Special Editorial:
Amtrak Panics, Cuts the Wrong Trains
RailPAC and Steel Wheels Coalition say: “Daily is the Minimum Acceptable Standard”
See Editorial on page 2
Amtrak’s cuts to the Overnight Long-Distance trains are due to begin October 1st. This is what the schedule will look like:

<table>
<thead>
<tr>
<th>Service</th>
<th>Train No.</th>
<th>Direction</th>
<th>New Schedule Begins</th>
<th>Days of Departure from Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Zephyr</td>
<td>5</td>
<td>Westbound</td>
<td>Week of October 5</td>
<td>Monday/Wednesday/Saturday</td>
</tr>
<tr>
<td>Capitol Limited</td>
<td>29</td>
<td>Westbound</td>
<td>Week of October 5</td>
<td>Tuesday/Thursday/Saturday</td>
</tr>
<tr>
<td>City of New Orleans</td>
<td>58</td>
<td>Northbound</td>
<td>Week of October 5</td>
<td>Monday/Wednesday/Saturday</td>
</tr>
<tr>
<td>Coast Starlight</td>
<td>11</td>
<td>Southbound</td>
<td>Week of October 12</td>
<td>Monday/Wednesday/Saturday</td>
</tr>
<tr>
<td>Crescent</td>
<td>19</td>
<td>Southbound</td>
<td>Week of October 5</td>
<td>Monday/Wednesday/Saturday</td>
</tr>
<tr>
<td>Empire Builder</td>
<td>7</td>
<td>Westbound</td>
<td>Week of October 19</td>
<td>Tuesday/Thursday/Saturday</td>
</tr>
<tr>
<td>Lake Shore Limited</td>
<td>49</td>
<td>Westbound</td>
<td>Week of October 12</td>
<td>Monday/Wednesday/Saturday</td>
</tr>
<tr>
<td>Palmetto</td>
<td>69</td>
<td>Southbound</td>
<td>Week of October 12</td>
<td>Monday/Wednesday/Saturday</td>
</tr>
<tr>
<td>Southwest Chief</td>
<td>3</td>
<td>Northbound</td>
<td>Week of October 12</td>
<td>Tuesday/Thursday/Saturday</td>
</tr>
<tr>
<td>Texas Eagle</td>
<td>21</td>
<td>Northbound</td>
<td>Week of October 12</td>
<td>Tuesday/Thursday/Saturday</td>
</tr>
</tbody>
</table>

(The Sunset Limited, 1 & 2, and the Cardinal, will operate as today).

I believe that Amtrak panicked after seeing extraordinarily low numbers of passengers in April and May. Feeling under pressure to cut costs, and no doubt still driven by the unlaunched Mr. Anderson’s policy to downgrade the overnight trains, Amtrak’s management kidded themselves into thinking that they could save money by eliminating trains. They know this to be a fallacious policy. Listening to the new Amtrak CEO recently on a Railway Age webinar Flynn admitted that revenue goes away faster than the costs. (Kudos to Railway Age Editor Bill Vantuono for asking the tough questions). In this case, not only will revenue stop coming in, Amtrak will also have to refund those who have already booked on trains that will be cancelled.

Amtrak has stated that passenger counts are down by 80% or more. Our enquiries indicate that the corridor trains are doing worse, more like 85 – 88% reduction. Our “spies” counting passengers (unscientific but significant samples) at various stations including Los Angeles and other key locations give estimates of 50% to 60% of normal passenger loads. If you do the math that looks like a good number based on the overall systemwide passenger totals. We challenge Amtrak to supply the numbers, not just a systemwide total.

Amtrak have announced criteria for resuming daily service. The key is item 2:

“Future Demand—Are customers booking trips near the same rate as in 2020? Amtrak will compare advance bookings for June 2021 (as of February 15, 2021) to advance bookings for June 2020 (as of February 15, 2020). If the percentage of available seat-and room-miles booked in 2021 is at least 90% of the 2020 percentage, this condition will be met. (Note that calculations of availability for 2021 will reflect any caps on ticket sales to promote social distancing, as well as any other relevant measures adopted to minimize COVID-related risks.”

RailPAC asserts that given a reduced schedule and removal of most scheduled connections it is highly unlikely that advanced bookings will meet this criterion, and we will never see daily service again.

Cutting 57% of an already skeletal passenger service in the western states will be an economic, political and public relations catastrophe for Amtrak, and must be stopped.

Contact your Senator and your House member. Tell them that only Daily service is viable and is the minimum acceptable level for overnight long-distance service.

It’s easy to find contact information for your elected reps. Here’s one way. https://www.commoncause.org/find-your-representative/ or call the Capitol switchboard at 202 224 3121.

The RailPAC Board urges you to do this TODAY. October 1 is a few weeks away.

DAILY SERVICE IS THE MINIMUM ACCEPTABLE SERVICE AND WILL REQUIRE LESS FINANCIAL SUPPORT.
Subconsciously when I wrote the 2nd Quarter Steel Wheels Commentary, I am sure I felt that by the time I was writing the 3rd Quarter commentary there would be some positive trends I could focus on. Wrong, the virus has moved from the coasts to the south and southwest and as I write is moving into the Midwest. The economy is stalled, depressing travel to less than 50% of normal. In July Amtrak reduced the frequency of East Coast “Silver Service”, and while rail supporters advocate for daily service (see pages 2 & 14), except for say traveling nurses, I can’t imagine who would be riding between three of the coronavirus “hotspots” in the South and Northeast states which are requiring a quarantine for travelers from those areas. The bottom line is all carriers continue to burn cash scrambling to restructure to maintain service absent Federal bailout.

While supplemental funding in the FY20’s CARES Act allowed Amtrak to operate the majority of its service in FY20, with ticket revenues in FY21 estimated at 50% of those in FY19 Amtrak has requested additional supplemental funding beyond its original budget request for FY21. This funding (and language protecting daily service) was included in the House FY21 Transportation appropriation in a bill combining several agencies (Minibus HR 7617), but there is no equivalent budget progress in the Senate. Given the philosophical chaos among the Senate Republicans I expect this will still be an open issue when you read this. So it is important that readers contact their Senators (by email or phone) and encourage them to vote for supplemental operating funding for Amtrak for FY21 and language protecting daily service on the long-distance routes.

October 1st will be of note if the Senate does not act. The CARES ACT funding will end resulting in tri-weekly service on the long-distance trains and many Amtrak employees will be furloughed along with employees of vendors who support long-distance service. Meanwhile thousands of airline employees will also be furloughed. While the airline unions have asked for assistance the airlines appear to be choosing private financing combined with downsizing (early retirement of older aircraft) and restructuring their networks. This restructuring seems to be taking the form of fewer flights between business markets, more flights to leisure markets and flight reductions to smaller markets (two carriers serving a smaller city rather than three).

Speaking of leisure markets (I did find some positive news) during June and early July before the virus hit the South and Southwest, reports of ridership on the long-distance trains appeared to be increasing while bookings on Spirit, Sun Country and Frontier (whose passenger demographic, leisure travelers, closely matches Amtrak’s long-distance coach rider) also was reported to be increasing encouraging them to operate 80% of their July 2019 schedule in July of 2020.

So moving forward, all the best, wear a mask and stay safe.

ANNUAL MEETING INFORMATION

The annual meeting of the Rail Passenger Association of California and Nevada will be held on Saturday November 14th.

In keeping with the goal of minimizing risk, enhancing safety and maintaining social distancing, this year’s annual meeting will be hosted as a “Zoom” meeting.

Specific details on the schedule times of the annual meeting, speaker, meeting registration and RSVP requirements will be available on the RailPAC website at RailPAC.org.
California High Speed Rail Authority

After May’s contentious California Assembly Oversight Hearing and calls to shift funds from the Central Valley to Southern California, the Authority in June postponed the approval of its 2020 Business Plan Update. Reconsideration of the Business Plan was postponed to the December Board meeting. During the interim the Authority will ask the independent Peer Review Group (a CAHSR oversight panel of experienced HSR experts) to review the Interim Valley Service’s ridership and ticket revenue forecasts. The Authority will also update project risk factors in light of the pandemic and economic slowdown.

At its June meeting, the Board approved next year’s budget (starting July 1, 2020). In the field construction continues apace and is accelerating as more railroad owned land becomes available and utility location issues are resolved. In mid-August the Agency completed the final environmental work for the Chowchilla Wye. This completes the environmental clearance for 171 miles of alignment Merced to Bakersfield.

Brightline - Florida

Brightline has terminated its partnership with Virgin. Recent financial issues with Virgin’s airlines may have put the cost of rebranding Brightline to Virgin an unaffordable expense for Virgin at this point.

While Brightline rail service is temporarily suspended, construction continues despite the pandemic and ground saturation due to heavy rains this summer. Construction is about 40% complete and tracks have now been laid into the Orlando airport rail terminal.

Agreement has been reached with the Disney Company for a stop in the resort area and negotiations continue with the Florida DOT for use of portions of their I-4 right-of-way for the extension of service from Orlando to Tampa.

Xpress West – Las Vegas

Agreement was reached with Caltrans for use of the I-15 right-of-way from the Nevada border to Victorville. The Nevada State Board of Finance approved the allocation of $200 million in tax-exempt private activity bonds to finance the Nevada segment of the project. Combined with $600 million in private activity bonds from California and $1 Billion from the US DOT, this should provide sufficient funding to leverage the full funding needed to construct the project.

In addition to having the right-of-way of the High-Desert Corridor available Victorville to Palmdale, Xpress West recently signed and the San Bernardino County Transportation Authority Board approved a Memorandum of Understanding to explore a routing of a rail, high-speed extension parallel to I-15 from Victorville to the Rancho Cucamonga Metrolink Station.

Texas Central Railway

The Texas Central Ry. recently won a Texas state appeals court ruling that Texas Central is railroad and interurban and as a result could utilize the eminent domain process to acquire property if required. It is not clear if there will be an appeal to the Texas Supreme Court.

In addition, the Surface Transportation Board, noting Texas Central’s interline ticketing agree with Amtrak, ruled that the Texas Central Ry. was an interstate carrier under its jurisdiction. Both rulings provide a solid footing for Texas Central to move forward negating key arguments of the opponents to the project. The only downside for Texas Central is that the STB is requiring them to submit a detailed ridership and financial forecast. As a private initiative such level of detail, normally available for publicly funded projects, has only been available to Texas Central’s financial partners.
Let’s look also at how portions of the system will collapse as revenue declines.

Because it is a State Sponsored train, four days a week, the Heartland Flyer will operate as an island service without connections in Fort Worth. This decreases revenue and thereby increases cost. This also potentially skews PRIIA Section 209 costs to the states of Oklahoma and Texas. By the letter of the law, Amtrak must transfer some Customer Service Representative and light-maintenance crew costs in Fort Worth from the now-tri-weekly Texas Eagle to the daily Heartland Flyer.

Revenue will also fall for the Heartland Flyer and increase state costs. In 2002, Amtrak performed a study that showed 30-percent of Heartland Flyer passengers connect with the Texas Eagle. A prolonged tri-weekly Texas Eagle could eventually end the Heartland Flyer.

The north side will also be affected. A Thruway Bus, operated by Village Charters, began operating between Oklahoma City-Wichita-Newton, Kansas in the spring of 2016. The intent was to substitute for a missing link in Amtrak’s ‘so-called’ valued state corridor network. The bus was intended as a prelude to establishing a real rail connection in Newton (as miserable as this cross-platform transfer would be during the 2:00 am hour, it is worse by bus).

I imagine Village Charters will simply cease operating the route when the Southwest Chief begins operating only three-times-a-week. Not only will this reduce Southwest Chief and Heartland Flyer revenue, but it will also raise the bar for the restoration of daily Southwest Chief operation. Further, it will likely end expansion talks that were still ongoing in early March.

Evan Stair
President
Passenger Rail Oklahoma, Passenger Rail Kansas
Staying active in rail passenger advocacy has been challenging with the pandemic, but we have, and there is much to report. Needless to say, the threat to daily train service on our long-distance trains has been a major focus. At the All Aboard Arizona board meeting in June, the board passed a resolution opposing Amtrak’s reduction of the long-distance trains to tri-weekly. That resolution and a letter opposing these cuts has been sent to our congressional delegation. We view the proposed reduction in service as devastating to the national system and will continue to work tirelessly to support any efforts to stop these reductions.

As a follow-on effort, we are currently sending a survey to all candidates at the state and federal level who will be on the ballot in November. We intend to post the results of this survey on our website. The survey asked four questions; 1) Do you support expansion of passenger rail (for example, daily roundtrip service between Phoenix and Tucson)?; 2) Do you support increasing the frequency of existing three day per week Amtrak service serving southern Arizona cities to daily frequency?; 3) If yes, will you support funding (budgeting priority) a well-crafted legislative plan for passenger rail expansion?; 4) Would you support a Joint Powers Operating Authority comprised of the Maricopa, Penal and Pima counties to facilitate the operation of passenger trains between Phoenix and Tucson, Arizona?; and 5) If you answered “No” to any question, please explain. Importantly, we offered to be a resource on passenger rail issues to all the candidates.

Our community outreach efforts have been successful. In January, the City of Douglas passed a resolution supporting Amtrak service and a daily Sunset Limited/Texas Eagle. This extremely supportive resolution is noteworthy as Douglas is 72 miles from Benson, the nearest Amtrak station. In July, the City of Winslow passed a wonderful resolution supporting Amtrak service and opposing the tri-weekly cuts. In August, our delegation was warmly received by the Sierra Vista City Council.

We have been in touch with RPA and rail advocates throughout the Sunset Limited/Texas Eagle corridor to bring daily service to this corridor. The daily Sunset is an important priority for All Aboard Arizona, and momentum is building.

Planning continues for our Passenger Rail Summit in Tucson on December 5, 2020. We are exploring offering a mix of in person and virtual delivery methods depending on the state of the pandemic and public health concerns.

Finally, we bid farewell to Tony Trifilleti, our long time Executive Director and former board member who has relocated to California. His dedication and hard work helped build All Aboard Arizona into an effective advocacy organization. He will be missed. We look forward to continuing Tony’s strong outreach efforts and advancing rail passenger service here in Arizona.

Are you a RailPAC Member?

If yes, please check your address label on the back page for your renewal date, and renew today.

If not, WHY NOT?

We are frequently judged by our strength in members.

We need your support to pass more legislation like SB 742 and to continue our campaign for better service.

See back page for details.
Come aboard and discover the Charger diesel-electric locomotive that forge new paths – with intelligence to ensure a successful future for your regional or intercity transportation.

usa.siemens.com/mobility
Mr. William Flynn  
Amtrak President and CEO  
1 Massachusetts Ave. NW  
Washington, DC 20001

Mr. Antony Coscia  
Chairman, Amtrak  
1 Massachusetts Ave. NW  
Washington, DC 20001

Dear Mr. Flynn and Mr. Coscia:

Re: National Network and Minimum Acceptable Service Level
RailPAC has been a leading advocate for passenger rail in California and Nevada, the western states, and the nation as a whole, since 1978. We are an all-volunteer group and are well known among the legislatures, rail agency boards, and government entities. The fact that we have had a robust passenger rail program in California is due in no small measure to the activities of ourselves and like-minded groups.

Covid-19 is an event that has taken us all by surprise. It has, at least temporarily, undone a great deal of the work of our organization in bringing about the growth of passenger rail. NRPC is very fortunate in having strong federal legislative support, again thanks to the efforts of groups like ours, and the Congress is being generous in providing support to maintain service in the face of an alarming drop in revenue. However, early data suggest that already the National Network trains are reviving faster than the corridors. As businessmen I expect that you will soon recognize what a mistake it will be to reduce service, making many itineraries unworkable.

We are therefore dismayed to see that NRPC management is choosing to repeat destructive policies which have been tried and failed on many occasions since 1971. I write of course of the plan to reduce frequencies on the interstate long-distance trains which form the national network. I do not need to make predictions that this will be a disaster, I am simply pointing out the results of previous attempts at frequency reductions of the long-distance trains from daily to tri-weekly, plus the ongoing example of the two thrice weekly trains, speak for themselves. Ticket revenue will not be rebuilt with thrice weekly trains, but most of the costs will stay.

I can assure you Mr. Flynn and Mr. Coscia, that you can have no better friends than our group that has spent over 40 years supporting Amtrak both locally and nationally. But you should also take note that Amtrak’s intrastate operations are closely tied with the long-distance trains. Hasty and ill thought out decisions on your part will not only earn you the political opposition of most of your supporters, it will also jeopardize your lucrative intrastate contracts. The National Network trains must run daily; that is the minimum acceptable standard.

Yours truly,

Steve Roberts, President Rail Passenger Association of California and Nevada
July 20, 2020

Mr. Steve Roberts, President
RailPAC
P.O. Box 22344
San Francisco, California 94122

Dear Mr. Roberts:

Thank you for your June 28 letter to Mr. Flynn and Mr. Coscia. I am responding on their behalf.

We appreciate your support for Amtrak, and your concern about the planned temporary reductions in the frequency of our Long Distance services. The reductions are meant to reflect the unprecedented drop in ridership and revenues we have experienced as a result of COVID-19. You mentioned that “early data suggest that already the National Network trains are reviving faster than the corridors.” I suspect you are referring to recent monthly revenue figures. Amtrak’s systemwide ridership and gross revenues in May were down 92 percent from May 2019, with June down 85 percent from June 2019. In July however, booking trends are reduced again, compared to June.

All of that speaks to the magnitude of the problem we confront. It is correct that the Long Distance trains generated $11.6 million in revenue while the NEC and the state supported trains generated, combined, $5.9 million. Yet those figures do not take into account two important points: 1) Most NEC and state supported train frequencies have already been significantly reduced (the NEC by 72 percent and State Supported by 68 percent) to match demand, which limits the revenue they can generate but also the costs incurred by running the service, while Long Distance frequencies have not yet been adjusted; and 2) Long Distance trains were already incurring high operating losses that have been exacerbated by the greatly reduced demand caused by the pandemic.

In FY 2019, Long Distance trains generated $338 million in revenue but cost $1.013 billion to operate, resulting in a net operating loss of $475 million, which accounts for nearly 90 percent of Amtrak’s federally funded operating loss. Long Distance losses will be much higher in FY 2020 given the dramatic drop in revenue and the expense of our current daily operation. Per-passenger subsidies on Long Distance routes are now at unsustainable levels, having increased dramatically since the onset of the pandemic.
You also stated that Amtrak is repeating the mistake of previous frequency reductions. However, it is important to understand that today’s circumstances are profoundly different than in the past. In normal times, Long Distance trains cover most of their frequency variable costs, the short-term operating costs that vary with the number of train frequencies operated such as wages and benefits for employees working on the train, fuel, and host railroad payments. Therefore, reducing service frequency would not produce large, immediate reductions in operating losses. However, since ridership and revenues on Long Distance trains have fallen dramatically, these trains are covering only a small portion of their frequency variable costs during what is normally the peak summer season. Even with the very cautious assumptions we have made about how less frequent service will impact ridership as we have developed our plans, we project significant net savings from reducing Long Distance service until ridership demand and revenues approach more normal levels.

We simply do not see an alternative. We are facing a budget crisis in FY 2021, with the loss of a very significant amount of our ticket revenue and with tremendous uncertainty about if and when we may see any substantial return to more normal conditions. We would be doing a disservice to our remaining passengers to run a regular schedule right up to the moment we ran out of money, and it would also be irresponsible of us as it is our job to be good stewards of taxpayer’s investment, a responsibility that we take very seriously. Instead, we need to work with Congress, our state partners, and other stakeholders to think about the most prudent way to invest our limited funds given the current situation.

Your letter says that daily service is the “minimum acceptable standard.” However, I think it is important to remember that the circumstances we face today are anything but standard and we have already adjusted the rest of our business in response to the lack of ridership and revenue. At a time when we face a critical budget shortfall, there is simply no alternative to adjusting our operations temporarily so that they more closely align with demand.

We appreciate your support for Amtrak’s Long Distance service and we share your commitment to it. Despite the extraordinary impact of the COVID-19 pandemic on our finances, we are continuing to make significant investments in all aspects of our Long Distance service. We are completing the acquisition of 130 new single-level long distance cars and the interior refreshment of our existing Long Distance passenger car fleet. We have ordered 75 new diesel locomotives that will be used primarily for Long Distance trains. We are installing or funding installation of PTC and other safety technologies on hundreds of miles of track used by long distance trains, and we are investing in design and construction of accessibility and customer service improvements at 24 stations served only by Long Distance trains. We are seeking increased funding for our National Network in our forthcoming reauthorization to enable us to make the major capital investments, particularly the acquisition of new equipment to replace 35-40 year old Superliner I and Amfleet II cars, required to maintain our Long Distance services. We are also asking Congress to enhance our ability to provide our passengers with reliable, on-time service, which has
Dear RailPAC members and supporters:

The fate of passenger rail service in the United States is at a crossroads. The Covid-19 Pandemic has turned rail agency budgets on their heads. Changes in lifestyles, workplaces and commuting may become permanent for many. The role of passenger rail may change but we believe that it will still be an essential mobility option for millions of Americans. We believe in a modern, nationwide, passenger rail system.

The issues need to be followed closely; and RailPAC must be ready to speak up for passenger rail service in California, Nevada, and across the country. Numbers count. We need your membership.

RailPAC has been the leading advocate for passenger rail in California and Nevada, and the western states, since 1978. We are an all-volunteer group and are well known among the legislatures, rail agency boards, and government entities. The fact that we have had a robust passenger rail program in California is due in no small measure to the activities of ourselves and like-minded groups.

On the back cover is a membership sign-up/renewal form. If you are not a member or your membership is not current, please renew today. If your membership is current, please renew your membership for 2021 or make a donation. RailPAC needs you!

Thank you for your support,

Steve Roberts
President Rail Passenger Association of California and Nevada
On June 28 RailPAC President Steve Roberts wrote a letter to Amtrak’s CEO and its Board Chairman outlining the feelings of the group in opposition to the proposed October 1 reduction of service to tri-weekly of the western long-distance trains. On July 20 Amtrak’s reply was received, written “on behalf of Mr. Flynn and Mr. Coscia” by Roger Harris, Amtrak’s Executive Vice President and Chief Marketing and Revenue Officer. It is this writer’s opinion that this letter was thoughtfully done, and was welcome in that nothing like it would have been received from the previous Amtrak administration. BUT,

Nowhere in the Amtrak letter is there a commitment to restoring daily service at any time in the future after the October change, only a statement that the reductions are planned to be temporary. What it is, is a litany of the magnitude of the problems they see are ahead, and how Steve’s letter is wrong. Steve correctly pointed out that both long distance ridership and revenue to the company are growing faster than the corridor services. Anyone who looks at VirtualRail webcams at Amtrak train stations can see how the passengers are returning in this difficult time in our country. They see the safety that is inherent in traveling by train and the safety precautions Amtrak is taking. An example of this is Galesburg, Illinois, which is served daily now by the California Zephyr, the Southwest Chief, and the Illinois Zephyr. In FY 2019 this town of over 50,000 population generated $4,841,553 from 90,796 riders according to Great American Stations. Anyone in this town of over 50,000 population generated $4,841,553 from 90,796 riders according to Great American Stations. Anyone watching the arrivals of the trains there has to be impressed that in this time of difficulties for travelers that large numbers board and detrain every day from trains 3, 4, 5 and 6, but fewer from the state-supported 380-383. The fact is riders are returning without Amtrak’s Marketing Department doing anything publicly to encourage it. Oh, Mr. Harris heads that department.

Nowhere in the Amtrak letter is there an acceptance that the long distance trains are the most productive of the three classes of service. Instead, he emphasizes that because the corridor frequencies have been reduced it limits the revenue they can generate. What is happening is riders are not returning to ride even the trains that are running on the corridors, which mostly cater to business travelers who continue to work from home. Is Amtrak marketing its availability, “We’re still here and the trains are running.”? Are they marketing the leisure aspects of train travel? Are they posting small ads on social media? There have been several positive internet stories about train travel recently, but is Amtrak following up with “Come ride with us?” Oh, Mr. Harris heads that department.

Nowhere in the Amtrak letter is there any commitment to restoring traditional dining to the long distance trains. The Congress is very interested in daily service and food service, but Amtrak is now firmly entrenched in its fake food that is making the trips less of an attraction to riders. Instead, Amtrak’s letter only reveals its fear of running out of money. That indicates their complete lack of competence in promoting themselves to attract new passengers with a growth strategy. Oh, Mr. Harris heads that department. Nowhere in the Amtrak letter is there a hint that the statistics that are quoted as to cost allocation are not correct. The figures Amtrak throws out are all they have, so they continue to quote what they get without question. Long distance trains are the most productive, but they are not willing to say that. Instead the letter says the tired old stat that the long distance trains account for 90 percent of Amtrak’s federally funded operating loss. That is just not correct, but I leave it to the more qualified advocates like Andrew Selden to explain why. When there is no interest in even exploring if the information they get could be “inaccurate,” it is a sign of pure laziness. Oh, Mr. Harris heads that department.

(Steve Roberts notes: If one looks at June 2020 results, the revenue/cost ratio of the two tri-weekly routes in this COVID environment is still substantially below that of most other daily long-distance trains, ED)

Nowhere in the Amtrak letter is there an agreement that Steve’s comment about repeating the mistake of previous frequency reductions that result in more reduced revenue than cost reduction he uses the tired old statement that today’s circumstances are different. Well, it looks like we are going to see whether that is true or not, but, oh, will we learn that or will the books be juggled to reflect what they think? Oh, Mr. Harris heads that department.

The Congress is being asked to give them the ability to go after the host railroads about preference over freight trains. That is a problem, all right, but isn’t that more a failure of leadership at the top? Why aren’t Flynn and Coscia on the phone to their counterparts at the railroads trying to work out agreements about this on a daily basis? When he led the Capitol Corridor Gene Skoropowski worked daily to get the Union Pacific to agree to protocols about this, he succeeded and those agreements are still in effect. Oh, that’s not Mr. Harris’s department.

I believe the concrete has been mixed and is ready to be poured on October 1, no matter what positive increases in ridership and revenues yield or additional funds the Congress might provide between now and then. This letter to RailPAC does nothing to encourage a different conclusion. Nor is there any encouragement that once those reductions are in effect that they will be overturned at any time in the future. The worst fears of rail advocates at all levels will be realized. I for one will find it very difficult to shell out the $5,000 a year I’ve been spending each year on long distance Amtrak tickets that support an organization hell-bent on driving riders away. It’s working, Mr. Harris.
No 11 southbound Starlight passes the vineyards of the Edna Valley south of SLO - Chris Mohs

Amtrak Number 4, Southwest Chief at Gonzalez, NM, near Gallup. Photo by Kyle Yunker
• Former CEO Anderson was determined to gut the long distance sleeper trains
• New CEO Flynn is following the same path, using the pandemic as the occasion to institute thrice weekly service
• Revenue is already recovering, both coach and sleeper passenger numbers are better than Amtrak imply.

Amtrak, cutting your way to success has never worked, and will not work now.

At the California Passenger Rail Summit in Los Angeles, April 2018, I asked recently appointed Amtrak CEO Richard Anderson whether this is the "end game for the long distance overnight trains". This was in response to his presentation outlining changes to the Southwest Chief, the destruction of on-board dining, and other measures. His reply was that, in effect, he had to do it by law, i.e. legislation mandating certain performance measures, profitability of food service etc. At that conference I overheard conversations between him and local officials whereby Amtrak would lease an additional six Superliner coaches to California for service on the LOSSAN corridor. Smiles all around. The abject failure of the States to put together a build program for the corridors was to be band-aided by inappropriate long-haul coaches, and Amtrak had deliberately sabotaged its ability to grow its core business.

It seems to me that Amtrak’s plan to reduce long distance service to thrice weekly is simply a continuation of the policy pursued quite gleefully by Anderson, under cover of the pandemic and consequent loss of revenue. Time and again we have published expert opinion that the savings will not materialize, and indeed Amtrak themselves, in their proposal to make the Sunset Limited a daily train, supported the logic that daily trains are more efficient, cost less to operate, and generate more revenue per seat mile.

Both Mr. Flynn and Mr. Harris are new to Amtrak. Given the circumstances I doubt if either individual ever contemplated a career with a passenger railroad until very recently. I imagine that the opinions that these gentlemen have picked up prior to joining Amtrak came primarily from the Wall Street Journal and other publications which have uncritically echoed Amtrak’s claims about “NEC Profitability” and “Long Distance trains losses”. The lie has been repeated so often that it is now common currency.

Selden writes: Amtrak’s letter is a smokescreen that reflects Amtrak’s standard reliance on two major accounting fictions:
(1) ignoring fixed facility costs in calculating reported financial results of operations (the sly, undefined use of made-up «operating» results as a proxy for real financial results), which is how Amtrak claims that its corridor operations, especially in the Northeast Corridor (NEC), are “profitable” on an “adjusted” “operating” basis. All that means is that they left out the annual billion-and-a-half dollar cash costs of the NEC’s fixed facilities; and
(2) mistaking or misreporting data derived from the Amtrak Performance Tracking (APT) cost allocator (in particular, the letter’s tired and false claim that the inter-regional segment «lost» hundreds of millions of dollars last year) for genuine financial results of operations. True financial results can be derived ONLY from a financial accounting system that complies with Generally Accepted Accounting Principles, which APT most emphatically is not. This is flat out fraudulent because it is inherently false, deceptive and misleading. Any Amtrak employee from CEO Flynn on down who doesn’t know the difference should be fired immediately.
Amtrak's letter presents several other serious falsehoods:

1. It uses national aggregate numbers to mask and evade the fact that segment results differed substantially, with the NEC and other short corridors doing far worse than the inter-regional segment, both in the initial stages of the epidemic and in later recovery efforts. While the NEC still struggles with mostly empty trains, western long distance trains appear to be at far better than expected summer traffic levels in both coach and sleeper classes.

2. The letter implies that reduced corridor capacity (corridor services were slashed because corridor demand in the second and third quarters went close to zero) is the cause of reduced current corridor ridership and revenue today. That is nonsense. If Amtrak has any un-met corridor demand now, it can simply restore cars and trains on its own. In fact, however, the reduced corridor operations are nowhere near selling out, even to the 50% level. They are doing poorly on the NEC and most other corridors now NOT for want of available seat miles but because they can't sell the ones they have. Amtrak has been offering summer sale prices to stimulate NEC demand, but to very little effect.

3. The letter says nothing about segment-specific advance bookings, the best index of future sales. It also omits mention any segment-specific marketing and sales efforts to rebuild traffic. When was the last time you saw an ad in any media for a long distance train?

4. The letter addresses for the first time an awareness that Amtrak has tried frequency reductions in the past, but brushes that experience off because, they say, things are different now. But the letter fails to note that past frequency reductions always ran off revenues more than avoidable variable costs. The letter does not even try to explain why that would be different now. It is well-understood, even inside Amtrak, that its costs lie mainly in fixed costs of elements such as major stations, the Beech Grove and other maintenance shops, headquarters, the reservations system, and the more than 10,000 employees in the NEC, not the modest variable costs of train operations.

5. Finally, the letter alludes to pending replacement of Superliner I (and Amfleet II) long distance equipment. No such plan has ever been announced. Is this a leak of an undisclosed, long overdue plan? Or a con?
A report on the Metrolink’s new Placentia station and Anaheim Canyon station improvement project. These two projects are about two miles apart from one another, and both part of a larger effort by Orange County Transportation Authority (OCTA) for rail capital improvement projects.

**Placentia Station**

Placentia, a city of over 50,000 in Northeastern Orange County, has been waiting for a Metrolink station for many years. Situated along the BNSF mainline between LA, Riverside and San Bernardino, the Santa Fe Railway (predecessor to BNSF) operated its Placentia passenger station from 1911 until 1970. The original Santa Fe station building was demolished in 1971.

Official planning efforts for a new Metrolink station, located at the same location as the former Santa Fe depot, began in 2012. OCTA and the City of Placentia approved the funding and cooperative agreement in 2016. The existing three tracks through Placentia are owned by BNSF, which has been negotiating with Metrolink for the past several years, with an MOU now in place between the two parties. OCTA plans to release bids for construction at the end of this year, with groundbreaking planned for July 2021. The new Placentia Metrolink Station and its associated parking structure is scheduled for completion in January 2023.

The new Placentia station will be served by Metrolink’s 91/Perris Valley Line between Los Angeles Union Station and Riverside County. Conveniently located in the middle of the historic Old Town Placentia downtown area, it is also located about one mile from the campus of California State University-Fullerton. The campus served (pre-pandemic) 40,000 students, and has several thousand employees.

Platforms will be constructed on both north and south sides of tracks, along with a new parking structure. The total cost of the project is $35 million, mostly funded by Orange County, with the city of Placentia contributing $5.4 million. Toll revenue from Orange County freeways is paying for much of the cost.

There are ambitious plans for transit-oriented development (TOD) at the new station. The City of Placentia in 2017 amended its general plan to establish the Packing House...
Transit Oriented Development District, with plans for new mixed use residential, commercial retail and entertainment development within walking distance of the station. At full build-out the District will include 1,000 new housing units and upwards of 20,000 square feet of new commercial/retail space. The first TOD project is currently under construction and will include 215 luxury apartments, rooftop pool and community amenities and a 350-space parking structure. The next project, another 415-unit luxury apartment complex, is expected to break ground in the autumn of this year.

A future apartment complex is being planned adjacent to the station, on the south side of the tracks, which will include a catwalk to access the south rail platform directly from the apartment building. In conjunction with the TOD Development District, Placentia has also adopted the Old Town Placentia Revitalization Plan, a large-scale rezoning of the City’s historic core that will bring an additional 600 residential units and more than 100,000 square feet of additional retail/commercial space. The placement of a new regional rail station that straddles a true TOD project area and a revitalized Old Town will serve as a catalyst for downtown Placentia’s rebirth and redevelopment.

**Anaheim Canyon Station Improvement Project**

The Anaheim Canyon Metrolink station, located in the Northeastern part of the city of Anaheim, opened on the Inland Empire-Orange County line in 1996. The current station consists of one platform along a single track. The improvement project will construct a second platform and a second track, which will allow more than one train to serve the station and/or pass through the station area at a time. This will increase frequency of train service on the Inland Empire-Orange County line, on-time performance and safety. The $30 million project is funded by a mix of county sales tax, local and federal funds. As of July 2020, the Anaheim Canyon improvement project is in the final design stages, and OCTA anticipates bidding the project in September 2020. The project is anticipated to be completed in July 2022.

While located in a primarily industrial area, the Anaheim Canyon station is adjacent to a large station-oriented residential building (the Crossing Apartments), as well as Kaiser Permanente’s major Anaheim Medical Center complex.

South of Anaheim Canyon station, the Orange - Olive Junction Improvements and Wye are planned to be built in stages between now and 2028, as part of Metrolink’s SCORE program. The first phase (2019-2023) was estimated by Metrolink in 2019 to cost almost $4 million. The second phase (2024-2028) of these improvements will cost nearly $43 million.

Special Thanks to Lora Cross and Emilia Doerr of Orange County Transportation Authority, and Luis Estevez of the City of Placentia for providing information for this report.

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In the middle of the public health crisis the thin strands that held together the Caltrain Board (Peninsula Corridor Joint Powers Board) unraveled in August as the various Counties and agencies bickered over the wording of a tax increase ballot measure. Santa Clara, San Mateo and San Francisco Counties constitute the JPB, but like other multi-County agencies they have perennial money problems. Other than farebox revenue they rely on grants from Federal and State sources, and such crumbs as the counties give them, usually grudgingly. I have noted before that counties are black holes when it comes to money. They hate spending their “own” money on regional programs.

Now in normal times Caltrain has a high farebox recovery (70%+-). Indeed, it ought to be 100% of operating costs given the book of business. Other transit operators would think they had died and gone to heaven if they had the two way and all-day flows of passengers that Caltrain typically enjoys. Nevertheless, Caltrain contrives to run at an operating deficit and has been seeking a guaranteed subsidy for many years. Hence the Caltrain Board has proposed a 1/8% sales tax in the tri county region. The problem has been in the fine print of the measure which will go to the electorate in November. San Francisco wants changes in the governance of the Board and wants to limit and control how the money from the tax is spent.

At the time of writing a compromise has just been reached and the ballot measure will go ahead without most of the San Francisco caveats. But while San Francisco raised issues of governance, their ideas still revolved around the existing agency structure. Indeed, the Caltrain Board is now charged with reforming themselves! What is needed is a much wider look at the mobility needs of the Bay Area and its 25 transit agencies. How is it that something as logical and necessary as the Dumbarton Bridge replacement has never happened? Because no one is in charge. Because the east bay counties are not part of Caltrain, nor for that matter are the counties of the San Joaquin Valley who are looking for a viable alternative to I-580. ACE and the San Joaquin folks live in their silo, and Caltrain in theirs, and the only way across the south end of San Francisco Bay is by car or bus.

Meanwhile, ridership on Caltrain has dipped to 5% of pre-pandemic numbers, and the agency is bleeding cash. At the same time electrification is proceeding slowly, and expensively. Has anyone looked at suspending rail service and expediting electrification?

Victorville, Rancho Cucamonga, Merced, Bakersfield – High Speed Rail Hubs?

There’s an old country saying where I come from. A city dweller asks a country man for directions. “Ah, you don’t want to start from here”, says the country man. That’s about where we are with High Speed Rail. You can’t get there from here because we don’t have rights of way into the heart of the cities that we wish to connect. The rail lines that we do have, Metrolink and Caltrain, have problems of their own, let alone providing additional paths for limited or non-stop through trains to high speed routes. Caltrain is making progress with electrification, but still faces legislative constraints and neighborhood opposition to additional tracks.

Metrolink is in a sad state. The two geographically obvious points for HSR connection are Palmdale for the north and the San Bernardino I-15 corridor for Las Vegas. 25 years have been wasted and minimal investments have been made in those Metrolink routes which make them unsuitable either as connections or transfer points. 90 minutes to/from Los Angeles on either route? That’s not what High Speed Rail is meant to
be about. 90 minutes by high speed train should take you from L.A. to Las Vegas!

The announcement from XpressWest that they are negotiating with San Bernardino County for access to Rancho Cucamonga via I-15, while it sounds like a big step closer to Los Angeles, is still far from a satisfactory solution. Perhaps the real target is Ontario airport, with existing parking and rental car facilities. After that comes the hard part. The I-10 corridor is the direct way to Los Angeles, but do you go over, under, or reduce the freeway width and go along the middle? In any of these options I think that the engineering will be easier than the politics.

By the way, who will ride the train to and from Las Vegas? If you stick a microphone into the face of most people in Southern California and asked if they’d take a train to Las Vegas they’d say that it’s a great idea. Tell them that they have to go to Victorville or Rancho Cucamonga to catch it and the enthusiasm fades. Add in that it stops about 5 miles south of the Strip, and that it will cost most of a tank of gas and reality sets in rather quickly. Southern Californians have cars, and if for some reason they don’t want to drive then there are flight choices from Burbank, LAX, Long Beach, Ontario and Orange County. And don’t forget the bus services.

Who is more likely to take a train from any group of people between any two points? Those without a car of course. Who doesn’t have a car? Tourists. Folks from overseas and from other parts of the USA come into Las Vegas by ‘plane. They may rent a car but many prefer not to. That is the market for HSR. It’s popular for vacationers to fly in to one airport and out from another, as it avoids retracing steps. Thus connections to San Francisco International, Las Vegas McCarran and LAX are critical to capturing international business, a pool of potential customers many of whom are regular train passengers in their home countries.

Del Mar Bluffs –

For those of you not familiar with the territory, Del Mar bluffs is a geographic feature on the Los Angeles - San Diego coast line south of Solana Beach station. Like much of that area of coast it is composed of soft sandstones and other sediments subject to erosion. It has been a problem area for many years and has been in the news for the past few months as a result of landslips and consequent delays to trains.

As I wrote last year (SW4Q19), the reason that Del Mar and other locations are problem areas is that railroads in the USA in the late nineteenth and early twentieth centuries were built to cover the distance and connect cities at the lowest cost. This is especially true in the west where engineering works were kept to a minimum unless there was no alternative. Thus, while we are delighted that finally San Diego agencies are seriously looking at inland alternatives to reroute the line away from the bluffs, we’ll still be left with two other severe problem areas; San Clemente and Rose Canyon.

While there is some value in moving the route inland from Del Mar, it makes only marginal difference to capacity and punctuality if the other bottlenecks remain. Here again we have a weakness of Joint Powers Boards and ownership of the line by County. San Diego may be motivated to solve the Del Mar problem, but what if Orange County is indifferent about San Clemente? What we need is a bypass track between the south end of Laguna Niguel and San Onofre to avoid San Clemente completely. What we also need is a separate freight railroad from San Bernardino to Otay Mesa and Tijuana, but that’s a story for another day.

Finally: Our sincere apologies for the last issue. The printer was short handed due to disturbances in downtown Sacramento plus the pandemic. I messed up the Spotswood story, and a few other small errors crept in. We hope this issue is better!
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