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Sacramento Built Brightline Train en route to Florida at Manteca CA. Photo, Dom Blevins

Art Lloyd 1925 - 2016

Eastbound California Zephyr at Verdi NV. Photo, Davis Strench
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Rail Passenger Association of California and Nevada
A statewide membership organization working for the improvement and expansion of passenger rail service.

Organized in 1977 by a group of passenger rail supporters, RailPAC has been working for over 30 years to establish a network of rail services that will provide service to and throughout California and Nevada.

We need your support to improve and expand passenger rail service in the west!

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RailPAC presents a strong case to federal, state and local governments for reliable rail services from long-distance trains to commuter operations. Your organization gains strength with a growing membership base and members are invited to review and reflect on proposed changes in budgets, routes and service frequencies.

Cooperative Alliances
RailPAC works closely with other rail organizations and transit advocacy groups.

Volunteer Efforts
Members work with local rail passenger groups including Station Hosts at several Amtrak stations, attend and report on meetings of regional and transit boards and write letters to editors of newspapers. Members also submit personal reports of on-board service levels for distribution in Steel Wheels and the weekly newsletter.

FOR MORE INFORMATION about RailPAC and how you can help expand and improve passenger rail visit our website RailPAC.org or fill out and return the form on the back page of this newsletter.

RailPAC’s WORK AT-A-GLANCE
RailPAC is working with Amtrak, Caltrans and all agencies involved in achieving the following goals for expanding and extending safe and reliable rail passenger service. We support adequate funding for these services and vigorously promote them.

- High Speed Rail
  Build the High Speed Rail system together with electrification for Caltrain and Metrolink.

- Coast Corridor
  Reduce travel times. Continue to enhance onboard amenities. Restore connections to Long-Distance trains at Los Angeles Union Station. Reestablish the Coast Daylight between Los Angeles and San Francisco. New stations at Gilroy, Watsonville, Soledad and King City.

- Pacific Surfliner Corridor
  Campaign for run through tracks at Los Angeles Union Station to improve punctuality and travel times for Amtrak and Metrolink. Extend service to the Coachella and Imperial valleys.

- Sunset Corridor
  Introduce daily service and reestablish service to Florida.

- San Joaquin Corridor
  Increase service to and from Sacramento as well as a new station in Elk Grove. Extend daytime and overnight service to Los Angeles.

- Capitol Corridor
  Increase frequency to hourly service between Sacramento and Oakland. Increase frequency of service to San Jose. Extend service to Reno and Redding and Salinas.

- Las Vegas
  Reestablish service between Los Angeles and Las Vegas.

Your Membership includes...
- STEEL WHEELS: Passenger Rail in California and the West
- Weekly newsletter and periodic email alerts
- Eligibility to attend our annual and regional meetings

RailPAC is a 501c3 Organization therefore all donations are tax deductible.
President's Commentary

It’s never too late to wish someone a prosperous and healthy new year, so please accept my greetings to you for the rest of this 12 months. I have absolutely no idea how these months may turn out, either for passenger rail or in general, but here’s some thoughts:

The Long Distance Amtrak network will continue to exist. I think they will have better financial results this year thanks in no small measure to local management. We have published here accounts of the endeavors of Eric Smith and Jay Fountain to squeeze more dollars of revenue and improve the passenger experience of the Coast Starlight, Southwest Chief, Sunset Limited and Texas Eagle. In our next issue we will hear from Jonathan Lombardi who has similar responsibilities for the California Zephyr and Empire Builder. I am confident that these gentlemen have the leadership qualities to motivate on board crews to do their best for the customer. Their job will not be easy, given aging equipment and pressure on costs. We wish them well.

Speaking of locomotives, what will happen at the Siemens factory in Sacramento when the state order of passenger diesel locomotives is complete? What should happen is that Amtrak places an order for similar locomotives to replace its aging fleet on the long distance trains. RailPAC is pushing NARP to make this a centerpiece of its campaign this year. We can all dream about Northcoast Hiawathas and the like but without new locomotives we won’t have the trains that are running now. Priorities!

The California State Corridors will face many challenges in 2017. Some of these will be of the institutional variety, especially in the south. We have yet to see a master plan which allocates capacity between the Surfliner, Metrolink and Coaster trains, still less a fully coordinated timetable. San Diego is moving ahead with capacity improvements. Unfortunately it is being done at weekends at the expense of the Surfliner’s bottom line. When complete, which agency’s trains will enjoy improved timing, or additional schedules? In spite of poor punctuality, business on the Surfliner continues to grow and the operation now covers about 70% of costs from the farebox.

The San Joaquin trains are suffering from light loadings. They face a real challenge in providing a competitive service against bus and automobile competition with limited schedules, especially into Sacramento. South of Fresno it appears that most of the patronage takes the connecting buses to and from Bakersfield. Unfortunately most of the price of their ticket is used to operate the bus, leaving precious little contribution to the rail portion of the journey.

The Capitol Corridor likewise has a lot of empty seats, especially in the middle of the day. The service overall has seen continued improvement in revenue and patronage. It would be great to see a much improved operating ratio. Why worry about the operating ratio? Don’t all passenger trains lose money? My answer to that is simple. First, this is taxpayer’s money and they deserve the best service delivered at the lowest cost. Second, it’s easier to get grants and loans for capital projects than it is to find annual “handouts” for operating funds. I happen to believe that both the State Corridors and the Long Distance trains can achieve a 100% coverage of operating costs from the farebox. The numbers of travelers on competing modes continues to grow, so the market is there. A combination of smarter pricing, better marketing and greater efforts to provide excellent customer service will enable us to reach that goal. Given the greater local managerial involvement I believe we will see major steps towards that goal in 2017.

As for new rolling stock, do you remember Proposition 1B from 2006? California voters passed a transportation bond issue that was supposed to include additional locomotives and bi-level cars for the state corridors. Well, the locomotives should start to arrive this year from Siemens in Sacramento. But the production of the cars is still held up at the Nippon Sharyo factory in Rochelle IL where engineers continue to struggle with structural problems in production. The whole multi state deal may collapse if the federal ARRA funds are not spent this year. The project was supposed to be straightforward; an upgrade of an existing design (the Surfliner car) rather than a brand new car. It took years for the joint committee of states, Amtrak and FRA officials to finalize the modest upgrades, and now the builder cannot apparently deliver the goods. Where are the Budds and Pullmans of yesterday?

The Coast Daylight remains on an unlit back burner. Electrification works will prevent such a train reaching San Francisco, and there seems to be little enthusiasm in Sacramento at government level for the train. It is assumed that the Coast Starlight is adequate for the business available. The alternative would be to make the Starlight an overnight from Los Angeles and the Daylight cover the day travelers. Any readers care to respond to that?
A couple of safety items have given me cause for concern. Since the Gold Line extension opened to Azusa last year there have been two incidents of vehicles on the 210 freeway being involved in accidents and ending up on the rail tracks. The only protection for Gold Line passengers is concrete K-Rail, and only by luck were serious accidents avoided. The second issue is the NTSB report on the Oxnard Metrolink collision with a truck on the tracks. The signage at the grade crossing was totally inadequate to prevent an incursion on the tracks. And I continue to be concerned by the use of long split shifts for Metrolink and other commuter agency train crews. Neither issue was brought up in the final NTSB report. Split shifts should be eliminated, and would not be necessary if we ran an all day train service.

The Railroad Industry will have to take on a new look if it is to survive and prosper. The rapid decline in coal production and transportation has cut deeply into the profitability of most of the carriers. For a while it seemed as if crude oil would fill the gap, but the rapid construction of pipelines coupled with safety concerns has at least temporarily stalled that growth. Can the railroads fill the revenue gap with carload and intermodal traffic? I have serious doubts, unless they can find a way to provide faster, more reliable, and profitable services for traffic moving less than 700 miles. IF they can, then these shorter faster freight will be more compatible with passenger trains. I was surprised and disappointed that Norfolk Southern dropped the greater part of their RoadRailer network. It seemed to me that this was a tool that could attract the loads that they do not now handle. Could passenger revenue fill the gap? I would say maybe, but only if passenger operators paid a much higher price per train mile than Amtrak currently pays under its historic agreement.

The downside is that if the Class One railroads do not solve the revenue problem then we shall see another long, slow decline in business that happened in the sixties and seventies. The downhill spiral of cost cutting usually begins with maintenance of way expenditure and resulting slow orders which have a devastating effect on passenger punctuality. Let’s hope it doesn’t come to that.

Our cover features the first “Brightline” train leaving Sacramento en route to Florida. The Brightline project represents an intriguing business idea; a combination of real estate development and a new for-profit passenger rail service in a strong tourist oriented market. We’ll be following this story later in the year. Is there a parallel with the Los Angeles - Las Vegas resort complexes? If nothing else the Brightline project has created jobs in California, with both locomotives and cars being built by Siemens. The passenger cars would make good replacements for Amtrak’s aging Amfleet vehicles.

Most of you will have read about London’s CrossRail project. As with many major cities, London’s main line terminals are all stub end stations with the routes radiating out to the four corners of the country. Travel patterns change over time and more and more journeys are from suburb to suburb. This is especially true with traffic to airports which by their nature will be on the periphery. With both the London Underground and main lines becoming saturated with traffic the UK took the bold step of building an east west tunnel and electrifying the lines on either side to accommodate these new travel patterns.

We have a similar problem in Los Angeles with our stub end Union Station (“LAUS”). While Metrolink and transit rail is nowhere near London’s level, capacity at the station is limited and close to saturation at times thanks to the inadequate design and poor track layout. We have campaigned since the first day for conversion of the station to allow through running. We almost got there in 2004 but for lack of political support. We thought we would get there this year when LACMTA revived the project as SCRIP (Southern California Regional Interconnect Project), but a regime change at Metro saw the project dropped again. Now we have a third iteration, LINK-US, which has come about because the High Speed Rail Authority now wants to share LAUS with Metrolink and Amtrak instead of building over, under or to one side. The trouble is that sharing the station means going right back to the drawing board with a whole new design, engineering, EIR etc, and a vastly increased cost compared to SCRIP. Needless to say the delivery date, optimistically 2023, is way later than we could have hoped.

The other issue with LINK-US is that it is a Metro project and is solely focused on the station itself. Unlike CrossRail, which took a holistic look at the needs of the region, there is little discussion with Metrolink and Amtrak/LOSSAN as to what regional rail services should look like after the project is built. I think RailPAC should try and widen the scope and start a conversation about CrossRail-LA. We can start by thinking about an interim station at 1st street where the Gold Line crosses over the LOSSAN corridor, and where the Red Line yard is alongside. During reconstruction of LAUS there will be a need for an alternative in order to reduce the number of trains and passengers using the station. A station at that location would enable through running between the Antelope Valley or Ventura County and Orange County and provide Red or Gold Line connections to the Civic center and the Wilshire corridor. CrossRail-LA would thus get its beginning as a temporary expedient during construction, but would we hope blossom out as the agencies “get it” and see just how much the region needs to accommodate these regional journeys. We’ll see if it flies.
Our original LA Union Station proposal. Still the right answer after 30 years on the drawing board.

One small step towards the creation of CrossRail-LA has been initiated by LACMTA (“Metro”), and that is the long overdue double track project on the Antelope Valley line between Brighton Siding in Burbank and CP Roxford in Sylmar. This section is a major bottleneck and severely handicaps Metrolink’s ability to provide frequent service between Los Angeles, Santa Clarita and the Lancaster/Palmdale area. Also on this section of the route will be the new Burbank Airport North Station which will be built just west of Hollywood Way. The Transit Coalition has been working hard with community groups to try and prevent the kind of uninformed opposition that is delaying the equally important Raymer Bernson double track on the Coast/Ventura County line. Bart Reed and I attended the Sylmar Neighborhood Council committee meeting and that group has passed a resolution favoring the project. The communities will be asking for quiet zones, additional pedestrian overpasses in places like the City of San Fernando, and improved amenities at the Sylmar/San Fernando station.

I just heard of an interesting development regarding the Caltrain service on the peninsula between San Jose and San Francisco. When the County Joint Powers Authority bought the line from Southern Pacific in 1992 SP retained the freight and intercity passenger rights, which rights inured to Union Pacific in 1995. Apparently UP and Caltrain have negotiated an agreement whereby the intercity passenger rights are now the property of Caltrain, which should make life a lot easier for the shared use of the line with the High Speed Rail project. My understanding is that UP will appoint a third party freight operator to operate freight service on behalf of Caltrain. Continued freight service on the line is controversial. Caltrain and High Speed Rail advocates contend that without freight traffic the modernization and electrification being undertaken would be much less expensive. That is because the gradients for electric passenger trains can be steeper than for heavy freight traffic.

Our regular visits to the Capitol in Sacramento reveal just how little our elected representatives know about passenger rail, even the State sponsored Corridors. This is not too surprising considering that they are by definition generalists rather than experts. With the advent of term limits and the constant turnover of staff it is increasingly rare to find individuals who have much expertise in transportation. RailPAC has decided to help ameliorate this situation by publishing a “Legislator’s Guide to Passenger Rail”. It will include a brief description of each route, who owns it, who operates it, and how it is funded. There will also be a glossary of terms and abbreviations. RailPAC members may be interested in a copy. It will be available in print and on line. If any reader would like to assist in putting this together, especially if you have experience with maps, please contact me.

Finally, Caltrain and High Speed Rail will make steady progress this year with electrification and construction. The federal grants for Caltrain electrification, and the remaining ARRA dollars for HSR will likely be the last federal funds that we see for some years. My crystal ball is clouded or otherwise non functional and I have no forecast to make on the future of the High Speed Rail project. Much will depend on the gubernatorial election in 2018. Perhaps more will depend on whether Caltrain and CHSRA can deliver the construction phases in hand on time and on or under budget. It will also depend on whether southern California politicians can revive their enthusiasm for this project, most of which evaporated after the decision was made to build the initial segment north. I for one continue to support completion of the route. Like the Swiss I am taking the long term view and believe that linking north and south by means of a modern electrified railroad will be of major benefit to the people of California.

A big thank you to RailPAC member Simon Oh of San Jose who has taken on our social media broadcasting. Don’t forget to follow us on Facebook and Twitter. Simon is also assisting with graphics for Steel Wheels.

RailPAC appreciates the support of its members, with a special thanks to those that have been able to make additional donations this past year. Please check the address label on your copy and renew your subscription if it is due. Your comments and feedback are always welcome.

Paul Dyson
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In 1992 the voters of Switzerland passed a referendum to authorize construction of a base tunnel through the Alps to replace the existing Gotthard route and high level tunnel. The original line was built in 1882 and was famous for its gradients and spirals, but while these are of great interest for the railroad aficionado the line had become saturated with traffic, as well as costly to operate. Construction on the 35 mile twin bore tunnel began in 1996 and first breakthrough was accomplished in 2010. Completion of both bores together with track, signaling etc. occurred in the middle of last year with formal opening December 11th.

The tunnel reduces journey time for passenger trains by 45 minutes, and the completion of two smaller tunnel projects will increase the time saving to a full hour. Both International and domestic freight and passenger trains share the route which is a key link between Northern Europe and Italy.

The Swiss have addressed safety concerns by building two multi-purpose stations inside the tunnel, providing ventilation, fire suppression, and evacuation facilities.

What are the lessons to be learned by the USA and especially California from this great achievement? I think first of all that we have to maintain a long term view as we strive to transform our rail services. The desire for instant satisfaction is a particularly strong trait in America, but we have to keep our eyes on the prize if we are to succeed in upgrading our mobility. Second, both the Swiss tunnel under the Alps and London’s Crossrail under the heart of the city show that tunneling has advanced considerably in the last few decades. We must seriously consider using tunneling to give us competitive journey times as well as the capacity we need. Altamont comes to mind immediately for both regional and intercity rail, linking the Bay Cities with Stockton, Sacramento and the north end of the San Joaquin Valley. The LOSSAN Pacific Surfliner route would be transformed by tunnels from San Juan Capistrano to San Onofre and from Sorrento Valley to Old Town San Diego. And of course the new Intercity line (aka High Speed Rail) is planning major tunnels at Pacheco, Tehachapi and Angeles National Forest.

I have no doubt that these proposed tunnels will encounter many technical difficulties, and the cost will be high. The payoff comes over decades of operation on the one hand, and the avoidance of further freeway construction on the other. 17.5 million cars and light trucks were sold in the USA in 2016, and there are those that think it’s fine to keep adding lanes to I-5 and all the other routes to try and accommodate them. RailPAC believes in a modernized LOSSAN Corridor, and similar modernization throughout the state. We have to move railroads off the 19th century routes and into the 21st century.

(With special thanks to Georg Trub of Swiss Federal Railways and in memory of the late Dr. Adrian Herzog.)
Authentic Dining Car Coffee

“The railroad runs on coffee...” These words have been repeated many times since the 19th century. But what type of coffee makes the special railroad-fueling brew the stuff of legends? Coffee roasted from special peaberry coffee beans, that’s what. Peaberrries, as they’re known, are unique, rare and small coffee beans noted for their superior rich flavor and small, dense size. Only 5% of all coffee beans are considered peaberrries, but their reputation is mighty. The remarkable richness for their small size is why the Dining Car Coffee Company of St. Louis originally chose these beans for their robust railroad blend back at the turn of the 19th century. Dining Car coffee featured these noted peaberry beans and became an early coffee-blend recipe supplied to many railroads’ west-bound dining car operations. Today, we’re proud to carry on this unique and rich tradition through special arrangement with fellow RailPAC member, Verdugo Coffee Roasters in Burbank, California and their own accurately recreated Daylight Dining Car Coffee blend. Enjoy an authentic cup of Daylight Dining Car coffee today and see why it’s still proclaimed, “The Rich and Robust Coffee.” And Best of all, 100% of net proceeds from the sale of Daylight Dining Coffee benefits and goes back to RailPAC’s continued advocacy for investment in and the greater use of passenger rail in California, Nevada and the west.

As a special introductory offer for STEEL WHEEELS readers, Verdugo is offering an additional 15% off the purchase of 2 bags or more by first-time customers with coupon code JOINRAILPAC used at checkout. Combined with their bulk purchase discount, that’s a whopping 25% savings for really great coffee! Learn More at: verdugocoffee.com
A sixth-generation Californian, Arthur was born and raised in San Francisco. When Arthur was about to start his sophomore year at the newly-opened Lincoln High School, his father moved his dental practice from downtown San Francisco to Napa. Dismayed by life in what was then a sleepy small town, Arthur accelerated his high school career by taking courses at the local community college, allowing him to matriculate at U.C. Berkeley in 1942, at the age of 17. Not long after his 18th birthday, he enlisted in the army and was sent to Fort Benning, GA, for basic training, and then to Fort Leonard Wood in Missouri, where he served in the Medical Corps until the war ended in 1945.

After the war, Arthur returned to his pre-med studies at UC Berkeley, where his lab partner, Eleanor Hutson, invited him to a sorority dance. They fell in love, and on April 20, 1946, they were married aboard her father’s ship, the U.S.S. Dixie. After the first of three children, Lynne, was born, Arthur supported his family and gratitude for his care. In 1950, Arthur’s son Larry was born. In later years, Arthur and Eleanor brought their grandchildren with them on rail journeys across North America, giving us all a taste of the wind through an open vestibule of a Pullman car.

In 1950, Arthur accelerated his high school career by taking courses at the local community college, allowing him to matriculate at U.C. Berkeley in 1942, at the age of 17. Not long after his 18th birthday, he enlisted in the army and was sent to Fort Benning, GA, for basic training, and then to Fort Leonard Wood in Missouri, where he served in the Medical Corps until the war ended in 1945.

In 1950, Arthur’s son Larry was born. With that move, Arthur began daily journey to and from San Francisco aboard the Southern Pacific’s commuter line. In the 1950s, as lobbyists from the oil and automobile companies pushed to replace railways with highways, and railroads tried to divert themselves of passenger service in favor of more lucrative all-freight lines, Arthur fought to preserve rail travel, especially in his beloved California. At the time, railroads had to petition the I.C.C. to discontinue passenger service, and Arthur testified for the value and efficiency of train travel at many of those hearings. Sadly, as many battles were lost as were won. The saddest moment came in 1970, when the Western Pacific ran its last California Zephyr through the Feather River Canyon. A photo of Arthur gazing wistfully out a Vista Dome window is the most iconic image we retain of him.

Arthur left the Western Pacific in 1961, becoming a partner in the second-oldest travel agency in California, Cliff Travel, which was housed in the Clift Hotel on Geary. In the ten-year period he owned Cliff Travel, Arthur arranged many special excursions for the Pacific Coast Chapter of the Railway and Locomotive Historical Society. With the R&LHS, Arthur and Eleanor traveled to Canada, South America, Switzerland, Australia and New Zealand, all in pursuit of the last narrow gauge steam trains across the world. Larry and Lynne joined “Cariboo” excursions to Canada each summer, and in 1968, youngest daughter Liane traveled to Europe with the group. In later years, Arthur and Eleanor brought their grandchildren with them on rail journeys across North America, giving us all a taste of the wind through an open vestibule of a Pullman car.

In his most significant career move, Arthur joined the National Railroad Passenger Corporation (re-named Amtrak subsequently) in October 1971, as its 90th employee. The nationalization of passenger rail in America fulfilled Arthur’s most ardent dreams, although the practical difficulties of running passenger trains on a shoestring budget and in the face of hostility from the some railways quickly became apparent. For three years, Arthur worked in Amtrak’s Washington, DC, headquarters, serving as liaison to the network of travel agents across the U.S. and Europe as manager of Amtrak’s agency sales. One of his great frustrations was the lack of a rail link between his home in northern Virginia and the capitol city, forcing him to commute by car. In 1974, when given an opportunity to head up Amtrak’s western region, Arthur moved his family back to California. For one year, he lived and worked in Los Angeles (in an apartment overlooking Union Station) during the week and returned home to the San Francisco Bay Area on weekends.

In 1975, Arthur became Director of Public and Government Affairs, West, for Amtrak, and settled into an office in the Trans Bay Terminal in San Francisco. For the next 16 years, Arthur was the “go-to” person for all things Amtrak for the local press, earning him the nickname “Mr. Amtrak.” It also gave Arthur an opportunity to study the process of local governance, to better understand how public transportation was funded and sustained. In 1988, he joined the SamTrans Board of Directors, and in 1992, was appointed to the Peninsula Corridor Joint Powers Board overseeing Caltrain. Those appointments launched Arthur’s final career in public service, as he continued working assiduously to ensure public transportation for Peninsula residents well beyond his retirement from Amtrak in 1991. Arthur served on the SamTrans and Joint Powers Boards.
for more than 20 years, during a period in which service was
expanded and ridership boomed.

Educating the public was central to Arthur’s tireless advocacy
for rail travel. In recent years, he was a member of Operation
Lifesaver, working to make rail crossings safer and to prevent
suicides. He was also instrumental in the establishment of
the California State Railroad Museum in Sacramento, and
remained on its Board until recently. He was a member
of many, many other advocacy groups and government
committees, all of which benefitted from his historical
understanding of rail travel in California.

Arthur’s public involvement notwithstanding, his family retains
the memory of a gentle, loving man. When any one of us had
difficulties, the first person we called was Arthur. He raised
his children in tumultuous times and saw their paths head
in directions his generation could not have imagined. Yet
Arthur remained steadfast in his unwavering support for his
children and grandchildren, establishing a family paradigm
of acceptance that we all seek to emulate. The family’s
appreciation was clearly illustrated as they gathered time and
again in Arthur and Eleanor’s home for every holiday and
milestone.

He leaves behind his daughter Lynne, her husband Dr.
John Rosenberg and their children Stacey Gerber, Sarah
Rosenberg and David Rosenberg; his son Larry and his
children Bonnie Lloyd, Rosemary Freeman and Robert Lloyd;
and his daughter Liane and her son Spencer Strub. He also
leaves eight great-grandchildren, all of whom knew and loved
Great-Papa. He was preceded in death by Eleanor, the love of
his life, in 2010.

Battery Electric Switchers
The Genesis of On-Board Electrification for Passenger Rail?

It’s 2017 and for those of us in Southern California, Metrolink’s
new F125s are a year late and yet to go into service and the
existing F59s are another year older and still operating over
a decade past their rebuild date. The situation likely seems
bleak to many local commuters and rail advocates, but several
things are on the horizon with great potential. Electric switcher
locomotives have been through periods of development for
some time, and RPS is preparing to embark on construction
and demonstration of a state of the art 100% battery electric
switcher in Southern California and a second on the east
cost this year. This is not the first “electric” switcher. Many
remember the Green Goat from back in the 1990s, but
battery technology was not mature enough then and even
the Green Goat had a small diesel engine to charge the Lead
Acid batteries on board. Battery and power electronics have
advanced exponentially since the turn of the century as a
result of the on road EV revolution and are now safe enough,
powerful enough and durable enough for locomotives. So
why a switcher locomotive, and what does this have to do with
passenger rail?

One word…. Scalability. When increased performance is
required in conventional fuel burning vehicles, it is not realistic
to add cylinders to an engine, nor is it economical to change
out one engine for another in most cases. Unlike conventional
internal combustion engine vehicles, electric vehicles can
be modularized and upgraded to increase power or range or
service life at any time merely by adding more batteries or
improving software algorithms as witnessed by recent upgrades
to both the Tesla Model S and Nissan Leaf. This means that
the weight and performance parameters of EVs can be scaled
up or down depending on a specific application. For on road
vehicles, size and weight are critical parameters, but the load
capacity and space available on a locomotive frame allows
ample capacity to package very large battery storage systems.
Leveraging existing technology, hardware and software from
partnering companies in the automotive industry and scaling
them up for use on existing locomotive frames can quickly
and economically demonstrate to regulators and rail agencies
that electric locomotives are real and ready for service. Once
demonstrated, the energy system on the electric switcher can
be easily scaled up to a power capacity necessary for use
by passenger rail operators such as Metrolink. The electric
switcher should be in service before the end of 2017 and the
project will showcase the potential to create full scale 4000 HP
Zero Emissions Boost Locomotives (ZEBLs) allowing on-board
electrification to hybridize Metrolink trains by 2019.

The ZEBL can reduce the fuel consumption of Metrolink trains
by 30-40% and every gallon not burned is an equivalent
percent reduction in emissions. The ZEBL also can provide
limp home and emergency HEP power for trains pulled by the
new single engine F125s in the case of a breakdown. There
are safety benefits as well, given a ZEBL can be a repurposed
locomotive including an operators cab, it is inherently safer
to the operators and passengers than lighter weight CAB
cars currently used by Metrolink. Interestingly, as part of the
funding requirements for Metrolink’s new F125 locomotives, an
existing F59 must be retired and its main engine destroyed for
each F125 that goes into service. These F59PHs have proven
to be an excellent locomotive platform and could easily be
converted into ZEBLs and reintroduced into service, providing
improved safety and reliability for passengers and significant
fuel and emissions reduction to Southern California commuter
rail agencies for years to come.

More information can be found at railpropulsion.com.
Amtrak recently released its preliminary (and unaudited) results for FY2016 (the year ending 9/30/16). The year’s results were nowhere near as good as Amtrak’s optimistic news release suggested. These are some of the highlights.

Total revenues and passenger revenues alike were up slightly from 2015 – but by less than 1% each. Total and passenger revenues were significantly below budget, however – by 4.8% and 3.6%, respectively. Costs (more on what makes up “costs” below) were also down slightly, resulting in a reported net “operating” loss of just over a billion dollars, made up from federal subsidies. Real costs and losses of Amtrak’s train operations were greater than this, however, because Amtrak classifies state corridor train subsidies as “revenue.” The real annual loss measured under Generally Accepted Accounting Principles (GAAP) came to $2.7 billion.

One reason that these results, stated separately, as Amtrak always does, severely misrepresents the actual results is that Amtrak withholds from its published results a very large chunk of its cash outlays – “costs” in any other business – and arbitrarily labels them “capital” spending, and accounts for them separately from its stated results of operations. “Capital spending” in Amtrak terminology is code for costs of predominantly NEC maintenance of infrastructure. These costs totaled $1.6 billion and were $472.8 million (22%) less than what Amtrak had budgeted. Why did Amtrak not spend nearly a half billion dollars on authorized NEC upkeep?

This underspending was necessary due to far below-budget operating results (mostly, revenues below budget) in the NEC, and reflects deferred maintenance, almost entirely in the NEC. Amtrak budgeted these half-billion dollars – it approved management spending them – presumably because they were for work that needed to be done. Amtrak management, however, didn’t do the work (and some purchasing) mostly in the NEC to be able to absorb its weak financial results of operations and not spend more cash than its cash revenue plus federal cash subsidy.

If one adds Amtrak’s stated “operating” loss, $1.066 billion, to the “capital” spending, $1.60 billion, and subtracts net non-cash costs (mostly depreciation), $0.885 billion, the result, $1.78 billion, is essentially the annual subsidy for 2016, plus subsidies from other sources. This is how Amtrak avoids spending cash it doesn’t have when it has a bad year – it simply defers NEC maintenance work in an amount slightly larger than the loss, as necessary to keep its spending below the sum of revenues and subsidy.

The problem then is that this puts the NEC that much deeper into a hole. When you hear Amtrak talk about the many tens of billions it needs in new subsidy to restore the NEC to a “state of good repair” this is what they are talking about, the accumulated deferred maintenance resulting from decades of covering NEC losses with dollars that should have been spent maintaining Amtrak’s only owned railroad. If the NEC were “profitable” as Amtrak likes to suggest, it would not have any deferred maintenance.

We know that federal subsidies are not being used outside the NEC for two reasons. First, the NEC’s losses account for 100% of the annual federal grant. There are simply no dollars left—after covering NEC maintenance and total losses—to use anywhere else in the system. Second, we know that state corridors all operate under contracts that require the states to reimburse Amtrak’s “fully allocated” costs, less passenger revenue, so the corridor trains outside the NEC have to be cash-positive to Amtrak. We also know that the long distance trains are cash-positive to Amtrak because Amtrak said so when they told the U.S. Senate that if all the LD trains were to be eliminated as a group, Amtrak’s annual subsidy needs would rise, not fall. That is possible only if the LD trains are in fact making money (and if Amtrak was telling the truth).

Add all this up – operating costs, “capital” costs and real but non-cash costs like depreciation – and Amtrak’s real loss on the year totals about $2.7 billion. Amtrak spent $1.82 for every dollar it earned. Whatever spin Amtrak puts on this, it represents a terrible year.
Other performance metrics also were mixed. Ridership (i.e., transaction volume) rose slightly to 31.3 million. The Customer Satisfaction score rose 4 points to 81%. Inventory, measured by available seat miles, fell a half a percent and train miles fell 1.8%, from NEC cutbacks. But average trip length also fell (the ridership growth was all short-distance traffic), resulting in a reduced system load factor of 50.9%, down from 51.3%. This means that just under half of all of Amtrak’s inventory went unsold.

<table>
<thead>
<tr>
<th>Route</th>
<th>RPMs (in billions)</th>
<th>Revenue (in millions)</th>
<th>Average Trip (miles)</th>
<th>Load Factor (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast Corridor</td>
<td>1.978</td>
<td>1209</td>
<td>166</td>
<td>55.2</td>
</tr>
<tr>
<td>Regional</td>
<td>1.899</td>
<td>488</td>
<td>129</td>
<td>41.3</td>
</tr>
<tr>
<td>Long-distance</td>
<td>2.649</td>
<td>495</td>
<td>569</td>
<td>57.1</td>
</tr>
<tr>
<td>Capitol Corridor</td>
<td>0.104</td>
<td>29.6</td>
<td>67</td>
<td>27.7</td>
</tr>
<tr>
<td>Pacific Surfliner</td>
<td>0.252</td>
<td>73.2</td>
<td>157</td>
<td>33.2</td>
</tr>
<tr>
<td>San Joaquin</td>
<td>0.156</td>
<td>35.6</td>
<td>139</td>
<td>33.1</td>
</tr>
<tr>
<td>Coast Starlight</td>
<td>0.213</td>
<td>40.7</td>
<td>469</td>
<td>56.1</td>
</tr>
<tr>
<td>California Zephyr</td>
<td>0.316</td>
<td>53.1</td>
<td>757</td>
<td>58.9</td>
</tr>
<tr>
<td>Empire Builder</td>
<td>0.327</td>
<td>51.8</td>
<td>719</td>
<td>51.8</td>
</tr>
</tbody>
</table>

The growth in short distance traffic also brought down the average ticket sale to $70.09 (from $70.77) (think about that average and what it means for typical corridor tickets the next time you drop a thousand dollars or more on a western sleeping car ticket).

The Empire Builder, historically Amtrak’s strongest single train in ticket revenue and output, while not back to its record year, grew substantially as operations returned to a far more predictable and on-time pattern after several years of horrible timekeeping. On time performance rose 33.6 points to 82.5%. Ridership was up 3.7% to 455,000. Sleeper traffic rose 4.6%. Revenues grew 2.5% to $51.8 million. E.B. revenues for the first time were eclipsed slightly by the resurgent California Zephyr (which recently gained a third sleeper on many trips). The CZ earned $51.95 million, up 6.5%, with an on time record of 68.3%, up 17 points.

The real--and only--measure of a train’s production of passenger transport, is not “ridership” but “revenue passenger miles." Ridership, again, measures only the number of passengers, not how far they travelled. In some urban transit systems where fares are uniform and not variable with distance, ridership can be used as a proxy for output. But not in any intercity transport business where fares vary with distance. Only RPMs captures the distance element and reflects output. By this metric, once again, as every year, the long distance trains far outperformed all corridors, including the NEC, producing fully a third more transportation output than did the entire NEC. Even the regional corridor trains nearly matched the NEC. The data is set out in the nearby chart. The comparative performance of one, once-a-day, LD train, the Coast Starlight, as against the performance of California’s strong regional corridors is also visible in the chart.

Load factors, also shown in the chart, illustrate which segments of Amtrak’s business are over-capitalized, and which are under-capitalized. Markets with low load factors are places where the trains are carrying around a lot of unsold seats (seat-miles), and by definition are markets where Amtrak has too much capital deployed relative to actual consumer demand. Places with high load factors are places where Amtrak has too little capital invested because latent demand is not being satisfied. Recognizing that LD trains are statistically sold-out at a LF of about 67%, the LF in this segment shows that the LD trains are significantly under-invested and should receive an immediate investment in added capacity. This is especially true for LD sleeping car capacity, where thousands of customers willing to pay a thousand dollars or more to travel are turned away every year for want of cars in which to carry them.

Load factors and the investment strategy they represent are the key reasons Amtrak keeps having terrible results and loses so much money every year. It is because it keeps investing all of its available capital into its smallest and commercially weakest services while neglecting those where it is objectively under-invested. Amtrak simply cannot continue to pursue the same strategies and rationally expect to achieve better results.
Rep Titus Announces $1.4 Million Grant For University (University of Nevada, Las Vegas) To Study High-Speed Rail Systems

In a December 1, 2016, Press Release, Representative Titus announced that the DOT had selected UNLV to participate in a research consortium, initially funded by the DOT with a $1.4 M grant, to examine effective design, construction and maintenance of future HSR projects. UNLV focus will include bridge building near seismic activity, rail foundations, and more. Congresswoman Titus supports the program under the FAST Act and noted that “UNLV is well positioned to galvanize high-speeds railways in the desert Southwest.” Background to the grant: It’s one of 33 to be awarded under the University Transportation Center’s program, under the FAST Act. Rep. Titus advises that she has long championed HSR and served on the California-Nevada Super Speed Train Commission for over a decade. She advocates expansion of AMTRAK from Las Vegas to Southern California while continuing to work to link these destinations with a major super-speed train.


Las Vegas Monorail

Las Vegas in 1980. The Desert Wind arrives at the Union Plaza station stop. Photo by Tom Farence.

Steel Wheels, 3rd Quarter 2016 noted the Monorail company’s planned extension to the Mandalay Bay from the MGM Grand. The Clark County Commission has, in November, 2016, now approved this extension. Upon receipt of the Commission’s final OK, attaining financing and initiation of construction are to begin within two years. Cost projection for the extension, with its additional station, is estimated to be at least $100M. The Commissioners also were advised that the Monorail company is preparing plans to extend the monorail’s route to the Las Vegas NFL Stadium site when the stadium is built.

Also, the Commissioners expect the company to extend lines to the Sands Expo and Convention Center, a goal that would link three major convention centers onto one route of public transportation, thus improving “connectivity.” (The monorail has seven stations and operates along the east side of the Strip. The Mandalay Bay is to the west; a connecting pedestrian bridge is anticipated.


Michael Scott Davidson

Las Vegas Interests Probing Future Configuration Of Mass Transit

The General Manager of the Regional Transportation Commission of Southern Nevada (RTC), in commentary in the Las Vegas Sun newspaper, outlines plans for responding to the transportation evolution destined for Southern Nevada; projected population increase and Las Vegas visitor growth, and new development, have led to confirmation that a more cohesive multi-modal transportation network of ever greater capacity must be planned for. The General Manager advises that the RTC, for past years, has been forging partnerships and investing to help ensure being at the forefront of transportation technology and of the enhancement of associated growth-induced infrastructure. Specific actions and programs being implemented include those whose purpose is to ensure that Nevada continues as a national leader in the autonomous and connected vehicle space.

Reference: Las Vegas Sun, August 23, 2016, Emerging transportation technology will connect Southern Nevada.

Tina Quigley, general manager of the Regional Transportation Commission of Southern Nevada.

Xpresswest Conducts Progress Review For The Nevada High-Speed Rail Authority (November 9, 2016)

Project Status Report

• **High Desert Corridor EIS:** Final EIS issued by Caltrans and the High Desert Corridor Joint Power Authority in June 2016.

• **Purpose and Need:** Improve west-east mobility through the High Desert region of Southern California. Associated objectives address, eg, traffic demand, regional goods movement, and improved access to regional transportation facilities This applies to airports and future passenger rail systems (which include the proposed California HSR system and the proposed XpressWest HSR system). It was noted that the 500 foot wide High Desert Corridor could be considered as a nationally unique resource.

• **Identification of the Preferred Corridor Alternative:** Caltrans, and other lead agencies identified a preferred corridor alternative One element of that preference, for example, specifies a freeway/tollway with
HSR Alternative. A 500 foot wide corridor is projected

**Ridership and Revenue Study:** The High Desert Corridor Joint Powers Authority (HDCJPA) authorized an investment grade Ridership and Revenue study for HSR connecting Las Vegas with California. And, a joint funding agreement was executed between XpressWest, the HDCJPA, and the San Bernardino Association of Governments. Public release is anticipated for January, 2017.

**Investment Grade Ridership and Revenue Study:** Ridership is analyzed for five service scenarios; examples are HSR (Las Vegas to Victorville) and HSR (Las Vegas to Anaheim). For supporting research, focus groups have addressed How do People choose?, and Preference surveys have been completed. Results will address ridership and revenue in response to consequent sensitivity analyses.

**Coordination with Project Stakeholders:** Eleven stakeholders were highlighted and illustrative fields of coordination were observed. For example, the City of Palmdale is a stakeholder offering multi mobility goals and associated avenues of coordination.

**Concluding Remarks:** Next noted milestone: Investment Grade Ridership and Revenue Study scheduled for January 2017. It was noted that while the High Desert Corridor addresses three or more transportation segments, the ExpressWest’s Victorville-Las Vegas segment can be implemented as a stand-alone.

The Grande Luxe Rail tour passes the old Caliente depot, May 30, 2007, a rare passenger visitor on the Union Pacific route. Will we see passenger trains here again, or will Las Vegas be linked with a new High Speed line? Photo by Bill Hough.

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**SAVE THE DATE**
April 18-19, 2017 - Sacramento, CA

Join us at the fifth annual summit as we meet with leaders in the passenger rail industry for discussions regarding the modernization and integration of passenger rail service in California. Since the inaugural summit in April 2013, transportation agencies at the federal, state, and regional levels have invested billions of dollars to improve California’s high-speed, commuter and intercity passenger rail services. This program for the 2017 summit promises to be the best yet. You will hear from experts on the status of safety initiatives, delivery and screening of new state-of-the-art rail vehicles, and status of transformative projects on the state’s passenger rail network.

Sponsorship opportunities are available. More information will be available at [www.californiapassengerrailsummit.com](http://www.californiapassengerrailsummit.com) or please email us at info@californiapassengerrailsummit.com.

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**WANTED:** Photographers for Steel Wheels

If you have a collection of hi-res jpeg photos, especially of passenger trains in California, or enjoy taking them, contact the Editor, pdyson@railpac.org.
Exciting 2017 Offers for Visitors from Santa Barbara Car FREE!

The Santa Barbara Car Free project announced that this year the project will offer a 20 percent discount on the Amtrak Coast Starlight for the first time for travel to and from the Santa Barbara station from points between Los Angeles and Seattle. Residents of Los Angeles, northern California, and the Pacific Northwest are encouraged to come to Santa Barbara on the Coast Starlight, enjoying spectacular views along the way. Southern California residents are already enjoying the popular Santa Barbara Car Free 20 percent discount on the Amtrak Pacific Surfliner, which travels between San Diego and San Luis Obispo — the discount will continue for 2017. Tickets for both trains can be purchased using the discount by going through the Santa Barbara Car Free website, www.SantaBarbaraCarFree.org. Both discounts work only for coach seats; other restrictions apply.

Beyond the discount on Amtrak tickets, Santa Barbara Car Free and partners provide special perks to visitors who show their train ticket — paper, e-ticket, or on a mobile device — to a variety of businesses, including hotels, activity companies, and local attractions. New offers are available for 2017 and will allow visitors to trade traffic for clean-air views.

Santa Barbara Car Free is a cooperative project, founded in 1998 and led by the Santa Barbara County Air Pollution Control District, with support from Amtrak, the City of Santa Barbara, and more than 100 businesses, agencies, and individuals. The project’s mission is to encourage car free, carefree travel to and around Santa Barbara for cleaner air and a healthier planet. The project has earned numerous awards, including a national Clean Air Excellence Award from the U.S. Environmental Protection Agency (EPA) in 2009. For more information, visit www.santabarbaracarfree.org or email letsgo@santabarbaracarfree.org.

Follow Santa Barbara Car Free on Twitter and Facebook: @sbcarfree.
There's so much to see Car Free in Santa Barbara!

SantaBarbaraCarFree.org

Santa Barbara Car Free is a cooperative project founded and led by Santa Barbara County Air Pollution Control District for cleaner air and a healthier planet. See OurAir.org.
"The Arizona Rail Passenger Association hosted a very successful luncheon meeting in Tucson, AZ., December 3, 2016. Over fifty people attended; several from other rail advocacy organizations in California and Texas, as well as ARPA and NARP members living in Arizona.

Following introductions, the meeting commenced with a presentation from Tucson Mayor, Jonathan Rothschild. The mayor expressed strong support for a daily Sunset Limited, citing more jobs and tourism would benefit as a result. In addition, the Sun Corridor, (the ADOT defined corridor between Nogales-Tucson-Phoenix-Prescott), which contains 85% of all Arizona population, is expected to grow over 50% in the next twenty years. The key to adequately handling the additional traffic in this rapidly expanding corridor is initiating regional passenger rail services and more mixed use intermodal freight services. Trains are important to us!

The highlight of the program was a presentation from Peter LeCody, Chairman of NARP. He announced the national rail passenger organization’s “Connected America” which envisions launching a major, multi-faceted initiative to increase the tri-weekly running of the Cardinal and Sunset Limited passenger trains to daily operations, extending the Sunset Limited between New Orleans and Orlando and getting the Sunset Limited back into Phoenix. He expressed guarded optimism the first high speed passenger service in the United States will be built between Houston and Dallas, perhaps starting construction next year, with state approval. The proposed Japanese built rail system will operate at 200 mph and handle 40 million passengers a year.

Mr. LeCody showed two professionally prepared videos, one enthusiastically narrated by famous actor, and rail buff, Daniel Ackroyd and another showing a NARP intern traveling by train, transit and bicycling across the United States; all sans automobile!

There is $209 billion in pent-up demand for railroad investments in this country, he said. Hopefully, the new Congress and new administration will begin addressing these matters in connection with proposed major infrastructure investments over the next ten years. With active and effective support from NARP, state rail organizations and interested citizens, these investments are possible.

Scheduled speaker, Senator Steve Farley (Tucson) was unable to attend. He did, however send a letter, addressed to fellow passenger train advocates, which was read aloud to meeting participants. He hailed the ADOT Tucson to Phoenix Passenger Rail Corridor Study Draft Tier 1 EIS as a welcomed move forward (now awaiting final FRA Record of Decision). But without funding and growing widespread support, the report may end up gathering dust on a shelf in ADOT. He thanked several ARPA members by name, working with him to push a faster, cheaper practical solution that will get this route operating in our lifetime. He also strongly supports upgrading Sunset Limited to daily service between Tucson and Phoenix (not just Maricopa). Phoenix is currently the largest city in the United States without direct rail passenger service. He challenged ARPA and concerned citizens to visit our legislators to find ways to fund alternatives (rail) to expanding I-10 to ten or even twelve lanes, between Phoenix and Tucson.

Chuck Mott, presented an ARPA “Proposal For Low Budget Higher Speed Intercity Rail Passenger Service Between Tucson – Phoenix”. He addressed major features of the ADOT Draft 1 Study, including the huge $4.5 billion expense (which is the “Yellow Line” alternative and includes commuter rail servicing Phoenix area), an unsatisfactory twenty year timeline to build the rail corridor service and no recommended funding sources to build it.

Mr. Mott recommended a much lower cost budget, utilizing off-the-shelf existing Talgo passenger train cars available for long term lease with contracted full maintenance services, purchasing re-manufactured locomotives and constructing portable, manufactured modular stations where no other stations exist or are unavailable for rail passenger use. The biggest expense would be upgrading existing Union Pacific tracks, signals and communications systems. We are told the railroad would address the matter but bring a big check book! The proposed railroad infrastructure improvements would probably have to occur concurrently with initiating daily Sunset Limited service and commencing regional commuter train service serving the Phoenix area, as most train services would use same track and station facilities.

This proposal can be done with grass roots support, additional legislative authority and rail improvement funding budgets, private real estate investments, creation of a three county joint powers operating authority, state and federal funding and local community support.

The well attended meeting concluded with a very interesting presentation from Jay Fountain, AMTRAK. A come-up-from-the-ranks guy, Jay spoke passionately about his colorful 41 years with Amtrak and his focus on three important goals: safety, customer service and financial controls. He was enthusiastic about the positive culture resulting from active employee participation with management to determine ways to improve on board passenger train service. Operating on the slogan, “There is nothing finer than dinner in the dinner”, he described ways they were offering good, fresh hot meals, getting food and beverage orders right and offering more economical meals at your seat for coach passengers. (Note: my daughter just traveled coach on the Coast Starlight from Seattle to Maricopa and was very impressed with the quality and the price of food served at your seat!) Other proposals include: boarding sleeping car passengers early, offering drinks and beverages in the dining car before the train’s scheduled departure and offering “brown bag breakfasts” for passengers detrainging before the diner opens. The real goal, he said, “is service excellence and focusing on great ideas on what works on the train.”
The meeting was concluded with many questions and answered to an interested group.

Roger Clark announced the annual board meeting will be held on the 21st of January, 2017, in which voting ballots will be counted for new board members and officers appointed for the year. Plans for a spring membership meeting will be made and several business matters will be decided. ARPA board members have expressed a strong desire to ramp up our efforts in the coming year. More details will be provided in future editions of Steel Wheels. Stay connected!

Arizona Rail Passenger Association Tucson meeting, December 3. Left to right: Jay Fountain, Amtrak, Peter LeCody, NARP Chair, Roger Clarke, AZ NARP Council Rep, and Chuck Mott, ARPA. Center is J. Craig Thorpe’s artistic impression of an intermodal station of the future, for both passenger and freight.

Private Sector Passenger Rail
The Reno Fun Train - The story of the Reno Fun Train in two parts. Part One, the early years.

By Steve Roberts with Thanks to Jade Chapman, President Key Holidays

During the 1930’s Reno started to become the entertainment mecca for the Bay Area. As the frequency of rail schedules was reduced during the 1950’s Reno faced a challenge. Unpredictable winter weather over the Donner Summit caused potential visitors to avoid winter travel to Reno. This led to a dramatic downturn in winter visitation to “The Biggest Little City in the World”.

In an effort to overcome the winter weather challenge the Reno Convention and Visitors Bureau (RCVB), casinos and Southern Pacific started charter trains from the Bay Area to Reno in 1963. Targeting Bay Area civic and fraternal groups, the RCVB developed an appealing core product—a carefree winter weekend travel experience with fun-filled fellow passengers (21+). While on-train food service was available, RCVB and SP also allowed groups to enhance their experience by bringing their own food and liquor on-board. This operation lasted ten years.

With the coming of Amtrak in 1971, Southern Pacific passenger resources began diminishing and it could no longer support the operation. As a result RCVB turned to an experienced rail tour/charter operator, American Rail Tours, to manage the details of the operation in conjunction with Amtrak that were previously handled by SP.

In 1991 Transcisco Tours tried a new upscale product, The Sierra 49er Express. However it failed to attract a market, so Amtrak and RCVB turned to Henry Luna (Key Holidays), an experienced national rail tour operator and charter train operator, to rebuild the service. Key Holidays had long been offering group rail tours and charters on Amtrak and had a good working relationship with its key departments – sales, marketing, operations, mechanical and revenue accounting.

Henry Luna (now retired) re-launched the Reno Fun Train with all of the features that had proved popular over the years - on-board entertainment, a dance car with a band (Overland Trail), two lounge cars (Royal Gorge and Amtrak Cafe) and BYOB food and drink. A smoking car is provided (Pacific Trail), themed to resemble the traditional smoking car on an early 20th century train. Key Holidays also began operation of a mid-week frequency, targeted at seniors and others looking for a more sedate lower-cost Reno holiday. The train operates in February and March. The Reno Fun train operates with 15 cars (7 Horizon coaches, Silver Service) with a capacity of 448 riders with another 100 Pullman Gold Service customers (total 548 passengers).

Similar to other travel companies, Key Holidays began operating “themed departures”. Customers are served a lunch at their seats. Key Holidays also convinced Amtrak in 1998 to defer retiring the Great Dome and operate it on the train as the second lounge car. Targeting upscale travelers, Key Holidays added two additional service classes: Pullman Gold, offering personalize service and gourmet dining in a full dome car and Platinum Service for groups who travel in a private dome-lounge car (ex-Super Chief Plaza Santa Fe). With 23 years of operations both Amtrak and Key Holidays employees take a great deal of pride in the service they have created.

The service faced constant challenges. In 1995 the train could
not be operated because there were no serviceable Amtrak cars. As Amtrak’s wage and benefit costs increased, the cost of Amtrak services increased dramatically. Also as Amtrak off-peak ridership increased, equipment has become less available and more expensive. To reduce costs, Key Holidays has substituted private cars, replaced the Great Dome, hired outside vendors and its own employees to take over functions (Sparks servicing and car attendants) that were once provided by Amtrak. Due to liquor laws, Amtrak employees are still contracted to staff the lounge cars.

In some years Union Pacific operational problems caused the cancelation of multiple train departures. The cost of liability insurance has continually risen and is now a major barrier. An operator has to either utilize Amtrak or another entity’s liability insurance policy.

Staying ahead of demographic/cultural changes is an ongoing effort. Key Holidays is now targeting its fourth generation of riders, the millennials, a very diverse group that requires new themes (Super Hero) as well as enhanced standbys (Mardi Gras, St. Patrick’s Day), with new specific call-to-action messaging and new information channels (social media). The mid-week Sierra Scenic trains aid in this effort by allowing experienced Fun Train partyers to “graduate” to the more relaxing Sierra Scenic train product (with themes geared to retiree market such as Rat Pack, Johnny Cash, etc.). The key age demographic for the Reno Fun Train is women 35-45 years, while for the Sierra Scenic it is women 55+.

In the 1990’s and first decade of the 21st century, in addition to the cost increases and host railroad issues noted above, the usage of four-wheel drive SUV’s led to an increase in driver winter driving confidence. Also Indian casinos offering gambling and entertainment relatively close to urban areas became serious competitive alternative to Reno.

In recent years Key Holidays was hit with a one-two punch that threatened to undermine the operation. First was the Great Recession that began in 2008. Potential customers were significantly impacted and cut discretionary spending in order to survive the downturn. Then just as the economy was beginning to recover, California entered a historic drought that lasted five-years. No storms and no snow remove a key underlying reason for riding the Reno Fun Train.

In the midst of these twin challenges, Iowa Pacific Holdings (IPH) discovered Key Holidays, recognized its potential and in 2012 purchased the company. As the service moves forward the goal is to enhance the product/themes to reflect demographic changes while keeping one foot in the past to reflect the history of railroading.

Part Two, 2012 to the present, will be published in the second quarter Steel Wheels.

For more detailed information about the history of the Reno Fun Train please see “Hot Rails to Reno, by Dick Dorn, Railfan & Railroad magazine, April 2006 and “The Reno Fun Trains” by John R. Signor & Jeff Root, SP TRAINLINE, Fall 2016.
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