



Arizona Rail Passenger Review

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Scottsdale Railfair 2006 - October 14th and 15th

The Arizona Rail Passenger Association will have our traditional information booth at the Scottsdale Railfair this year. The Railfair takes place at the McCormick-Stillman Railroad Park, 7301 E. Indian Bend Road, from 10 a.m. to 5 p.m. both days. Volunteers are needed to staff the booth in 2-hour shifts. We will have a display depicting the goals of the organization as well as membership brochures and other literature to distribute. Please call Rob Bohannon, (602) 996-7790, or e-mail Rob at rbohannon@qwest.net to sign up.

Railfair features full-size and model train displays and exhibits, live steam train rides and other entertainment. Admission to Railfair is free, and refreshments such as hot dogs, hamburgers, soft drinks, and ice cream are available for purchase.

ARPA Honoree Secretary of Transportation



Former Arizona DPT Director Mary Peters, who received the 1998 Byron A. Nordberg from ARPA for her "efforts on behalf of passenger rail in the public sector, has been confirmed as Secretary of Transportation. She was nominated by President Bush last month.

When nominating Peters, the President praised her

"lifetime of experience on transportation issues from both the private and public sectors and...a reputation for character and common sense."

Peters is Senior Vice President of HDR, Inc., a national engineering firm. She has also served as the Co-Vice Chairman of the National Surface Transportation Policy and Revenue Study Commission. From 2001 To 2005, Peters Served As Head Of The Federal Highway Administration. Peters joined ADOT in 1985, working her way up through the ranks before being appointed Director in 1998. She received a Bachelor of Arts in Management from the University of Phoenix, Arizona.

Congratulations, Mary!

New Mexico's Rail Runner Now Running Every Weekday!



On July 14th, the New Mexico Rail Runner Express started service for the public at the following stations: U.S. 550/Sandoval, Los Ranchos/Journal Center and Downtown Albuquerque (schedule). These will be the only stations open for service until September/October when the service will be extended to the Los Lunas and Belen stations.

Rail Runner Photo

El Paso - Denver Train "Will Happen"

According to the *New Mexico Business Weekly*, at the July 17, 2006 dedication ceremony of the New Mexico "Rail Runner Express" commuter service, Governor Bill Richardson, that train service from El Paso, Texas to Denver, Colorado "will happen," although he did not say how long it would take or how much it would cost. Richardson almost single-handedly got the Rail Runner project moving. For now, commuter service operates between three stations, the six final stations in the first phase to Belen opening later this year. Ridership is about 2,500 daily with just the three stations open. Albuquerque (U.S. Census 2000 population 448,000) is nearly the same size as Tucson (487,000).

Save the Date - November 18 ARPA Membership Luncheon

All ARPA members and friends are invited to a Membership Luncheon on Saturday, November 18th. Learn about the progress of metro Phoenix's light rail system, now under construction, as well as recent developments concerning future commuter rail in Arizona. A notice with details of the event will be mailed to all members.

Cutting Trains Doesn't Save Money!

By William Lindley

As Amtrak and ultimately Congress considers Amtrak reform, and especially as it looks at cutting long-distance train routes, it should be noted Amtrak does not have, or does not acknowledge, any data or models to predict the impact of service changes.

Amtrak only acknowledges the Route Profitability System cannot be used to predict what might happen if routes or frequencies were to be added or cut. Amtrak has admitted RPS expenses are allocated to train routes subjectively. From a planning perspective, such figures are worthless. Contrary to some expectations, past experience such as the 1979 route cuts suggest when routes are eliminated, Amtrak's high system costs are merely allocated to the fewer remaining trains, making them look even worse.

If today's *Sunset Limited* appears to be a poor performer, it could well be because, of all the western long-distance trains, it is the only one that runs only three times a week – SO its station agents and other station costs are divided among three, not seven, trains.

Indeed, rapidly growing passenger-mile counts (the only real measure of success in the transportation industry for all common carriers other than fixed-fare transit systems) on the recently privatized British railways suggest that modern equipment, operating on convenient schedules, with convenient connections, can and will attract new riders.

Tucson to Build Modern Streetcar

In May 2006, Tucson voters approved the Regional Transportation Plan, which includes a half-cent sales tax that will fund extension of the existing Old Pueblo Trolley, as a modern streetcar. The line will then total four miles, all the way from the University of Arizona campus, under the railway, past the restored Southern Pacific Depot and Ronstadt Transit Center, to the Rio Nuevo master plan area west of downtown.

Fred Harvey Successor Buys Part of Former AT&SF

In a twist of history, the successor to the Fred Harvey Company — famed for fine dining and resort hotels along the Santa Fe Railway — has bought that railway's signature branchline.

This September, the owners of the Grand Canyon Railway (www.thetrain.com) agreed in principle to sell the railroad to Xanterra (www.xanterra.com), who operates the concessions at the Grand Canyon National Park. Xanterra (formerly Amfac) is the corporation that in 1968 purchased AT&SF railway contractor Fred Harvey Company.

The sale includes the buildings, shops, hundreds of acres of land, locomotives, and over three dozen passenger cars. Nearly a quarter-million passengers ride the Railway each year. The deal is expected to be complete by early 2007. Xanterra has said it intends to retain the railway's employees.

To understand what will happen to a network of passenger trains, we can look to the late Dr. Adrian Herzog's Matrix Theory. This states that in a route network of 'n' stations, the number of origin-destination pairs is n squared, minus n. In a network of 500 stations, then, cutting a single route with fifty stations reduces the number of places you can go "to and from" not by fifty, but by over forty-seven thousand. That is a large number of travelers who will have to pick a different way to get around.

Furthermore, Dr. Herzog's work suggests one train's potential ridership at a station is related not to the linear value of the population served, but to the cube of the natural logarithm of the population. In other words, a station serving a town of 500 would have a ridership factor of about 6; a city of 100,000 would have a ridership factor of about 42; and a city of five million a factor of about 100. The upshot of this is that even the smallest stations are significant contributors to long-distance train ridership.

Amtrak and Congress should not consider eliminating transportation options to towns and cities -which are already longing for more options to highway travel - without first requiring Amtrak planning managers to provide meaningful projections for what would happen in the case of both cuts, and additions to, its routes and train frequencies.

The author, William Lindley is Treasurer of the Arizona Rail Passenger Association. This commentary originally appeared in the *Western Rail Passenger Review* and is reprinted by permission.

Scottsdale Studies Streetcars, Light Rail

The City of Scottsdale, as part of its transportation plan update, is looking at high-capacity transit options for Scottsdale Road, which has been designated as its main corridor. Options include light rail like the Valley Metro Rail under construction, as well as modern streetcars like Tucson has approved.

As part of the "Supergrid" system, Scottsdale Road already has bus service every 15 minutes most of the day, with service from early morning until past midnight. Most of the other arterial streets in Scottsdale now also have Valley Metro service until at least 11:30pm.

Ridership has been good on the extended hours.

ASARCO buys Copper Basin Railway

Copper mining company ASARCO, which held 45% of Copper Basin Railway, has purchased the remaining shares. ASARCO, operating under Chapter 11 Bankruptcy, says the move will cut its costs.

CBRY operates the line connecting ASARCO's Ray Mine to the Hayden Smelter, as well as a line connecting to the UPRR at Magma Junction.

ARPA Director "Jake" Jacobson is the President and Chief Operating Officer of the Copper Basin Railway.

Who is “killing” Amtrak?

By Noel T. Braymer, Editor, *Western Rail Passenger Review*

Most of what is being said about the new Amtrak President Alexander Kummant is speculative. Mr. Kummant is largely unknown to the general public. It is understandable that people are uneasy when dealing with the unknown. What is known is that Mr. Kummant is 46, and has a B.S. in mechanical engineering from Case Western Reserve University. He also has a master's in manufacturing engineering from Carnegie Mellon, and an MBA from Stanford University. Among the jobs Mr. Kummant has had were as an executive with the Union Pacific from 1999 to 2003 where he rose to Regional Vice-President. His next job was as President of the German Heavy Equipment manufacturer Bomag. This year he started work as the executive Vice-President, Chief Marketing Officer for the U.S. division of Komatsu, the Japanese Heavy equipment manufacturer.

Is the Bush Administration planning to kill Amtrak? In letters to Congress Amtrak has been second only to Social Security in the volume of mail in support. This support comes from across the nation in both red and blue states. The UP's hostility to Amtrak is no surprise to anyone. But other railroads, such as the BNSF, like getting incentive checks when running Amtrak trains on time. Without Amtrak the railroad retirement system will be in big trouble. The railroads have no wish to have that burden thrown on them. It would not be in the Bush Administration's interest to eliminate intercity rail passenger service. Where the Bush Administration has little support is along the North East Coast of the country. This small area is where most of Amtrak's jobs are based, and over half of Amtrak's services are concentrated. In over 30 years many places have seen cut-backs and total elimination of Amtrak service. The one exception where there have been no cutbacks is the Northeast.

Amtrak is still recovering from a near-death experience. This happened in 2001-2002. Amtrak was so short of cash, it was forced to use Penn Station as collateral to borrow money just to meet payroll. What lead up to this had happened before the Bush Administration. The Acela went way over budget, plunging Amtrak deeply into debt while starving the rest of the system of cash for repairs and maintenance. Even if politicians are blamed for forcing the Acela on Amtrak, Amtrak Management was still responsible for decisions which have proven disastrous. Amtrak Management's two basic mistakes on the Acela were in marketing and procurement. Amtrak Management thought the Acela would be their “glide path to profitability”. After repeated failures, Amtrak continued to think that short haul express trains were cash cows. This ignored the fact that Amtrak got most of its passenger income from long distance trains. Since Acela was introduced in 2001, Amtrak's subsidy needs have continued to grow. Amtrak Management bet the farm on Acela, and almost lost it.

The biggest mistake Amtrak Management made on procuring the Acela equipment was not buying a proven product “off the shelf.” The Acela was an untested product that turned out to have many “bugs”. This was complicated by Amtrak Management

“micro-managing” the design which delayed the project and increased costs. The start up of service was delayed by over a year and the equipment still had problems. There were problems with the bathroom locks not working. There were cracks in the yaw-damper of the Acela which caused service to be suspended in 2002. Last year premature brake wear forced a suspension of service. Typically Amtrak Management ignored reports of problems with the Acela brakes, and it was the FRA which ordered the trains out of service. During this time older Metroliner trainsets were used instead of the Acela. They were just as fast and Amtrak admitted had lower operating costs than the Acela. The biggest single blunder of Amtrak Management was allowing the Acela to be built 4 inches too wide to take full advantage of its train tilting to allow faster speeds on curves. Amtrak insisted on buying a train capable of 150 mph, but only has 16 miles of track that can be run at that speed. Even today the Acela has more problems with its on-board electrical outlets not working. Buying a slightly slower, proven tilt-train that was less “glamorous” would have been more reliable and cheaper.

You would think with this level of performance there would have been a major shake up of Amtrak Management. You would be wrong. Many of the same people responsible for nearly killing Amtrak are still there. Amtrak has more executives and managers than conductors and engineers combined. Amtrak's bloated bureaucracy has many more bosses to workers than any of the freight railroads. In the last five years as Amtrak has been laying off thousands of workers there have been no reductions in management. In fact there has been a slight increase over the years in management.

The Amtrak Board by hiring an outsider as the new Amtrak President is likely planning a major shake up of Amtrak. The current Amtrak Board is mostly made up of businessmen. Payroll is one of the easiest costs to reduce, and is a favorite target of business turnaround specialists. The recent massive lay-offs at Ford are a good example of this. In the past the Amtrak bureaucracy has always cut services without cutting overhead. This left the bureaucracy untouched, but reduced revenue. The result was instead of saving money, these cut-backs left Amtrak worse off. We will have to keep a close eye on Mr. Kummant. A slash and burn approach of Amtrak's route system is totally unacceptable. Amtrak's problem is not too many trains, but too few. Can Mr. Kummant lean out Amtrak's Management and retain competent managers? Will the NEC remain a “sacred cow”? Does Amtrak “need” to own Chicago Union., Penn Station, Philadelphia 30th Station or Beech Grove and Sunnyside Yard? Can these properties be sold or redeveloped into income generators instead of cost centers? The job ahead at Amtrak is to increase revenues while controlling cost. This means expanded service.

ARPA Members: We Need Your E-Mail

Do you have e-mail? If so, please provide us with your e-mail address so that we may e-mail you meeting notices and other important information regarding passenger rail in Arizona. You will continue to receive newsletters and other notices by “regular” mail. E-mail your e-mail address to Rob Bohannon, ARPA president, at rbohannon@qwest.net, or to Executive Director, Judy Eisenhower, at egiaz@cox.net.



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