JOIN TODAY!

YOU can make a difference!

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!

**Representation and Advocacy**
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.org**
Our website includes a complete listing of our current positions, as well as frequent articles and reports from around the state. Visit RailPAC.org to learn more about these other regional passenger rail projects we support.

**Social Media**
To receive the latest rail news from around the state:
- Follow us on Twitter: www.twitter.com/RailPAC
- Become a fan on Facebook: www.facebook.com/RailPAC

**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'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 Glendale, 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.

RailPAC is a 501c3 Organization therefore all donations are tax deductible.
from blameless. It’s a great thing spending three years
have served on the State Rail Boards? The directors of
In addition, where have the politicians been who serve or
retirement age.
the specification of these cars to bring themselves close to
A cynic would suggest that certain members of these
Next Generation Corridor Equipment Pool Committee?
2014 to even make a start on these cars? Is it all Nippon-
pro-rail Jerry Brown as Governor. So why has it taken until
years of the pro-rail Obama presidency, and six years of
2006 to pay for some of these. Since then we have had eight
that California voters approved a bond (Proposition 1B) in
2008 to pay for some of these. Since then we have had eight
years of the pro-rail Obama presidency, and six years of
the bi-level cars has been abandoned, and the various parties will be
lawyering up, to coin a “Law and Order” phrase.
There is plenty of blame to go around. Consider first of all
that California voters approved a bond (Proposition 1B) in
2008 to pay for some of these. Since then we have had eight
years of the pro-rail Obama presidency, and six years of
the bi-level cars has been abandoned, and the various parties will be
lawyering up, to coin a “Law and Order” phrase.

New Passenger Rolling Stock? What a Mess!
The Nippon-Sharyo saga continues, with everyone expecting
an announcement that the procurement of the bi-level
cars has been abandoned, and the various parties will be
lawyering up, to coin a “Law and Order” phrase.

The top front cover picture of the
Reno Fun Train was taken this
past February at Glenshire near
Truckee by Chris Mohs. Massive
snowfalls this year over Donner
Pass led to service disruptions for
both passengers and freight. On
top of that the parallel Feather
River (former Western Pacific ) route suffered slides and
washouts leading to a complete blockade of passenger
services for a time. Steve Roberts completes his review of
the Reno Fun Train in this issue. The lower picture illustrates
modern rail’s small footprint, of particular note for our friends
in Northridge and on the Peninsula between San Jose and
San Francisco. And of course their elected representatives
who oppose additional tracks for passenger rail. This photo
was taken by Ken Brunt, another former British Railways
person and regular photographer for Modern Railways
magazine. The picture illustrates the former London and
North Western main line between London Euston and
and the north west of England and Scotland at Cheddington,
Buckinghamshire. The four tracks and overhead catenary
structures take up barely 60 feet. Remember that at
Northridge we have a 120 feet wide right of way and yet the
L.A. Metro Board thinks this is not wide enough for double
track.

From an informed source: Latest little footnote to the Sec.
305 Next Gen procurement fiasco: Union Pacific will not
allow the new Siemens Charger locomotives to operate on its property because they have LED headlights, and FRA
has not so far issued a rule for adoption of this advanced
technology. I don’t know this for sure, but they probably
installed the same kind of headlight on the new electrics
in use on the NEC, but so far neither Amtrak nor tenants
NS and Providence & Wooster seem to have complained
about it.
And no matter what kind of PTC technology is installed, UP will not allow Amtrak trains on its property to operate at speeds higher than 90 mph because since the Interstate Commerce Commission issued new speed rules following the 1947 Exposition Flyer rear-ender at Naperville, III., neither the FRA nor ICC’s successor, the Surface Transportation Board* has ever updated the 1947 rules, so that there are no federal guidelines for 90+ passenger-train speeds on a freight railroad.

And the railroads like it that way.

(* Note that since 1966 responsibility for safety is the preserve of the federal Railroad Administration, not the STB.)

Strange, that the FRA, Amtrak and the Sec. 305 Committee would spearhead a major passenger-train speedup effort lasting more than five years and never got around to closing this loophole, which Union Pacific is now exploiting to stall the arrival of 110-mph service on its track between Joliet and St. Louis and CSX is using to stall just about all passenger initiative anywhere on its own property. The Einsteins in the federal transportation bureaucracy fussed and fussed and fussed for five years over details like tray tables and cooling fans and flooring materials but still managed to leave a regulatory loophole big enough to drive a freight train through.

I promised a piece from Amtrak’s route manager about the California Zephyr but before he could write it his position, along with those of Eric Smith and Jay Fountain, was eliminated, or reorganized out of existence. As you will see elsewhere Eric Smith has been promoted, and while I don’t have all the details, I understand divisional and regional boundaries have been changed. Having worked for British Railways and Southern Pacific I can affirm the fact that large railroads spend (waste) a lot of effort on reorganizing, not to mention moving managers around just as they are getting to grips with the job.

California Senate Bill 1, Beall, was passed by both houses this past Friday 7th April, 2017, and contains within it a few nuggets for passenger rail. The obvious one is that an increase in the cost of using road vehicles tends to make passenger rail and transit more competitive. But above and beyond that the bill makes provision for a percentage of the funds to go to transit and passenger rail, and also to trade corridors. Note of course that railroads are trade corridors. As an example I will be encouraging our local (southern California) boards to try and get trade corridor funds for double track on the Antelope valley and Coast lines in LA County, and for eventual expansion of quad track between Redondo Jc and Fullerton. Similarly in central and northern California we can justify these funds being spent on the Capitol Corridor and San Joaquin Routes. Provision has been made for the Altamont Commuter Express to get additional funding for the Merced extension in order to encourage Republican Senator Canella to support the bill.

High Speed Rail Construction Continues near Fresno

While RailPAC started life back in 1978 advocating incremental improvements after a failed “Bullet Train” project in southern California, we have long recognized that for a sea change in the level of service we need at the very least new sections of route. How do you get from the south and center of the San Joaquin Valley to Silicon Valley? Take a brown bag if by train because it will take all day. It’s not much better from the Stockton area. Altamont Commuter Express tries to provide a service over an obsolete route that is only marginally competitive with highway. Likewise the Antelope Valley line in the south was built when up and over and round the mountain was good enough to provide basic transportation. Both of these lines are obsolete is far as passenger rail is concerned; we use them because we have not made the investments in something better.

So to cheer us all up, here are some pictures of High Speed Rail construction in and around Fresno.

Concerned about the Long Distance Trains?
Write a letter, speak up at your local rail board.

Ink on paper still has an impact, more so than e-mails, at your local representatives’ offices. Here’s some sample language
or talking points that you can adapt to express your concern. Write to your local County transportation authority, (e.g. Ventura County transportation Commission), passenger rail board, (e.g. Capitol Corridor Joint Powers Authority) or your local federal, state or county elected officials. Or go and make public comment at ACE, Capitol Corridor, LOSSAN etc.

I am a member of the Rail Passenger Association of California. I just wanted to comment on the recent proposal to eliminate funding for Amtrak’s long-distance routes. While at first glance this does not seem to negatively impact the financial results of the (San Joaquins/Capitol Corridor/Pacific Surfliners/Metrolink), the discontinuance of these routes will in fact increase costs for intercity and commuter rail routes in California. Since passenger ticket revenues on the long-distance trains generally offset day-to-day operating expenses the projected savings from discontinuing the long-distance routes consist primarily of allocations of local (i.e. stations, Oakland/8th Street Los Angeles maintenance facilities, etc.) and system wide overhead costs (i.e. payroll, IT, accounting, ticketing and reservation systems, etc.). Thus the projected savings from discontinuing the long-distance trains are illusory since the majority of the overhead will not disappear but simply be reallocated to other services – San Joaquins, Capitol Corridor, Pacific Surfliner and Metrolink. In addition Amtrak’s long-distance trains generate connecting travelers on the state funded routes. As a result of this proposal state funded routes will see their expenses increase while their ticket revenues decline.

Finally, the discontinuance to Amtrak’s long-distance routes will further isolate America’s rural communities who have lost intercity motor coach and scheduled airline service and those individuals who cannot fly or drive for medical reasons. Many Californians fall into one or more of these groups."

If you need help with this don’t hesitate to contact me.

Penn Station Mishap

An embarrassing derailment at New York’s Penn Station has prompted New Jersey Governor Christie to threaten to withhold funds from Amtrak because of their failure to properly maintain the tracks. Now New York Governor has chimed in with Christie to ask for an enquiry into track maintenance on the Northeast Corridor (“NEC”) in general. Christie may just have shot himself in the foot by drawing attention to what a pitifully small sum New Jersey Transit (“NJT”) is paying for this hugely expensive piece of infrastructure.

Now any extensive enquiry into the running and maintaining of the NEC should include an analysis of where the money comes from, and where it goes. RailPAC, URPA and many others have long maintained that commuter agencies such as NJT and Metro North pay only a fraction of the real cost of the corridor while paying only a fraction of the cost. California is paying Amtrak over $100 million dollars a year for our three passenger corridors, one of which comes very close to breaking even on operations, even by Amtrak accounting. So Governors Christie and Cuomo, let’s open up the books and throw some daylight into those Hudson River tunnels.

Paul Dyson
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NATIONAL RAILROAD PASSENGER CORPORATION STAFF APPOINTMENT

From Mike Chandler, Amtrak

It gives me great pleasure to announce the appointment of Eric Smith to the position of Superintendent Operations II for the Southwest Region in Los Angeles.

Eric began his career with Amtrak in 1989 as a coach cleaner. He has experienced a fulfilling career at Amtrak, in various capacities, including carman, conductor, locomotive engineer, senior analyst operating practices, and superintendent commuter operations. Most recently, Eric was the director long distance routes for the Coast Starlight and the Southwest Chief. He has acquired a tremendous amount of knowledge and experience and has demonstrated strong leadership skills. In his time away from Amtrak, Eric has also developed into a very talented artist and is known for his railroad themed artwork. Examples of his work are displayed in the Los Angeles Metropolitan Lounge, and his painting of Amtrak’s Coast Starlight was featured on the cover of an Amtrak System Timetable.

In his new role, Eric will have overall responsibilities of road operations across the entire Southwest Region. Please join me in welcoming Eric to this new position.

Don’t forget to check the renewal date on your mailing label and renew your subscription if due. We are on the honor system and greatly appreciate your continued support.

If you are a first time reader use the coupon on the back cover or go to http://www.railpac.org/ to join.
AMTRAK NOW:
A Wick-Ed Way to Start The New Year and a New Budget

Commentary by Russ Jackson, March 23, 2017

Yes, I know, that’s supposed to be a funny headline. But, here we are, three months into the new year and two months into a new national administration, so what do we know about Amtrak’s future? Many articles and commentaries have been written with everything from rosy predictions to forecasts of dire consequences. This article will be no exception, and regular readers of this byline should not be surprised that it includes some of both. I’ve been doing that for over 30 years now.

We all knew that when Wick Moorman took the reigns of Amtrak last year that there would be changes made, and that is what happens in any organization when there is a new “chief.” So, what do we know now? It was very quickly apparent that the Northeast Corridor was taking precedence over the long distance trains. In his comments to various writers he spoke at length about the NEC needs, and gave what I call lip service to the national system. So, we said, “what else is new?” Then came a surprise when he said he favored the proposed service along the Gulf from New Orleans to Florida that has received much local support. He called for an extension of trains 58/59, the Crescent, from Meridian, MS, to Ft. Worth, TX. Very good, we all said, then he added he favored a daily extension of a section of trains 19/20, the Crescent, from New Orleans, as a daily train on that route. Very good, we all said, then he added he favored a daily extension of a section of trains 19/20, the Crescent, from Meridian, MS, to Ft. Worth, TX. Very good thinking, we said, knowing that in both cases these growth projects had been proposed long ago. Growth, we said, at last! And, since it was from a man of the South we said it was something he knew about.

Good for Wick! Never mind the difficulty involved in first getting the states along the Gulf to cough up the money for that extension (something that is not necessary as it is would run on tracks that were already part of the national system prior to hurricane Katrina in 2005 and should just have been re-instated years ago). Or, that the Crescent section would run on new trackage that would be less than the 750 mile requirement that must govern new train mileage be paid for by the states. At least Wick was thinking growth for the long distance trains. Nothing was said about the other routes that could be tweaked to increase revenue, like extending trains 821/822, the Heartland Flyer, to Newton, KS, (oh, that would require the states to kick in, they say), extend the Southwest Chief via Pueblo, CO, a daily Sunset Limited and Cardinal, or the many other things that can be done.

Wick did tell Congress, and we agree, that a “New Era” of Amtrak investment in “our aging assets” was required, to “continue to provide reliable services and network operations.” He was referring mostly to NEC construction projects, but included “construction of a fleet of new or rebuilt diesel LOCOMOTIVES to support Amtrak’s national network.” (All caps by this writer) No new cars for the west, just locomotives, leaving the long distance car fleet size as is. He did tell some that the long distance trains are vital as they preserve service to small communities along the way. We totally agree with that, too, but what will preserve that service is for the system to grow by attracting more passengers! So, what we heard next was that the positions of the route managers for the western trains, Erik Smith, Jay Fountain, etc., were being eliminated in the grandiose reorganization plan already adopted. WHAT?

The only place that any improvements to on board service were taking place were at the hands of those managers, and the rail advocacy community in the West was enthusiastic about their plans, their willingness to meet with the traveling public and attend our meetings. They were gone, we heard, and RailPAC President, Paul Dyson, summed it up perfectly when he said, “Positions like Erik’s, with people of his and his colleagues’ caliber certainly pay for themselves. Higher morale, better product, less waste, more repeat business!” But WAIT. We learned a few days later from RailPAC’s VP Long Distance Services James Smith that those positions were reorganized and will continue, BUT, each manager will now have three trains instead of two. That dilutes the ability of each to serve individual train needs, but at least the positions were retained. We learned that Wick Moorman had come to Los Angeles for three days, presumably to convey that decision. In Paul Dyson’s words, “two steps back and one step forward.” All in the name of cost containment, not revenue growth.

Then came the budget proposal from President Trump that slashed domestic programs while increasing defense related ones. Not unexpected, but Trump’s Budget Director’s philosophy was there for all to see. He cut into departments and programs that his people deemed to not be effective, “so why keep them?” Singled out were the Amtrak long distance trains for elimination. It kinda reminded some of us who were around then of what President Reagan’s Budget Director tried...
to do in the 1980’s, when Amtrak was “zero’d out.” But with the help of the Congress, DOT Secretary Elizabeth Dole, FRA Administrator John Riley, Amtrak President Graham Claytor, train riders, and material supplied by rail advocacy organization URPA, Amtrak survived. Is that system still in place?

Well, the riders are there, and they continue to ride because they want to and need to. An example of that is ridership (not the best indicator, but one easily understood) on trains 21/22 the Texas Eagle increased 23.2 % so far this year with a corresponding increase in the train’s revenue of 14% on a train that is exactly the same as last year. BUT, what does the Congress and the administration know? Only that the long distance trains are “losers.” Why is that? Andrew Selden says, “This is the result of decades of Amtrak’s big lie about (financial) results and the collusion of organizations that failed to repudiate it.” The chickens have come home to roost, and there is a large group of Members of Congress who have grown up hearing “money losers”, as well as a large holdover group of them who always have opposed Amtrak getting any money. Those groups are now in charge. While it is early in the process, as everyone says, it will take a miracle in this writer’s judgment for Amtrak’s long distance trains to rise to the level where its needs are equal to the demands of so many other programs. Wick, you have your hands full and whether or not you succeed as Amtrak President, regardless of how long you are there, will be determined this year. You know that and we know that.

Let me conclude this by including a paragraph written by Noel Braymer in the RailPAC weekly e-newsletter on March 20: “While Amtrak trains on the NEC may operate at a profit, the cost of owning and operating the NEC where most of the trains are non Amtrak commuter trains sucks up most of the subsidy Amtrak gets. Since the 1970’s Amtrak has charged much of their NEC overhead costs to the long distance and state supported trains to hide the full impact of the costs of the NEC. These accounting practices are ‘why’ the long distance trains ‘lose’ so much money. The reality is Amtrak has never saved money from cutting long distance trains. When Amtrak has done so, they ended up worse off financially.” Just wait to see what happens to Amtrak when all those long distance “losers” are gone and they have no place to hide the cost of the NEC. Some insiders at Amtrak know that, but it may be too late to convince the powers that be. OH, what would they do with all those idle Superliner cars? Well, they would make good dormitories for workers building the wall along the Mexican border. :)

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ARIZONA NEWS

Heard from Amtrak that “Amtrak is initiating new connecting Thruway service to/from Maricopa, AZ station-Phoenix, with two or more stops in Phoenix, including Sky Harbor Airport and Tempe beginning 5/1/2017 (Exact PHX shuttle stops and addresses to be confirmed soon). The service will add an additional connection for passengers traveling on the Sunset Limited.” and that an official announcement will be coming shortly.

Since the suspension of service on the direct line between Wellton AZ and Phoenix Maricopa AZ has been the proxy stop for the state capital of one of the fastest growing states. After twenty years dusty Maricopa finally gets a shuttle connection with the Sunset Limited, and while we applaud this step it is yet another indication of the third class treatment of passenger rail and its patrons. Almost certainly in equivalent circumstances in Europe the not quite abandoned line west of Phoenix would have been taken over and rehabilitated, and a fast passenger service established between Yuma, stops in the greater Phoenix area, and Tucson. The combined populations amount to more than 5 million, and while Yuma is has only about 100,000 residents it is one of the fastest growing cities in the country.

In addition to a local service a reopened line to Phoenix would of course host the Sunset Limited, which by that time should have become a daily train.

photos by Bill Lindley
Perhaps the greatest threat to the nation’s modest rail passenger service lies not in the Administration’s budget proposals but in the underlying financial source of the annual loss that must be covered by the controversial federal subsidy.

It is now well understood that the Northeast Corridor (NEC) creates that loss, in the amount of nearly a billion dollars every year (even more factoring in depreciation), because while NEC revenues, from trains and real estate, may cover all of the direct operating (variable) costs, they cover at most only a small part of the annual costs of maintaining and renewing the NEC’s large base of fixed assets. The fixed assets are every bit as necessary to generate the NEC’s revenues as the direct costs such as crew labor and electricity, but they too have substantial and very real cash costs. The fixed assets include track, bridges, tunnels, yards, power generating stations, passenger stations, signal systems, and heavy maintenance shops such as the Bear, Delaware complex. Amtrak claims a (carefully-phrased) “operating profit” in the NEC because Amtrak does not charge NEC fixed facility costs against NEC revenues.

In FY’16, Amtrak incurred more than $2 billion in what it calls “capital” costs, the vast majority of which was spent in the NEC. This included $1.6 billion in cash outlays and another $473 million in deferred expenses (budgeted work not done in order to conserve cash to cover a substantial shortfall in budgeted NEC revenues). Amtrak defers maintenance in the NEC in most years in order to prevent its cash outlays from exceeding the sum of its revenues and federal subsidy. It thus cannibalizes the NEC’s infrastructure to sustain its operations, but the accumulation of these losses and deferrals is what creates the NEC’s huge backlog of deferred maintenance, now estimated at $24 billion.

The difference between the NEC’s considerable revenues and its even more considerable operating AND infrastructure costs creates the annual cash loss of about a billion dollars that must be covered by the annual federal subsidy. (The rest of the federal subsidy is used for other purposes, such as excess contributions to Railroad Retirement, and debt service on Acela financing.)

It has also been recognized since the 1980s that Amtrak provides a huge subsidy to various transit providers that use the NEC infrastructure by maintaining far more infrastructure than Amtrak needs for its own trains, and undercharging the commuter agencies for the fair market value of the facilities and services they use. (Amtrak operates a small minority of the total number of trains that use the NEC each day.) This accounts for as much as a third of the annual subsidy.

Politics probably precludes Amtrak from abandoning the track and structures that it does not need for just its own trains, and Amtrak has never been able to reduce the costs required to sustain the NEC infrastructure, only defer them. More than half of Amtrak’s total employee headcount works in the NEC, around 11,000 employees in most years.

So let’s assume for discussion’s sake that NEC infrastructure costs not covered by train and real estate revenues are both very large and probably not reducible to a large extent. And let’s further assume that management knows that lopping off the long distance trains will expose the big lie concerning NEC “profitability,” because even if the long distance trains go the
annual financial loss and the need for federal subsidy at the same level won’t change. What’s a poor railroad to do? Defer even more NEC maintenance work?

What if instead NEC train revenues could be substantially increased without appreciable increases in costs?

The NEC as-is IS a big problem because it HAS a big problem: It can’t grow significantly, despite paltry 50% overall load factors (almost half the inventory of available NEC seat miles cannot be sold, and never has been), because its traffic is not evenly distributed across the line. It is heavily clustered in one small segment near the middle of the route. Amtrak is “short-blocking” itself at its peak loading point.

About half of all NEC passengers ride solely in the very short sub-markets between Philadelphia and New York (90 miles) and between New York and New Haven (60 miles). This is the only place where Amtrak’s NEC trains are actually full most of the time. These passengers don’t even count statistically as intercity passengers because they don’t meet the standard definition of “intercity” travel: non-recurring trips over 100 miles. These are commuter passengers. That’s not “name-calling,” it’s just a statistical classification, but it’s still a big problem because with the trains filled over the middle of the route with lower revenue short-distance riders, a prospective passenger who wants to travel, say, from Washington, DC to New Haven, or Wilmington to Providence, or Baltimore to Albany, or Boston to Newark, can’t even buy a ticket because of the sold-out trains between Philadelphia and New Haven. No seats means no growth and no growth means no deficit reduction.

The challenge is to open up available seat miles, new inventory, across the Philadelphia-NYP-New Haven blockage, at minimal cost. There is a fairly easy way to do that: get the shorts off of the through trains.

Amtrak should introduce a shuttle train operating between Philadelphia and New Haven catering solely to the fairly large numbers who ride now in these short segments. These trains do not need non-revenue cars (lounge or café cars) because the trips are so short. Franchised vendors can offer snacks and beverages from carts, as is done in Europe and Canada, and on the similar 89-mile trips between Chicago and Milwaukee. The shuttle trains can consist solely of sturdy Horizon coaches and maybe some form of premium fare business class car. They would stop at Trenton, Metropark, Newark, Penn Station New York (with a very short dwell there), and New Haven. These trains, like most European trains, are bi-directional, with bi-directional seats. They simply reverse at each end-point.

The key is that a shuttle train is scheduled to leave each endpoint just before the arrival of a through train, sweeping up the short-distance passengers before they can board the through train. This in turn opens up a corresponding very large number of seats on the through trains that can now be sold to much longer distance passengers such as the city-pairs illustrated above. Only this arrangement will allow growth in the NEC, and generate much new revenue from higher-fare tickets.

These trains differ from the old Clocker service (which Graham Claytor publicly dismissed as “the biggest losers in the system”) because they run through New York without congesting Penn Station or Sunnyside Yard.

Rather than use hard-to-enforce boarding and discharge restrictions to keep the shorts off the through trains, deterrent pricing can be employed by publishing very high fares for very short trips in the peak loading zone on the through trains, and normal fares on the shuttles.

Rail traffic congestion is not an issue for two reasons. First, the shuttles will dwell at New York for only a very few minutes and will never turn back or be yarded there. Second, Amtrak’s pattern of service today is to dispatch two or three (or more) short, five- to seven-car, trains every hour in order to provide enough seats in the Philadelphia-New York-New Haven peak traffic zone. Statistically, these trains’ load factors never exceed about 30% annually south of Philadelphia or east of New Haven. So with the shuttle trains sweeping the shorts out of the peak segments, Amtrak can revert to a simple hourly memory schedule (like most of Europe uses) supplemented as actually required by demonstrated demand with an added rush hour train or two. Fewer through trains opens up more schedule slots for use by the shuttles. The net effect will be fewer train miles and fewer labor hours, but more inventory and—strategically—a 50% increase in inventory available for longer trips in the NEC spanning New York.

This is a win-win for passengers and Amtrak alike, and could go a long way towards reducing Amtrak’s annual (fully-accounted for) loss in the NEC and the resulting subsidy need.

Fall Meeting in Los Angeles.

RailPAC has invited Wick Moorman and other industry leaders to Steel Wheels 2017 in Los Angeles to take place in late September. Details to follow
Throughout his presidential campaign in 2016, Donald Trump often talked about the need to reinvest in our nation’s crumbling infrastructure. Now-President Donald Trump has continued to express such sentiments even as a Congress led by his same party might feel somewhat differently.

In February, all 14 members of the California GOP delegation succeeded in their efforts to stall a less-than-controversial commuter rail upgrade project by convincing the U.S. Department of Transportation to pull federal funding designated for the Caltrain electrification project. The reason? The project is tied – operationally and financially – to the California High Speed Rail project, which is much maligned by the state’s Republican leaders as well as by some Democrats.

Such a move to withhold federal funding – only a small portion of the project’s overall budget – is a mistake. Caltrain spent years checking off every item on the list to qualify for federal money. The economic impacts aren’t just limited to the Bay Area either. Several other states including Utah and Virginia stand to benefit as well due to creation of new manufacturing jobs among different companies contracted to do business with the commuter rail agency. Locally, tech leaders in the Silicon Valley clamor for the project’s completion, citing the need to relieve traffic congestion and enhance the region’s air quality with more sustainable transportation modes.

All hopes are not lost as Caltrain still has a chance to reapply for federal funding as part of the next fiscal budget year, currently in the works in Washington. As of this writing, the proposed federal budget paints a bleak picture for the future of transit funding. It is by no means final but it should be a call to action for everyone to get involved. Contact your representatives to remind them of the need to reinvest more in our nation’s infrastructure, not someone else’s.

Only with continued pressure on our lawmakers in Capitol Hill can we ensure that projects like the Caltrain electrification can figuratively and literally get back on track. There’s no time or patience for political posturing and grandstanding by a vocal minority. We are better than this and that’s a universal, nonpartisan value we all share.
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.
LAS VEGAS MONORAIL

“Steel Wheels,” 1st Quarter 2017, noted that the Monorail company was to proceed with plans to extend the monorail’s route from the MGM Grand to the Mandalay Bay. Consequent analysis estimated that this expansion would serve 42,000 strip-resort hotel rooms, up from the current 25,000, and relieve traffic congestion. Features of a compatible financial model were determined by Monorail management and presented to the Clark County Board of Commissioners (BCC) in mid-February, prompting in-depth discussion. Also, intensely discussed were complexities to design-extension plans which have arisen as the detailed design has proceeded, leading to track-realignment issues. As a consequence, the BCC directed that design and financial planning proceed and that County financial and technical representatives, as well as those of the airport and of impacted businesses, continue to be increasingly involved in any further discussions related to the extension,

Reference: Clark County Board of County Commissioners meeting of 21 Feb 17.

Nevada Department of Transportation (NDOT), Director’s Report

The Director spoke at the Regional Transportation Commission of Southern Nevada’s (RTC) February 9, 2017, meeting. Some of the Director’s presented topics having, to some extent, a potential broad Nevada State transportation implication (e.g. modal-interfaces or right-of-way sharing) are alluded to as follows:

- A tentative look at Public-Private-Partnerships within the Nevada context
- Stadium progress and related traffic mobility
- NDOT’s role for, and NDOT commitment to, pedestrian safety measures on Boulder Highway.
- In answer to a County Commissioner’s question, the Director advised that there was no structured plan in use to determine NDOT project priorities.

The issue of widening I-15 access from Las Vegas to Barstow was noted by, attendee, the Mayor of Las Vegas, who advised that she had expressed her concerns to the mayor of Los Angeles; she urged NDOT to pursue this project with CALTRANS.

No references were observed, within the Director’s report, to the role of, or expectation for, light-rail transit, for heavy rail, or for high-speed rail.

XpressWest: High Desert Corridor (HDC): Investment Grade Ridership and Revenue Study

In November 2016, XpressWest delivered a status report to the Nevada High-Speed Rail Authority; a deliverable specified therein, i.e. the Investment Grade Ridership and Revenue Study, has been completed. Per the study’s Executive Summary, the study evaluates a proposed high-speed rail (HSR) line across the High Desert Corridor (HDC) between Victorville and Palmdale, with the goal of forecasting the corridor’s HSR ridership and revenue, as planned HSR infrastructure development is phased into the system. By agreed assumptions, one initial, then four, advancing phases of infrastructure are forecast, with the year 2021 the assumed operational opening; incremental infrastructure-capabilities installation will continue into 2029. Consequent Base Case forecasts covering an operational period of 2021-2050 are presented, for selected years, to track the phased HDC infrastructure progress and its associated impact on ridership and revenue. As a forecast example (from the Executive Summary) for year 2026, the HSR capture rate is forecast to be 24% of in-scope market. (This compares to a capture rate of 11% for the initiating year of 2021.) The level of captured demand increases significantly over the first few years as a result of ramp-up assumptions.


As a point of interest, this study possibly was alluded to at the U.S. High Speed Rail Association’s West Coast Rail Conference Los Angeles, 2017, where an XpressWest representative was a scheduled speaker.

(Reference: U.S. High Speed Rail Association. West Coast Rail Conference Tour L.A. 2017.)

Nevada RailPAC member Edward Arbuckle is tracking rail and rail transit news in the Silver State for Steel Wheels.

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Reno Fun Train – The Continuing Story
By Steve Roberts with Thanks to Jade Chapman, President Key Holidays

As was outlined in the 1st Quarter issue of Steel Wheels, the Reno Fun Train has been in operation for almost 60 years, a cooperative effort between Amtrak, private sector group operators and entrepreneurs and the Southern Pacific/Union Pacific Railroads. Development of the service was spearheaded by the Reno Convention and Visitors Bureau (RCVB) to offset the dramatic downturn in visitation to Reno during the winter months.

Except for the early 1990’s, the operators of the service have continued to focus, with small evolutionary changes, on the basic product - a carefree travel experience with fun-filled fellow passengers (over 21), a rolling party including a dance car, on-board entertainment and two lounge cars, with weekend service (Friday eastbound, Sunday westbound) during the winter/spring months.

Over the past decade the service faced significant challenges – competition from Indian casinos, Amtrak and host railroad issues, cost of liability insurance, the economic recession, drought and the lack of snow (the threat of winter weather is a major factor in customers choosing the Reno Fun Train). In the midst of these challenges, Iowa Pacific Holdings (IPH) discovered Key Holidays, recognized its potential and in 2012 purchased the company. Iowa Pacific owns passenger cars of unique design (full-length ex-Santa Fe domes) that enabled Key Holidays to create an upscale service (Pullman Gold Service). It also has liability insurance covering a large operating company which means a lower price for Key Holidays as a division of IPH. As part of Iowa Pacific Holdings, Key Holidays and the Reno Fun Train regained its momentum allowing it to move forward, continuing to focus on the goal of enhancing the product/themes to reflect demographic changes while keeping one foot in the past to reflect the history of railroading and the historic route of the Reno Fun Train/Sierra Scenic.

Key Holidays brought a broader synergy to Iowa Pacific with its a long-term experience in the travel industry with staff, partnerships, assets and a corporate structure designed to sell travel. In addition to the Reno Fun/Sierra Scenic Trains, Key Holidays became the sales point for Iowa Pacific’s Pullman Rail Journeys and its Polar Express hotel packages. This activity was added to Key Holidays long-term focus as a sales agent for Amtrak rail and city/national park packages and cruise ship tour products.In 2016 the Reno Fun Train/Scenic Sierra ridership showed recovery, reaching almost 4,500 passengers.

As Key Holidays entered the 2017 season the outlook was very positive, all equipment and contracts were in place, the economy was strong and overall travel was on the upswing. December and January winter storms brought snow to the Sierras creating a strong incentive to book the Reno Fun Train. As key Holidays moved toward operations bookings were strong and an outstanding season was anticipated.

Then in mid-January and continuing into February winter storms hit with a vengeance. The jet stream took aim at central California and low pressure Pacific cyclones struck one after the other. The jet stream took a sub-tropical fetch of moisture, the “Pineapple Express”, and slammed it into Central California and the Sierra Nevada. Day after day rain fell in buckets and wet heavy snow (Sierra concrete) piled up over Donner Summit. In some areas snow depth totaled 25 feet. The deluge of rain and snow brought washouts, landslides, avalanche threats and overall difficult railroad operating conditions. In mid-January a severe washout along Union Pacific’s Feather River route open a huge chasm and cut the railroad’s trans-Sierra capacity. Heavy snow continued through the end of January negatively impacting the California Zephyr’s on-time performance and ability to turn-around the trainset and rest the on-board service crew in Oakland. On February 10th a dam collapse in Northeastern Nevada washed out Union Pacific’s Lakeside Sub (ex-SP). In response to that reduction in network capacity the UP began fleeting its trains (12 hours eastbound, 12 hours westbound) to maximize capacity. Temporal fleeting of trains, continuing congestion and threats of avalanches left no room for passenger trains. The California Zephyr was truncated at Salt Lake City from February 12th through February 24th. Not unexpectedly the seasonal kick-off of the Reno Fun Train/Sierra Scenic was also cancelled by UP.

In the end almost half of all planned Reno Fun Train/Sierra scenic departures were cancelled. For Key Holidays the 2017 season had turned from a potential bonanza to a fight for survival. Key Holidays’ partners in Reno especially the Reno hotels suffered through the storms with them. Resources had to be spent canceling and if the capacity was available rebooking customers. In some cases “Force Majeure” (acts of God) clauses in contracts could be invoked to minimized Key Holidays financial exposure. However in the case of marketing, sales and reservation expenses, the funds for the 2017 season had been spent.

As Key Holidays moves beyond the 2017 season there are some positive factors. It was able to operate almost half its schedule generating at least some revenue. Its customer base remains interested in the service and Key Holidays’ core product, a carefree travel experience with fun-filled fellow passengers (over 21) on a rolling party, remains viable. In addition it has its wide range of tour products to market and sell year around.

One of the other issues looking forward is Iowa Pacific’s
re-evaluation of its vision and its target markets. While Iowa Pacific could have been looked upon to help Key Holidays overcome this service outage as it did in 2012; IP’s ongoing product re-evaluation may limit its ability to backstop Key Holidays. Complicating things further is the IP equipment leased for the Reno Fun Train. Relief from lease costs due to the service outage aids Key Holidays, but means a reduced cash flow for IP.

While Key Holidays looks to overcome its latest challenge, the future is still unfolding. When Iowa Pacific Holdings purchased Key Holidays it was engaged in an effort to develop a boutique collection of private sector passenger operations in some cases combining shortline freight rail operations with tourist passenger operations. As with many tourist operations, “theme trains”, including the very popular off-season “Polar Express” helped generate ridership. Added to the stable were Pullman Rail Journeys on regularly scheduled long-distance passenger trains designed to offer discerning travelers a level of ambiance and service not available on Amtrak. The contract for the Hoosier State brought this attention to service to a short-distance corridor.

However, recent issues with the owner of the Polar Express license over territorial encroachment and royalty payments, reluctance on Amtrak’s part to share risk and grow the business on Pullman Rail Journeys routes has created significant challenges to the prior strategy. In addition, the difficulty in operating a once a day corridor service where the product differs by day of week on a slow uncompetitive schedule has resulted in Iowa Pacific Holdings stepping back from the Hoosier State.

In conclusion, the Reno Fun Train/Sierra Scenic is a unique and scenic service that readers of Steel Wheels are encouraged to ride in 2018.
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