted nearly an entire day of its winter meeting to focus on the need for increased investments in rail and to highlight the need for a national rail policy. The mayors were armed with a new survey showing that 82 percent of poll respondents supported funding a rail service network. U.S. Conference of Mayors Vice President and New Orleans Mayor Marc Morial may have said it best at the Mayor’s Summit when he said: “We want to say to President Bush: fuel rail the same way we have fueled airline expansion and highways. It is clear we need other solutions.”

Some Highlights of Amtrak 2001 Strategic Business Plan

- The plan says a dollar invested in new rail capacity “can deliver 5 to 10 times as much capacity as a dollar invested in a new highway capacity, depending on the location.” Yet, “today, the nation spends nearly $80 billion per year on its highway infrastructure and $19 billion on its aviation system,” but “since 1982, highway delays across the largest 68 metropolitan regions have nearly tripled, and flight delays have grown by more than 33 percent in just the last five years.”
- In order to realize the potential of the plan, Amtrak and its partners must move forward on several critical fronts:
  1. The federal government must provide a stable, long-term source of capital funds sufficient to support the long-term capital plan. Amtrak must:
  2. Continue to build partnerships with states, freight railroads and other entities.
  3. Fulfill its strategic business plan by continuing to deliver on its six business strategies, with emphasis on financial and operational efficiency.
  4. Continually work with its partners to meet growing demands, refine its approach, and update its long-term capital needs.
- The six business strategies, which Amtrak introduced in 1998, are: to build a market-based network, deliver consistent quality service, revitalize the Amtrak brand, operate a cost-effective business, leverage public and private partnerships, and develop services on high-speed rail corridors.
- Technology investments have paid off for Amtrak. Reservations made through Amtrak’s web site have increased 116 percent in the last year and now account for seven percent of ticket sales, jumping from $29.2 million to $63.1 million.
Highlights of Amtrak Business Plan - Continued

• Amtrak’s $122 million mail and express business, up 25 percent from a year ago, is expected to grow to $400 million of annual business in the next few years. In expanding the revenue, Amtrak will first “move to maximize the use of its 30-car allowance on each mid- and long-distance train” and then develop partnership agreements with national and regional freight railroads.

New Amtrak Business Plan Bad News for Kansas on Getting New Amtrak Service
(from MoKsRail newsletter - February-March 2001)

“The Plan...has bad news for Kansas rail passenger advocates hoping to at least see Oklahoma’s Heartland Flyer extended north to meet the Southwest Chief at Newton. “In no case will Amtrak invest in a Growth Service project that results in a negative financial operating contribution,” the plan says. (This presumably was the rationale for Amtrak’s refusal to pursue initiating service between Chicago, Omaha, Cheyenne and Portland, Ore., i.e., “The New Pioneer initiative.”) Once projects have been identified that will not lose operational money, one of the major things used to prioritize them is “the percentage of public and private match provided for the program relative to Amtrak’s contribution and the stability or reliability of state and local capital and operating support. Kansas Governor Bill Graves said there’s no money for passenger rail in the state’s new 10-year $12.9 billion transportation program.

Support Sought for Wyoming Passenger Rail

In January, the Montana Association of Railroad Passengers announced plans to lobby the Legislature for support of a Denver-to-Seattle passenger train route. The route would run through Cheyenne, Casper, Thermopolis and Frannie before heading up through Missoula, Helena and Bozeman, Montana. In Montana, the group collected 7,000 signatures and found sponsors of two bills to back the project with a resolution and resources. Amtrak in 1997 discontinued a Chicago-to-Seattle route that passed through southern Wyoming. A route through southern Montana was discontinued in the 1970’s, although northern Montana is still served by Amtrak’s Empire Builder.

There has been no information recently on this effort. However, Bob Vicker, (a Wyoming resident now living in Colorado) who has had contact with ProRail Nebraska through mutual acquaintances, had this response to a query from ProRail Nebraska in January: “There are several things wrong with this idea. First, the State of Wyoming’s Constitution prohibits any funding to railroads. Secondly, what about the support many of us in Wyoming have given to the original Pioneer route? Thirdly, have you been on the track from Denver to Laurel, Mont.? I have, and it would take a lot of work to fix it up to Amtrak standards and it is all “dark territory.” It (the proposal) just doesn’t sound practical.”
Late Arrivals/Less-Than-Carload Lots

May 1 Marks Amtrak’s 30th Birthday: Iowa Association of Railroad Passengers will be at Amtrak stations in Iowa when the passenger train arrives. IARP members will pass out cupcakes or cookies to passengers, family members and/or friends picking up or taking passengers to the train. Goodies also will be offered to the Amtrak crew/s and to anyone else in a station. Two Amtrak trains serve Iowa: the California Zephyr and the Southwest Chief.

NARP membership has reached a record of almost 16,000 according to Region 10 NARP director Dick Welch. The total includes an overall 4.9 percent increase over a year ago, and a substantial increase in family memberships. The NARP annual budget is about $600,000 a year. There are 67 NARP members in Nebraska, not all of whom (regrettfully) are members of ProRail Nebraska.

Service to riders remains inconsistent on Amtrak’s long distance trains. This was one of the points made by Brian Rosenwald, Chicago, general manager of long distance trains in the western part of the U.S., at the NARP meeting in Grinnell, Ia. April 7. Rosenwald also emphasized that no additional Amtrak rail passengers routes or service will occur unless the train/s involved break even. In most cases, this would necessitate subsidies from the state/s involved in the new service. In another sobering declaration, he said a lack of equipment (locomotives, coaches, sleepers, etc.) is an obstacle to any new service. Providing new equipment hinges on a dependable capital funding source.

May 19 meeting reservations are not necessary since luncheon will be on your own. However, it would be helpful for planning purposes if you would e-mail Dan Lutz at dlutz@uniserve.unl.edu if you are planning to attend.

Be sure to check our improved web site (thanks to Gary Emenitove) at:
www.trainweb.org/prorailnebraska

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