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GOP-Bush Fight on Amtrak

SENATORS PUSH AN ALTERNATIVE PLAN TO PRIVATIZATION

On July 31, four Republican senators put forward an investment plan that countered proposed Bush administration plans to slash and privatize Amtrak unveiled a day earlier. Senator Kay Bailey Hutchinson (R-TX) introduced the American Rail Equity Act (AREA), to overhaul Amtrak, saying the federal government has not gone the distance to make the national passenger rail system a success.

"My bill will address the inequities created by thirty years of putting Amtrak on the back burner," Hutchinson said. "Either we commit to dramatically improving rail for the entire country or we abandon the pretense of a national system and turn it over to the states and private companies. Our motto for passenger rail is National or Nothing!"

Co-sponsors of SB 1505 are Sen. Conrad Burns of Montana, Trent Lott of Mississippi, and Olympia Snowe of Maine. The bill would

- Provide a plan for Amtrak over the next six years, including an allocation of \$12 billion in operating expenses
- Establish a national passenger rail system from Amtrak's current routes
- Create an independent non-profit organization, the Rail Infrastructure Finance Corporation (RIFCO), to underwrite \$48 billion in government-backed tax credit bonds and administer a trust fund to repay the bonds over twenty years
- Create a rail office at the Department of Transportation to be responsible for recommending capital projects for funding by the RIFCO
- Provide a framework for dispute settlement between freight railroads and Amtrak with the condition that freight railroads accepting federal funds for improvements must allow Amtrak to meet its schedule

Pointing out that "Mississippians have been at the forefront of the national passenger rail issue" Lott referred to the role of Amtrak Board Chairman John Robert Smith and former FRA chief Gil Carmichael in "lay-

ing the initial groundwork for high-speed rail service and for a more efficient national passenger rail system."

Lott called the bill a "six-year, \$60 billion plan to keep Amtrak going for everyone, not just for riders in a few northeastern metro areas."

"Instead of treating the Amtrak system like a stepchild, it would finally give the system enough funds to improve and expand service nationally." Lott likened the \$2 billion for operating funds to the cost of one stealth bomber.

"Some see Amtrak as a waste of money. I don't. I see wasted opportunities – and Congress did the wasting," said Lott, in an apparent jab at House Republican colleagues who have starved Amtrak and now propose to slash its budget request in half.

Senator Olympia Snowe of Maine, also a member of the Senate Commerce subcommittee which oversees Amtrak, warned that adoption of the Bush Administration's proposal could mark the beginning of the end of passenger rail.

While indicating that she shares a commitment to reform the system, Snowe said she was "concerned the Administration's proposal would mean the end of a national intercity passenger rail system in this country as it fails to address the nation's chronic underinvestment in necessary capital improvements and instead moves passenger rail toward privatization.. Moreover, it would shift virtually all of the costs of building, operating and maintaining passenger rail service to the states, which collectively are facing record budget shortfalls and simply cannot afford to pay for passenger rail," Snowe said.

"If the Administration's proposal were to be enacted," said Snowe, "it would result in a patchwork system of different short-haul routes between the biggest American cities rather than the national system Congress



Sen. Kay Bailey Hutchinson presents the long view in a Texas town of the same name served by the Texas Eagle.

envisioned when it created Amtrak in 1970. Last summer we witnessed the potential of a very real passenger and intercity rail shutdown due to lack of funding, we certainly don't want to head down that path again.."

Snowe has been one of the leaders in the effort to increase Amtrak funding, and sees the value of improved tracks to her home state, relegated to virtual branch line status by Guilford Industries disinvestment policies on its Boston-Portland line.

Most interestingly, three of the four sponsors of AREA have big constituent problems with an anti-passenger railroad. The useful language in the bill on dispute settlement could go

a long way toward addressing the chronic timekeeping problems California has faced with its own well known "public be damned" operator.

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