

THE INDIANA PASSENGER LETTER

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INDIANA ASSOCIATION OF RAILROAD PASSENGERS

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AMTRAK FACING FISCAL CRISIS

Amtrak management is projecting a \$193 million gap between anticipated revenues, including its federal operating grant, and projected costs for the fiscal year that began on October 1. This is not the first time that Amtrak's operating loss has exceeded its federal operating grant. Budget gaps have existed for the last five fiscal years (FY '90- \$29m, FY '91- \$30m, FY '92- \$25m, FY '93 \$15m and FY'94 \$51m) but they were quietly covered by using Amtrak's cash reserves. Unfortunately, these reserves were depleted following FY '93 and Amtrak is now being forced to rely on commercial borrowing to finish its fiscal years.

Amtrak is projecting a 5% decrease in revenues for the current fiscal year, coming on the heels of a 6% decrease last year. Congressional action to reduce, or eliminate the budget gap, is unlikely. Congress increased Amtrak's operating grant by \$40m over last year's total and the results of the November elections may well result in a Congress less willing to help.

Amtrak's board has directed management to take immediate steps to eliminate the budget deficit, and to come up with a specific plan by the end of the calendar year. The first action has been to announce the elimination of 600 management jobs as part of a cost-saving reorganization. Among the ways Amtrak will cut positions is to decentralize its Washington headquarters into three business units operating in the Northeast, Chicago and the West Coast. After severance costs, the savings would amount to \$30 million.

Obviously the nearly 30% reduction in management ranks is only the beginning of changes that will have to be made. Elimination of some routes and frequency reductions on others are a distinct possibility. Wage and benefit concessions by employees may be sought, as well as changes in work rules to permit greater employee productivity. Decisions affecting routes could be made at the November 30, meeting of Amtrak's board and implemented as soon as January 1, 1995.

There are many reasons for the revenue decreases, a chief one being low air fares. There is no reason to believe that this will be a temporary phenomenon as new, low-cost, airlines continue to surface and pressure other existing carriers to cut fares. Questions about safety have arisen as a result of accidents involving Amtrak trains, even though the incidents were apparently not the fault of Amtrak. Equipment problems, resulting from a fleet stretched too thin, have made many passengers think twice about repeat trips. Poor on-time performance and occasional employee rudeness have also taken their toll.

We cannot seek comfort in the hope that Amtrak's projections are unduly negative. Even a budget gap \$50 million less than projected, would leave a deficit in the range of \$140 million. Some real tough choices will have to be made in the weeks ahead, the status quo cannot be permitted to exist. Some may say that any reductions in service will place the entire system in jeopardy. On the other hand, doing nothing will almost certainly place the entire system in jeopardy.

We would rather not engage in loose speculation as to what implications the budget gap will have for Amtrak service in Indiana, as well as for the 930 hourly workers at the Beech Grove maintenance facility. We will keep our members fully informed as to subsequent steps taken by Amtrak to address the budget gap.

MOVING DAY IN LAFAYETTE

The moving of the former Big Four Depot on September 16-17, marked another milestone in the Lafayette Railroad Relocation Project. The depot was moved from its former location at Second and South Streets to its new home at the future Depot Plaza at Main and Second Streets. The building was moved completely intact over its two block journey. The depot should be ready this time next year to once again serve as an active railroad station.

INDARP is pleased to report that many of the concerns we raised with Amtrak regarding the temporary boarding area in Lafayette have been satisfactorily resolved. A pay telephone has been installed at the location, addressing a major concern. Amtrak has advised us that they have contracted with the DBC Development Council in Lafayette to provide the following services: snow and trash removal, including a trash container and regular pickup; sweeping and cleaning of driveway and parking lot areas; installation of proper signage and general facility management.

Unfortunately, Amtrak has no funds available for a shelter. INDARP is continuing to work with officials from both the City of Lafayette and the Railroad Relocation Project in the hope that a temporary shelter can be constructed.

On September 30, a celebration was held to mark the construction of new railroad bridges in Lafayette, two over Ninth Street and two over Wabash Avenue. This marks the beginning of the fifth and final segment of the project, the Norfolk Southern relocation.

The following photo of the Big Four Depot's journey was taken by Barbara Krause on September 17.



DOES YOUR MAILING LABEL READ 01-95?
IF SO, PLEASE STAY ON TRACK AND RENEW

AMTRAK REJECTS ST. JOHN CONNECTION PROPOSAL, HOWEVER

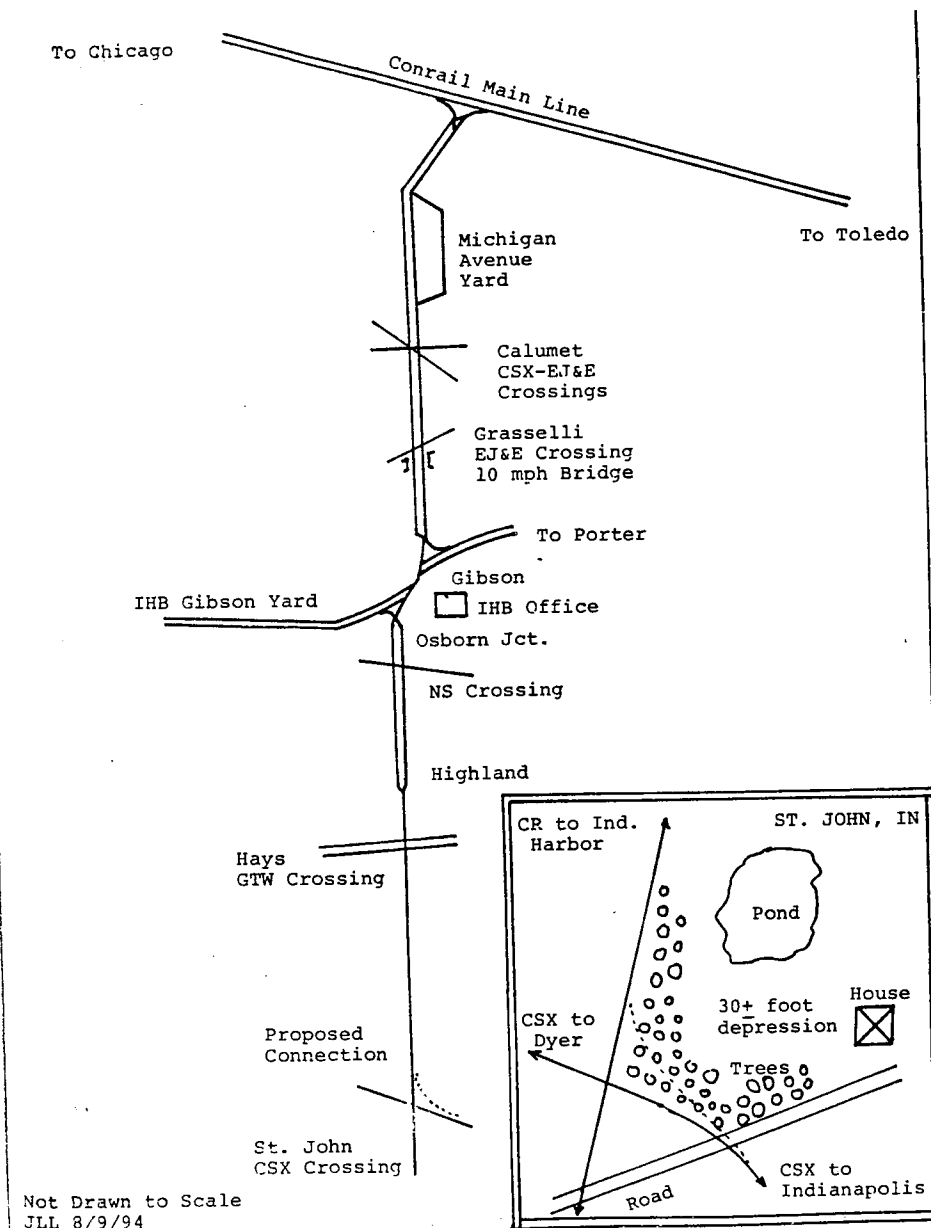
As our members are well aware, INDARP has long advocated the construction of a track connection between CSX and Conrail at St. John, Indiana, to permit the Cardinal and Hoosier State to operate 14.6 miles over a Conrail-Indiana Harbor Belt freight line to access the Conrail main line at Indiana Harbor. (Refer to the map below) This would enable the trains to serve the Hammond-Whiting station. We also felt that such a routing would permit a reduction in the four and one-half hour running time between Indianapolis and Chicago. We received valuable assistance from the National Association of Railroad Passengers in our efforts to get Amtrak to evaluate the route possibility.

Amtrak's Operation Planning staff has concluded an evaluation of the route, and has recommended against the construction of the track connection. Amtrak feels that due to the curvature of the CSX track and the amount of fill required at St. John, the connection would be difficult and expensive to construct. The report also cites track upgrading and signal improvements that would be necessary before the 14.6 mile segment would be suitable to handle passenger trains. There was also concern that since the route crosses several other rail lines that no significant schedule improvements could be obtained. Also, the report notes that slow moving steel transfer movements and other freight moves to and from Michigan Avenue Yard would produce congestion and interference.

The study does acknowledge the problems associated with the current route between Dyer and Chicago and states that it should be considered only as an interim routing until an improved route is available. Amtrak goes on to say that with respect to a reroute of the Cardinal and Hoosier State, upgrading of the Illinois Central connection at Harvey, Illinois, is considered to be more practical than the St. John connection and can probably be constructed for less cost.

At Harvey, which is two miles west of Thornton, (see map on following page) the Grand Trunk passes under the Illinois Central main line. There is a connection in the Northeast quadrant between the Grand Trunk and Illinois Central. The existing connecting track has hand throw switches, is unsignalled and requires upgrading.

The Harvey connection would avoid much of the congestion and delays resulting from multiple carriers that the Cardinal and Hoosier State now face. It would still necessitate about one and one-half miles of backup operation to access Chicago Union Station. There would be some improvement in reliability, but no material improvement in schedules.



This backup move could be eliminated in the event that a connection, abandoned since the 1960s, be re-established. (See map at right)

The Nickel Plate Railway entered downtown Chicago over the rail lines of the New York Central. A connection existed at Grand Crossing (79th Street) on the north side of the partially elevated rail lines of the New York Central and Pennsylvania Railroads. This elevation presently carries Conrail's main line which handles 16 Amtrak trains daily.

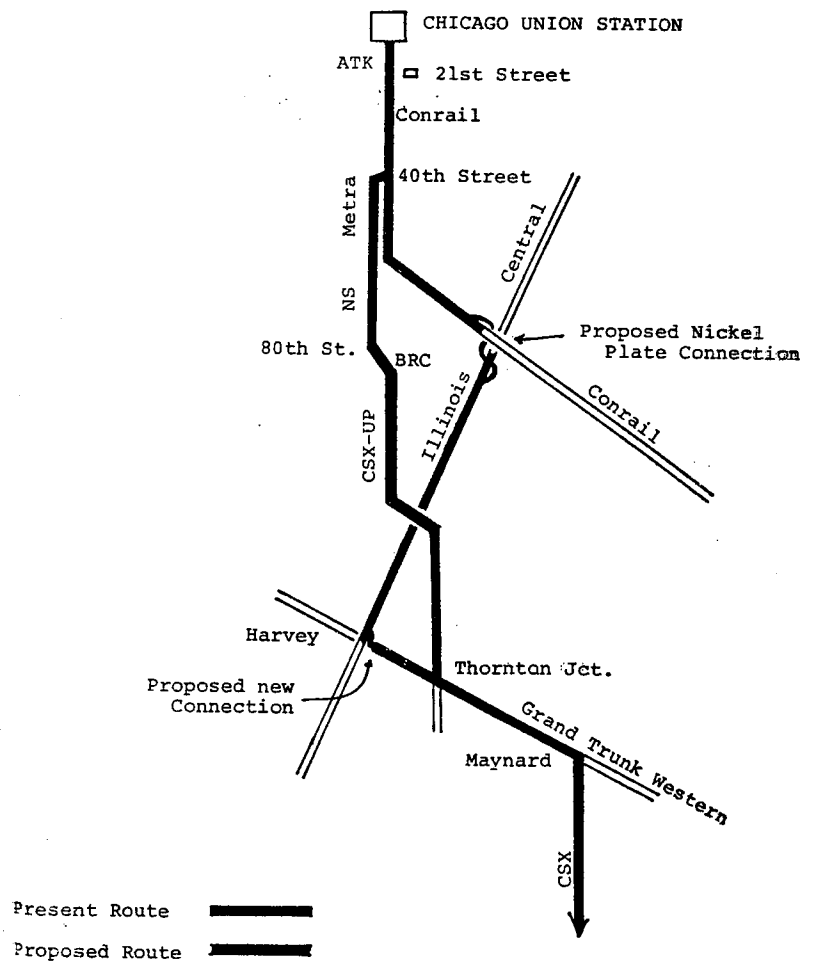
The connection passed under the NYC-Pennsy elevation and over the Illinois Central main line and then continued east on the Nickel Plate. At the south end of the connection the Nickel Plate main line was parallel and adjacent to the Illinois Central main line at approximately the same elevation.

Even though the connection was abandoned in the 1960s, all of the bridges remain intact and appear to be in good condition. Restoration of the connection would require construction of a main track approximately 1.8 miles in length, signaling the track and constructing two interlockings, one at each end, for access to the existing main tracks.

With construction of the proposed connection, Amtrak's use of the St. Charles Air Line (and the resulting back up move into Chicago Union Station) would be eliminated, as would the need to use the IC main track north of 86th Street.

The City of Chicago has approached the freight railroads to explore vacating the St. Charles Air Line to facilitate urban development on the south side. Illinois Central has advised the city of its willingness to cooperate. It is hoped that funds for the restoration of the Nickel Plate connection might be available from the City of Chicago, or the State of Illinois, in return for Amtrak vacating the St. Charles Air Line.

PROPOSED HARVEY CONNECTION



Not Drawn To Scale
JLL 8/10/94

Amtrak estimates that removing the City of New Orleans and the Illini from the St. Charles Air Line would result in time savings of fifteen minutes for those trains.

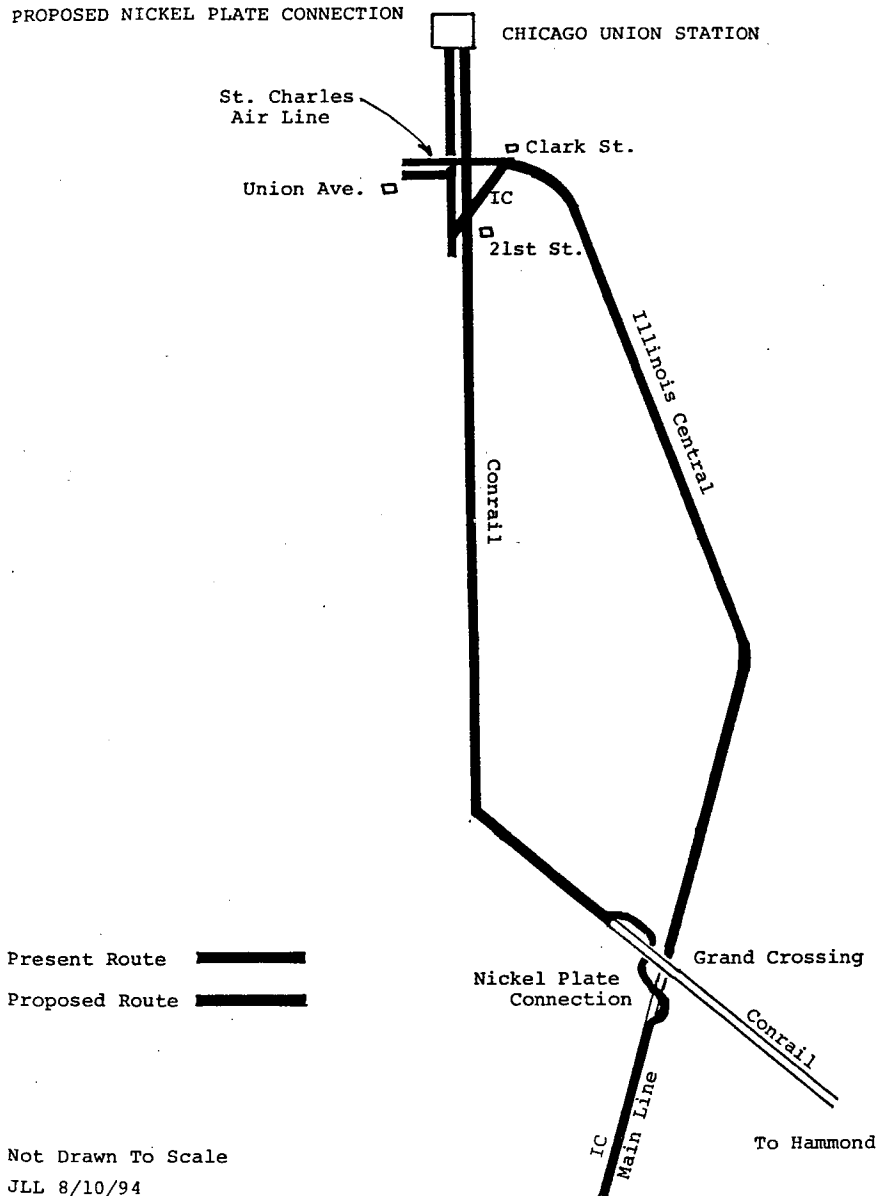
If the Nickel Plate connection is restored, the Harvey connection has considerable merit to access a direct route into Chicago. The Cardinal and Hoosier State would not only avoid their present delays, but would enjoy an improvement in running time.

The City of Chicago would like to begin the economic development of the area within the next year or so. Hence, we are looking at a situation that may be resolved sooner, rather than later. Amtrak is recommending that preliminary engineering plans be developed with the freight railroads involved to determine what requirements are necessary for the construction of the connections.

INDARP regrets that the St. John connection does not appear to be feasible. We would like to see the Cardinal and Hoosier State serve the Hammond-Whiting station. However, the Harvey and Nickel Plate proposals appear to have a better chance of actually taking place, while producing definite reductions in running times and continuing service to Dyer. INDARP therefore supports the proposal set forth by Amtrak as a better alternative to the St. John connection.

We have utilized data and maps contained in Amtrak's reports and summaries of the connection proposals to facilitate a better understanding of the issues for our members.

We would again like to thank NARP for their help on this issue, and appreciate Amtrak's willingness and flexibility in evaluating the proposals.



DOES THE DATE ON YOUR MAILING LABEL READ 01-95?
IF SO, DON'T DERAIL, PLEASE RENEW YOUR MEMBERSHIP IN INDARP

NEWS AND NOTES FROM THE SOUTH SHORE

On October 6, the State Budget Committee released \$1.1 million from the state's Build Indiana Fund. A portion of receipts from the state lottery goes into the fund. The money from the state is very important as it will be used to leverage approximately \$4.6 million in federal funds that will enable NICTD to undertake a variety of projects in 1995.

NICTD will be able to install new signaling and switches necessary for the new Hammond Station. Two city blocks have already been purchased for the station and its expanded parking lot. Tracks and overhead power lines will also be realigned in the area of the new station which is expected to open in the fall of 1995. A major feature of the station will be high-level boarding platforms, which will not only make boarding safer and convenient for passengers, but also reduce boarding and detraining time.

New passenger shelters will be built at Miller and Ogden Dunes, the Miller station will also benefit from expanded parking. The funds will permit expanded parking at East Chicago along with design work on a new station.

New retaining walls will be installed on the South Shore bridge over the EJ&E tracks near Cline Avenue in Gary, in addition to design work on a new bridge over Burns Waterway in Portage.

In a separate matter, NICTD's board has given approval for the purchase of three automatic ticket vending machines. The machines should be in place in about six months at the Randolph Street station in Chicago, the Dune Park station near Chesterton and at the Michiana Regional Airport station in South Bend. The machines will accept coins from nickels to silver dollars, as well as paper currency up to the amount of \$20. The machines will enable passengers to purchase both multiple-ride and one-way tickets. Dune Park does not have a ticket agent, while the Michiana Regional Airport station is staffed only on weekend mornings. Randolph Street has ticket agents, but also has rush-hour lines at ticket windows.

Terminal expansion at the Michiana Regional Airport is expected to be completed this month. South Shore passengers will enjoy a new waiting area, ticket office and a canopy over the high-level boarding platform. A new trainmen's room is also included in the project.

Engineering work and cost estimates have been completed for a project that will build an additional span on the Penn-Wabash bridge in Gary. This will eliminate the gauntlet bridge which was the site of a January, 1993, crash of two South Shore trains that killed seven passengers. Construction on the bridge should be completed by next summer.

South Shore ridership has increased by 22,500 through the first seven months of 1994, compared with the same period last year. In July, an average of 95.3% of all seats were occupied on rush hour trains.

RECAP OF HIGH-SPEED RAIL SYMPOSIUM

INDOT hosted the first Indiana Symposium on High-Speed Passenger Rail on September 15-16 in Indianapolis. Among those attending were state and local government officials, railroad representatives and interested citizens. INDARP's participation included the presentation of a position paper by INDARP member Tim Watson, on behalf of the group's president Phil McGeath who was unable to attend. A positive point of the meeting was that it took place at all. We commend INDOT for hosting and organizing the event that permitted a good exchange of ideas. A negative point is that no next step came from the sessions. It does not appear that INDOT is prepared to carry the torch to obtain funding for studies that could better determine the future of high speed rail in the state. We got out of the batter's box, let's next try to reach first base.

**STATEMENT BY THE INDIANA ASSOCIATION OF RAILROAD
PASSENGERS---PRESENTED AT THE INDIANA SYMPOSIUM ON
HIGH-SPEED PASSENGER RAIL---SEPTEMBER 16, 1994**

Good morning, my name is Tim Watson. I am a member of the Indiana Association of Railroad Passengers, speaking on behalf of our president, Phil McGeath, who is unable to be here as he is riding high speed passenger trains today in England. INDARP is a volunteer organization, with over 200 members, that is working to improve and expand passenger train service in Indiana. Our organization, founded in 1982, is affiliated with the National Association of Railroad Passengers which has approximately 12,000 members. INDARP is very pleased to participate in this symposium on high-speed rail, and would like to express its appreciation to the Indiana Department of Transportation for serving as host and organizer of this event.

INDARP strongly believes that the potential for successful high-speed passenger rail operations in Indiana exists. Indeed, a 1981 study by Amtrak of so-called emerging rail corridors cited Chicago-Indianapolis-Cincinnati as the second most promising corridor in the nation in terms of ridership and cost-recovery performance. This corridor is by no means the only route in our state with real potential.

We feel that the best way to realize this potential is by making incremental improvements to existing infrastructure. This plan of attack would limit costs and improve chances for action in the foreseeable future. The French TGV, the Japanese Bullet Train and magnetic levitation certainly have great appeal for planners in the United States. The problem is that the tremendous costs associated with these technologies lessen the odds for their implementation. The result is that we run the risk of developing grandiose plans, while continuing to be saddled with conventional passenger service badly in need of capital improvements. What is a proper high-speed rail policy? We feel that it consists initially of making track and signal improvements to increase maximum speeds in a corridor to 79 mph. At the present time, seventy-five miles of the 195-mile Indianapolis-Chicago route do not meet this standard. The current route between Indianapolis and Cincinnati is slow and circuitous, with maximum speeds of only 60mph. The optimum route for passenger service between Indianapolis and Cincinnati, via Shelbyville, is a freight only line with maximum speeds of 30mph. After the first round of improvements are made, additional steps to achieve higher running speeds could then be undertaken. As an example, diesel-tilt trains operating at speeds between 110-125mph represent a reasonable technology to realize that goal.

In order for this scenario to be realized, comprehensive planning must take place. INDARP calls on INDOT to follow the example of many states and undertake an intercity rail passenger study. The study could identify improvements to be made on existing Amtrak services and target potential new routes in our state. Such a study could then serve as a reference tool for future federal, state and private capital funding to improve and expand Indiana Amtrak service. A report released on May 20 of this year by the Illinois DOT dealing with plans for Chicago-St. Louis high-speed rail, could serve as a valuable guide for Indiana's planners.

High-speed rail routes in Indiana would have a very positive economic impact on the state. Reliable and cost-effective transportation alternatives are considered to be a key component of economic growth. Increased mobility provided by high speed passenger trains would serve as a magnet to attract new business and development in those areas served.

Additionally there would be substantial economic benefit to several aspects of Indiana's railroad industry. The 1981 Amtrak study indicated that an upgraded corridor between Chicago-Indianapolis-Cincinnati would provide ongoing employment for 180 people in such categories as engine and train crews, maintenance crews and station services. Furthermore, the capital improvements described for the corridor would require 4,413 person-years of labor. Hence, the capital costs incurred in upgrading the route would be an investment producing more jobs, and a significant increase in state tax revenues.

Amtrak's Beech Grove maintenance facility is a multi-million dollar operation. The workmanship that has come from this facility has been praised far and wide. An increased level of service would create the need for an expanded work force at Beech Grove. What's good for Amtrak is good for the city of Beech Grove, the state of Indiana and the number of local firms with which Amtrak does business.

In another vein, Amtrak has been testing a product made in Lafayette by Wabash National Corporation known as the RoadRailer. This semi-trailer has the flexibility of running both on rail and highway through the use of special wheels and has been tested on Amtrak's Northeast Corridor at speeds in excess of 100 mph. Amtrak is interested in the potential of the RoadRailer as it presents an opportunity to obtain additional mail contracts from the U.S. Postal Service. Given its favorable location, Indianapolis could become a major hub for such service. The Lafayette area would certainly benefit by increased orders Wabash National would receive for the RoadRailer.

The development of high-speed passenger rail in our state would produce benefits for our environment and produce energy conservation. It would also provide greater mobility for those Hoosiers who lack it, such as our senior citizens and the physically challenged.

In conclusion, our organization would again like to commend the Indiana Department of Transportation for hosting this important symposium. We sincerely hope that this will represent only the first step in a process that will ultimately result in the creation of a giant economic development program for Indiana, in the form of high-speed passenger rail.

SHORT LINES

--Paul Arden, who has ably served as INDARP's Secretary-Treasurer and a director of NARP, has relocated in Omaha, Nebraska. Paul will be doing dispatching work for the Union Pacific Railroad. We would like to congratulate Paul on his new job and wish him well with the UP. Paul's many efforts and accomplishments on behalf of INDARP will be sorely missed.

--Bob Stout has left his position as General Manager of Amtrak's Beech Grove maintenance facility to relocate in Paducah, Kentucky, the site of VMV's locomotive facility. Bob did an admirable job at Beech Grove under difficult conditions. He was always a gracious host for INDARP tours of the facility. We wish him well in his new position in Paducah.

--Amtrak's Capitol Limited will get a much-needed face lift on October 30, as the train will receive Superliner equipment. This will mark the first time an eastbound train from Chicago will sport Superliner cars on a regular basis.

--Around November 10, INDARP will send out a special mailing containing copies of schedules of the Broadway Limited, Capitol Limited, Cardinal, Hoosier State and Lake Shore Limited. We realize that many of our members do not have access to the schedules of these trains and we are happy to be able to provide the information.

--News of our next meeting will be contained in the January newsletter. We had a very nice turnout for our October 22 meeting. In addition to viewing the video on Lafayette railroad relocation, we discussed the Amtrak report on proposed track connections that would improve Cardinal and Hoosier State running times and Amtrak's fiscal crisis.

--The Indiana Passenger Letter is published six times each year (January-March-May-July-September-November) by the Indiana Association of Railroad Passengers, 5346 Chipwood Lane, Indianapolis, IN 46226. Newsletter editor is Phil McGeath.

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INDARP MEMBERSHIP FORM FOR NEW MEMBERS AND RENEWALS

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\$5 _____ SPOUSE EXTRA DONATION OF \$ _____.

PLEASE MAKE YOUR CHECK OR MONEY ORDER PAYABLE TO INDARP AND MAIL TO:
INDARP, 5346 CHIPWOOD LANE, INDIANAPOLIS, IN 46226

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ADDRESS _____

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Some of Amtrak's new Superliner sleepers are named after states. Phil McGeath spotted this car #32082, "Indiana" on the Sunset Limited at Tempe, Arizona on March 16, 1994.



INDIANA ASSOCIATION OF RAILROAD PASSENGERS
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