



ProRail Nebraska News

VOLUME VII

NO. 4 DECEMBER 2000

ProRail Nebraska Membership Meeting Set for Nebraska City Jan. 13

The winter ProRail membership meeting will be held at the Embers restaurant in Nebraska City on Jan. 13, 2001. The session will run from 10 a.m. to 3 p.m. Meeting arrangements were made by **Mike Hromanik**, PRN District 1 Director. The Embers, which is located on the west edge of Nebraska City just off the former Highway 2, will provide a limited menu consisting of either a chicken sandwich, hamburger or taco salad. The possibility of touring an existing passenger depot and the demolition-threatened railroad roundhouse is being explored. Please send in your reservation so that we can provide a head-count to the Embers. The reservation form is on page 8.

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Prospects Dim for Start-up of *Pioneer* Train Service Through Nebraska

A series of developments over the past several weeks have cast doubt on the possibility of Amtrak initiating daily mail/express/passenger train service over the Union Pacific mainline through Nebraska.

A letter dated October 10 from Amtrak CEO **George Warrington** to Nebraska First District Congressman **Doug Bereuter** was a follow-up to an earlier exchange of correspondence between Bereuter and Warrington. An earlier letter from Warrington to Bereuter ruled out the proposed *Pioneer* daily passenger train between Portland, Ore., Cheyenne, Omaha and Chicago largely on the basis that it would not pay for itself. ProRail Nebraska requested Congressman Bereuter to send a follow-up letter to Amtrak, which was done, pointing out that no mention was made of the role of the train carrying mail and express, which had been held up as providing additional revenue for long distance trains.

In the October letter, Warrington said Amtrak "had done several service scenarios, which included a projection for potential mail and express on this route." Warrington said Amtrak staffers **Joe McHugh** and **Tim Slaper**, who has done the modeling Amtrak's Growth Strategy, "have done a significant amount of work both from the passenger and express side on this matter (*Pioneer* proposal.)"

In addition to issues raised by Bereuter, Warrington said "there are a number of other factors that go into the calculus for the feasibility of a proposed route. These include access by the host (freight) railroad, the costs for that access, and the availability of passenger equipment."

ProRail Nebraska, over a period of the past couple of years, has communicated and worked closely with AORTA, the Oregon state rail passenger association. In an e-mail letter on November 27, AORTA spokesman **Daniel Block** said that among several route proposals (including the *Pioneer*), Amtrak considers the following route option the most viable: Seattle-Portland-Boise-Denver-Wichita-Oklahoma City-Dallas/Fort Worth-Houston. This finding was attributed to a conversation with Amtrak spokesman Slaper. "They (Amtrak) did this analysis this past summer and haven't re-visited it since then," Block stated. "I believe it (the Seattle-Texas route option) is not cast in stone (although) at the time of analysis the market for mail and express looked better out of Texas than going east to Chicago." Block commented that, as of September, "Union Pacific had much resistance to a long distance train, especially through Wyoming."

Recent Developments Dim Outlook for *Pioneer* - Continued

Regarding developments relating to the *Pioneer* in Oregon and Idaho, Block reminded that U.S. Senators Wyden of Oregon and Crapo of Idaho have been pushing hard for a passenger train between Portland and Boise. AORTA is a member of a Pioneer Task Force formed more than a year ago by Wyden. Block stressed that “although we (AORTA) have been actively involved in the task force deliberations, our official position is that we support the short distance train between Portland and Boise only to the extent that it is explicitly part of a strategy to implement a long distance train with connectivity to the East with the Amtrak network and can handle mail and express.”

Meanwhile, AORTA has put together a Strategic Planning Initiative to “establish, within 36 months, sustainable long distance rail passenger service that includes the Portland-Boise corridor. Within two years of inception, mail and express and other supplementary revenue would offset most, if not all, of the difference between passenger revenues and operating costs.” Block, who is coordinator of the planning initiative, said “we are now gearing up to develop this plan.”

It is expected that Amtrak staffer McHugh will be briefing Congressman Bereuter and his staff regarding the *Pioneer*. ProRail Nebraska will continue to keep in touch with Bereuter staff aides **Alan Feyerherm** in the Washington office and **Jim Barr** in the Lincoln office. Newly-elected Third District Congressman **Tom Osborne** also will be contacted by ProRail Nebraska to provide him background on the *Pioneer* effort and seek his support.

ProRail Nebraska assures communities along the projected Union Pacific route that we have not given up on the restoration of rail passenger service in the form of a daily mail/express/passenger train. Stay tuned for further developments.

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Ways Sought to Fund Omaha-Lincoln Commuter Rail Feasibility Study

Round no. 3 in a lengthy process to obtain funding to conduct a feasibility study for a proposed Lincoln-Omaha commuter rail system will get underway with the convening of the 2001 session of the Nebraska Legislature.

ProRail Nebraska has been assured by State Senator **Curt Bromm**, who likely will head the Unicameral's Transportation Committee again this session, that a bill will be introduced to appropriate state funds to underwrite such a study. In the 2000 legislative session, a bill approving \$100,000 in state funds was vetoed by Governor **Mike Johanns**. In a visit with ProRail Nebraska, Governor Johanns remained non-committal regarding his probable action on a bill appropriating funds for the study should it reach his desk.

Duane Eitel, chair of N-TRAC (Nebraska Transit and Rail Advisory Council), told ProRail Nebraska that an application will go forward before a January 31, 2001 deadline for a TCSP (Transportation and Community and System Preservation) grant from the U.S. Department of Transportation. This type of grant provides matching funds for a variety of planning and implementation activities designed to improve transportation systems and foster community development. States, public agencies and metro planning organizations are eligible to apply.

Lincoln-Omaha Commuter Feasibility Study - Continued

The estimated cost for an independent consultant to conduct the study ranges from \$250,000 to \$450,000. About \$52,000 is available at the present time. Funding from the federal grant, if approved, would not be available until the fall of 2001.

On another issue in which ProRail Nebraska has been active--the re-naming and possible restructuring of the Nebraska Department of Roads to a Department of Transportation--some action may ultimately emerge from a legislative study designed to look at the match of personnel and resources in the DOR with the wide variety of responsibilities it is charged with, including the rail planning division. While re-naming and possible reorganization of DOR would not be the thrust of a bill to be introduced and considered, it will allow discussion as to the rail-related responsibilities and supportive staffing in DOR. Another piece of legislation that will be introduced is a bill to push back the "sunset" date--a time when provisions of the original legislation (LB 829) would expire--(January 1, 2001). This bill also will be introduced on behalf of the Transportation Committee.

Officers, directors and members at large of ProRail Nebraska will need to contact their respective legislators--including several elected to the body for the first time--to build a foundation of support for state funding for a portion of the cost of the feasibility study.

Letters of support will be sought from the mayors of Lincoln and Omaha and ProRail Nebraska is preparing for an appearance before the Omaha City Council to gain its support for the rail commuter service.

Look for more detail and "marching orders" to contact our local, county and state governments (governor and state senators) along the Omaha-Lincoln corridor as the next legislative session kicks into gear.

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Major Newspapers, Magazines Headline First Run of Acela Express

Fast Track Gets Faster - Washington Post

Amtrak's Bullet Train Sets Record - Associated Press - Lincoln Journal Star

Acela Express Makes High-Speed Debut - Boston Globe

Amtrak is Putting Its Hope on a Successful Acela Express - New York Times

Amtrak's Last Train: The flashy new Acela is the carrier's final shot at proving it can run a you-know-what profitably - Time magazine

Amtrak Set to Christen High-Speed Acela - Wall Street Journal

Amtrak officials on November 17 launched North America's first high-speed train on an inaugural run from Washington to Boston, celebrating what they called a turning point in American transportation. "An opportunity like this comes once in a generation," President **George Warrington** said. "I liken this to the development of the jet engine or the interstate highway system."

First Run of Acela Express - Continued

The *Wall Street Journal*, often skeptical of intercity passenger rail transportation in relation to other modes, commented that “High speed rail is finally arriving in America. The vehicle is Acela Express, a sleek European-style train, which consists of a power car at each end, four coaches, a first-class car and a cafe car...To be sure, Acela is late and less than promised, at least for now...if Acela works well in commercial service, Amtrak and states around the country are likely to expand their own high-speed rail efforts.”

On the inaugural run, the ride from Washington to New York’s Pennsylvania Station took 2 hours and 26 minutes. The train’s top speed between Washington and New York--with no stops--was 135 miles an hour, just 10 miles an hour faster than the present Metroliner. Acela Express trains which make intermediate stops at Baltimore-Washington International Airport, Baltimore, Wilmington, Del., Philadelphia, Trenton and Newark will take 2 hours, 45 minutes.

Before the Acela can reach 150 miles per hour for a sustained distance, miles of catenary--overhead wires that deliver electricity to the train--must be replaced. On the New York to Boston segment, the Acela picked up speed north of New Haven, Conn., where Amtrak has spent \$2 billion on track and wire improvements. Across 40 miles in Rhode Island, the train revved up to 150 miles per hour. Making the run between New York and Boston in 3 hours and 15 minutes, the Acela Express nonstop between the two cities will cut the trip time by an hour or more.

Regular Acela Express service was scheduled to begin Dec. 11 with one daily round trip between Washington and Boston. When fully operational next summer, it will make 19 weekday round trips between Washington and New York and 10 between New York and Boston. It will offer 340 reservation-only first class and business seats.

The **New York Times** described the Acela Express as “part airliner and part living room. The train has overhead bins like an airplane, but much deeper and easier to reach, and windows and curtains like those in a country house...The seats recline...the reading lights have two brightness settings and there are headphone jacks at each seat, and handy electrical outlets...laptops and cell phones are still welcome, in contrast to airplanes.”

The 6-car trains, with 6,000 horsepower electric locomotives at each end, look like the French TGV, but the similarity ends with looks, said **Don Phillips**, *Washington Post* writer.. The new trains are twice as heavy as the TGV because of strict U.S. requirements and add many tons of weight that the French consider unnecessary, Phillips pointed out.. The TGV also runs on a dedicated track with no restrictive curves, while the Acela Express must contend with a track alignment laid out in the 19th century and the early 20th century. Partly because of the extra weight, the Acela Express trains will be restricted to 150 mph between New Haven and Boston instead of TGV’s 186-plus mph.

The Acela Express is not cheap, pointed out the *New York Times*. Fares are \$143 for business class from Washington to New York, and \$217 for first class. New York to Boston is \$162 for business class and \$248 for first class. The Washington-New York business fare is about \$21 over the Metroliner fare and compares to air shuttle fares of \$202.50.

Wrap-up on Acela's first run: Will it Save Amtrak?

The Northeast Corridor from New York to Boston carried 12.9 million passengers last year. In three years, it is projected to carry 15.9 million, or about 8,200 more passengers a day, making the train competitive with the air shuttle between Boston and New York and raising the market share between New York and Washington, The Times reported.

In a *Washington Post* report, **Joseph Vranich**, a former Amtrak executive and now frequent critic of the National Railroad Passenger Corporation, said the Acela's Boston to New York travel time is not fast enough to compete with air shuttles. "Amtrak is simply not going to divert enough people out of aviation, especially because of the fares," he said. From Washington to New York, Amtrak carries 70 percent of the traffic, and airplanes carry the rest. From New York to Boston, the opposite is true--planes carry 70 percent while trains carry 30 percent. Boston to New York is the most heavily traveled air market in the U.S. The *New York Times* said Delta and U.S. Airways last year carried just under five million people on the Boston-New York, Washington-New York and Washington-Boston routes.

The *Wall Street Journal* noted that "some people question the potential benefits as long as travelers remain wedded to automobiles and planes. Others believe the market for high-speed rail may be too narrow." **Wendell Cox**, a transportation consultant and member of the Amtrak Reform Council, was quoted in the Journal as stating that "Automobiles are far more flexible and less costly than high-speed trains for trips up to 200 miles. For longer trips, airlines are able to match penny for penny high-speed rail fares. And at distances above 300 to 400 miles the airline is faster."

-It's Sleek, Comfortable and Fast, But Will Acela Express Save Amtrak?

"As speedy as the Acela Express is...the inaugural run may have arrived too late to save Amtrak, which must run without federal operating subsidies by 2003 or face liquidation." This pivotal statement in the *Boston Globe* epitomizes the challenge faced by the National Rail Passenger Corporation, dba Amtrak.

The express train was supposed to arrive last year, but it was "sidetracked" by glitches in its innovative tilting technology and wheels, costing Amtrak \$180 million in anticipated revenues. Amtrak has had an increase in revenues recently because of record passenger numbers and ticket revenues. Carrying mail and express and running commuter trains are other sources of revenue.

Time magazine raised a caution flag on the mail and express initiative: "To help prop up its balance sheet, Amtrak is busy building its mail and express business, which hauls letters, packages and even freight for such clients as the U.S. Postal Service and UPS. Within a few years, that too could bring in a few hundred million dollars in additional revenue.

"But in its effort to move goods, which can add time to trips, Amtrak risks alienating people and all the cargo in the world won't make a national high-speed rail system a reality; money, and lots of it, might."

Will Acela Save Amtrak? - Continued

However, as reported by the *New York Times*, “its (Amtrak’s) expenses are rising almost as fast as revenues, and its operating losses...have ranged from \$500 million in 1989 to \$579 million in 1999,” according to U.S. Department of Transportation auditors. The auditors estimated operating losses at \$521 million in the fiscal year that ended on September 30. The Times noted that “Amtrak counts the money differently and said its loss for the most recent fiscal year was \$421 million.”

(At one point in the past, (before the Acela Express) Amtrak management held up the heavy ridership Northeast Corridor as the saving grace for the unprofitable long distance trains, such as the *California Zephyr*, and in doing so, assuring a truly national system. At another point, Amtrak cited the mail and express initiative as the “insurance policy” to retain the long distance trains. What is the next “insurance policy” to keep the *Zephyr*, *Empire Builder*, *Southwest Chief*, etc. on track?)

The General Accounting Office, (GAO) the auditing agency of Congress, reported that in 1995, Amtrak earned 65 cents for every dollar it spent on operations; last year, that rose to 67 cents. Amtrak is projecting \$300 million in additional revenue by 2003, and \$120 million in additional costs. “Without major corrective action, Amtrak will not achieve operating self-efficiency,” the auditors said. The Times article stated that “raising fares is a poor option (to increase net income); the railroad raised fares stiffly in 1995 and 1996 and lost riders.”

Frank Wilner, writing in *Traffic World*, had additional observations on the GAO audit of Amtrak operations and its business plan:

- Although Amtrak’s business plans have attempted to keep annual cost growth at no more than the rate of inflation, Amtrak’s total costs have increased by about 12 percent above the rate of inflation.
- Amtrak does not have standard measures of productivity for its different lines of business that would help it manage its cost growth.
- Although Amtrak faces significant short- and long-term capital investment needs, it does not have a multi-year capital plan that identifies critical capital investment needs and how they will be financed. Without a multi-year capital plan, Amtrak is incapable of ensuring the effective use of capital funds.

Proponents say high-speed rail is needed regardless of Amtrak’s future, as an alternative to overcrowded air travel. But that would require billions of dollars to lay new tracks in some corridors, straighten curves, eliminate highway crossings and perform other upgrades of the nation’s rail network.

“We’ve been willing to spend billions of dollars on highways but reluctant to spend money on the alternatives,” said **Anne Chettle**, director of public affairs for the High-Speed Ground Transportation Association, a trade group in Washington, D.C.

As reported periodically, the Midwest Regional Rail Initiative, of which Nebraska is a member, proposes a high-speed train network, with speeds eventually reaching 110 mph, radiating from Chicago to nine states over 3,000 miles of track. Estimated cost: \$4.1 billion.

Around and About: News/Happenings and Tid-bits:

Amtrak Guest Rewards Program

On November 29, Amtrak launched its first national Loyalty program, *Amtrak Guest Rewards*. Enrollment in the program is free, and members will earn points every time they travel on Amtrak and also through transactions with select program partners in the travel industry. Members will earn two points for every dollar they spend on rail and accommodations. Members who travel on Metroliner and Acela Express between select city pairs will receive 500 points for Business Class travel and 750 points for First Class travel. Members also will receive an enrollment bonus if they travel on Amtrak within the 90 days following enrollment. Points can be redeemed for a wide variety of rewards, including free Amtrak travel, car rental certificates, hotel stays, airline miles and retail gift certificates. *Amtrak Guest Rewards* is expected to generate 6 to 10 percent incremental revenue from its membership base. The program shall also generate revenue through the participation of other participating companies.

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President's Ponderings: by Dan Lutz

In every organization or group with a mission, programs, priorities and activities, there is also an element called "organizational maintenance." This is the critical but unglamorous dimension of membership recruitment and retention, fund-raising, holding down administrative costs while still getting the job done...I think you get the idea.

In my opinion, ProRail Nebraska has pitched in with a vengeance on major and visible issues: The Pioneer project, Omaha-Lincoln commuter rail, the High Speed Rail Initiative, 10th Street Trolley in Omaha, the renovation of the Fairbury former Rock Island Depot, to name major efforts.

Now, I think we are at a crossroads: we still have major issues "on our plate" to deal with, but we must look more diligently at the continuing availability of both human resources--members; financial resources--dues and contributions; and the necessity for the good of all concerned for more networking (the "in" word), cooperation and collaboration with other organizations: rail, environmental, travel related, etc..

Your board of directors, at its October 30 meeting, recognized the "need for a stepped-up effort...on membership retention and recruitment." However, this is a task not limited to just your officers and directors: back to the old credo--each member get a new member. Our annual dues are quite modest compared to many organizations. We continue to meet at different locations to reflect that we ARE a statewide organization.

In addition, we need to get more members involved in working toward PRN goals. If we don't contact you, let us know what your interests and talents are. I am working with energetic member **Gary Emenitove** of Omaha to produce a quarterly report that could be sent to various organizations informing their members of ProRail Nebraska, our programs and goals. Also, kudos to Gary for his time and effort in enhancing our web site. If you haven't checked it out lately, do so at www.discoveromaha.com/community/groups/ProRail/index.html

ProRail Nebraska News is published when new developments warrant distribution of information to members. Comments, suggestions, etc. on policy, ProRail Nebraska programs, activities, queries for further information should be directed to Dan Lutz, 3915 Apple St., Lincoln NE 68503-2133; phone (402) 464-3571; FAX (402) 472-0025; E-mail: dlutz@unlserve.unl.edu. Matters relating to membership, payment of dues, etc. contact Eugene Nick at 1960 Prospect, Lincoln NE 68502-2629; phone: (402) 0146.

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Reservation form for January 13 meeting - please tear off and mail as directed:

Yes, (I, We) plan to attend the meeting Jan. 13 at Nebraska City _____

Name/s _____

Address - street/box no. _____

city/town - state/zip code _____

Advance registration required to give Embers restaurant a head count for noon luncheon. Please notify of cancellations 48 hours ahead of meeting. Mail form to Eugene Nick, 1960 Prospect, Lincoln NE 68502-2629

ProRail Nebraska
3915 Apple St.
Lincoln NE 68503-2133