

ANNUAL REPORT

**NATIONAL RAILROAD
PASSENGER CORPORATION**

1973

Washington, D.C.

February 15, 1974



February 14, 1974



The President of the Senate

Dear Mr. President:

The Speaker of the House of Representatives

Dear Mr. Speaker:

The President of the United States

Dear Mr. President:

Amtrak, the National Railroad Passenger Corporation, submits herewith its Annual Report for the calendar year 1973.

The year 1973 was one of consolidation and growth for Amtrak.

Our organization was completed and it is dealing effectively with its challenges and new opportunities. Uncertainties with respect to our route structure which had inhibited long-range planning were resolved by Congress. Our program to acquire, rebuild and refurbish available passenger cars was well advanced. Orders were placed for new Metroliner cars and new diesel and electric locomotives.

The year 1972 had seen a reversal of the downward trend in railroad passenger ridership which had continued since World War II.

In 1973 this trend was sharply upward, accelerating in November and December as the country responded to energy shortages, with revenue for November 1973 being more than 50 percent higher than the revenue for November 1972. The December increase followed this same trend.

We will offer a further significant increase in capacity in 1974, and our service should be better. All of our new locomotives will be delivered and put in service during the year. The majority of our passenger cars will be rebuilt and refurbished and

in good working order. Our expanded computerized ticketing and reservation system will be operating nationwide.

All in all, this has placed us in a sound position for expansion, as the role of railroad passenger service in our Nation's public transportation system becomes more sharply defined.

During this past year Amtrak became almost universally recognized as a permanent and growing entity providing nationwide travel options by intercity railroad to the people in America. As indicative of this recognition, late in the year Congress passed and the President signed the Amtrak Improvement Act of 1973 -- a highly constructive piece of legislation that will in the future make possible:

Substantial improvement in Amtrak's contractual relations with the railroads,

Substantial improvement in the quality of Amtrak service to the traveling public, and

Substantial improvement in the viability of Amtrak's weaker routes.

This legislation was followed by the Regional Rail Reorganization Act of 1973, containing provisions directing the lease or purchase by Amtrak of the northeast corridor, and its improvement for high-speed passenger service at the earliest practicable date following the Act's enactment. This legislation also has great significance for Amtrak's future.

Major new equipment purchases were made during the year for delivery in mid-1974 and in 1975. In 1973 Amtrak took delivery of the first 40 of its new 3000 horsepower diesel-electric locomotives, and ordered 110 more for delivery in 1974. It also has contracted for the complete rebuilding of 57 diesel locomotives. All of this means that by next summer a majority of Amtrak's total locomotive fleet will be either brand new or completely rebuilt. In addition, 26 new 6000 horsepower electric locomotives ordered in 1973 will be delivered before the end of 1974, and additional locomotives will be rebuilt and others overhauled.

The year 1973 saw the introduction into Amtrak service in the Chicago area of two new turbine-powered trains leased by Amtrak from the French, with an option to purchase these two trains plus eight more. It also saw the purchase from the Canadians of a TurboTrain that had been built and later substantially improved by United Aircraft. This train will shortly be added to the TurboTrain service on the New York-Boston route.

During 1973 Amtrak made its first major purchase of new cars by ordering 57 new Metroliner-type (unpowered) cars for use in conjunction with new locomotives in the northeast corridor. When these new Metroliner cars go into service, it will be possible to more than double the number of high speed Metroliner services between New York and Washington. Amtrak also entered into contracts during 1973 for the development of the design and specifications for new bi-level cars for use on Amtrak's long-haul services. We expect to solicit bids and place contracts for the manufacture of a substantial number of these cars by United States car builders within the next few months.

In the course of the year Amtrak and the participating railroads opened renegotiations of the cost reimbursement and service provisions of the operating contract. Amtrak's position that compensation to be paid to the railroads must be tied to quality of services rendered was greatly strengthened by the enactment of the Amtrak Improvement Act of 1973, and we are hopeful that the new contract provisions can be negotiated which will assure the railroads receiving their avoidable cost plus an incentive fee for improvement in on-time performance and other penalties and bonuses to encourage better performance to the public.

During the year Amtrak accelerated its assumption of passenger-related railroad functions, and, as a result, by the end of 1973 had more than 5300 employees on its payroll compared with a total Amtrak payroll at the end of 1972 of 1522. Amtrak has assumed all functions relating to reservations, ticketing and sales, and on most railroads a majority of full-time passenger-related station-service functions. On-board service functions have also been assumed on a number of railroads. Those remaining will be taken over by Amtrak by this coming summer. In addition, all revenue accounting functions have been assumed by Amtrak.

From the summer of 1971 to the planned capacity for the summer of 1974 the passenger carrying capacity will have been almost doubled. Ticket revenue will also be almost double for the same period. We had achieved a 56 percent increase by the summer of 1973 before the impact of the increased demand resulting from the energy shortage.

At Amtrak's direction, maintenance by the participating railroads has been increased in an effort to reduce the number of cars out of service for repair. More significantly, we have in the past two years had a major program for the overhaul, rebuilding and refurbishment of all cars with a useful life of four years or more. This work has been done by railroads with heavy shop capabilities and by car manufacturers. We are now receiving between 60 and 70 cars per month and expect to have 1400 cars with overhauls completed for next summer's service.

Although Amtrak has aggressively pursued a program of locomotive and car maintenance, rebuilding and overhaul, it must be recognized that nearly all of our passenger cars are more than 20 years old. Many of these cars and some of our locomotives are structurally and mechanically sound and should have many years of useful life. Many, however, will have to be replaced and with demand increasing beyond all previous expectations it is essential that substantial orders for new cars with appropriate locomotives be placed as soon as possible. In addition, if the downward trend in on-time performance is to be reversed and passenger comfort increased, track and roadbed conditions must be improved.

Unfortunately, our costs for the year rose more than our revenues and we suffered a higher deficit than had been anticipated. Over and above the additional cost associated with carrying larger number of passengers we also had higher interest rates and an increase in the employers railroad retirement tax. The inflationary increase in the cost of labor and materials is approximately \$25 million a year of which only a part was recovered through fare increases in 1973 and prior years.

All of these actions that I have adverted to had actually taken place or were in process when the President on November 7, 1973, announced to the American public the existence of a crisis in energy.

With this announcement, the steady growth of interest in Amtrak that had been taking place previously began to skyrocket. Daily calls into our reservations centers climbed to almost double those of the peak summer months of July and August of 1973 (60,000 versus 32,000). Advance bookings by the end of the year were almost two and one-half times those of the peak summer months (203,000 versus 85,000). Revenues for November show a 50 percent gain over revenues for November of 1972. It appears that the travel demands that we had anticipated by 1977 as a result of normal growth are with us now.

What is Amtrak doing at the present time to help meet increasing demands for public transportation generated by the energy crisis? Amtrak is expanding its nationwide reservations, ticketing and information system capacity to handle 120,000 calls per day. Expanded ticketing capacity is also being added in the corridors. Amtrak is also concentrating its sales efforts to encourage the public to use the excess capacity in off-peak traveling periods.

We believe that we must and we can raise year-round load factors above the current 50 percent level. And Amtrak is purchasing all the remaining usable and available passenger cars held by the railroads or others and will take delivery of about 100 additional used cars. This will give us a total fleet of 2049 cars.

Amtrak is also studying the possibility of reseating some of our coaches to increase the number of seats in each car, especially for corridor service.

As I have previously stated, we are preparing designs and specifications for new bi-level passenger cars which will go out for bids in the next few months. We also expect to have completed our service evaluation of turbine-powered trains in use in the Chicago-St. Louis and the New York-Boston services by February which will make it possible for us to decide on the most suitable type of equipment and place orders for trainsets for short-haul services.

This summer we will add an additional New York, Washington-Chicago train and an additional Chicago-Los Angeles train. We will increase the North Coast Hiawatha between Chicago and Seattle from tri-weekly to daily and offer an additional daily service between Seattle and Spokane to serve EXPO '74.

Amtrak will initiate two new routes in 1974 -- the Mexican service via St. Louis, Little Rock, and Dallas, and the service in the San Joaquin Valley in California.

But what are the longer-range implications of the energy crisis and of current sharp uptrend in passenger miles and revenues?

Current distribution of intercity traffic by mode shows that about 87 percent moves by private automobiles, 10 percent by air, 2 percent by bus and 1 percent by rail. While it is likely that curtailed availability of fuel and a slowing economy will retard the total growth, it can be expected also to stimulate a major transfer between these modes of travel. For long-haul travel there should be a substantial diversion from the private automobile to rail and bus. For short-haul there could be a substantial diversion from air to rail as well. The fact of greatly under-utilized capacity in the rail system suggests that it will be the primary beneficiary of these diversions from private to public transportation.

From selected route analyses we are now projecting an increase in demand for fiscal year 1975 about 75 percent greater than that projected when the fiscal year 1975 operating plan was put together last fall, a level we had not expected to reach until fiscal year 1977.

It is therefore urgent that we place orders for new cars and new locomotives to meet this increased demand and to commence the orderly replacement of old and worn out equipment acquired from the railroads and we expect to do this without delay.

Amtrak was established by Congress and by the Executive Branch to meet a need for rail service in a balanced transportation system. The year 1973 saw significant progress. Our organization was complete and in good working order, uncertainties with respect to total route structure were put aside by the Amtrak Improvement Act of 1973. Assured of this, Amtrak has moved aggressively in the development of passenger cars and other equipment to serve the special needs of its system and will soon order cars of modern design. Progress has been made in establishing more equitable and more satisfying relations with the operating railroads. The energy crisis is going to place a very large demand on all public transportation and Amtrak is positioned to do its share.

Respectfully,

A handwritten signature in dark ink, appearing to read "Roger Lewis", followed by a period.

Roger Lewis
President

Guide to Railroad Name Abbreviations

ATSF	Atchison, Topeka and Santa Fe
BN	Burlington Northern
B&O	Baltimore and Ohio
C&O	Chesapeake and Ohio
ICG	Illinois Central Gulf
LN	Louisville and Nashville
Milw	Chicago, Milwaukee, St. Paul and Pacific
MP	Missouri Pacific
PC	Penn Central
RFP	Richmond, Fredericksburg and Potomac
SCL	Seaboard Coast Line
SP	Southern Pacific
UP	Union Pacific

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FOREWORD

The following is a comprehensive and detailed report of Amtrak's activities in 1973. Each area of management responsibility is covered in the chapters that follow, beginning with Finance, followed by Operations (covering system performance and the operation of the trains), then followed by Marketing (covering the provision and sale of services), and then proceeding with the other areas of management responsibility.

CHAPTER 1 FINANCIAL

During the calendar year 1973, as shown in the audit report included herein as an appendix, Amtrak had an increase in revenue of \$39.5 million or 24 percent above the revenue for calendar year 1972. Despite this outstanding expression of public acceptance of Amtrak service, the corporation nevertheless operated at a deficit of \$158.6 million. The calendar year 1973 revenue increase was 24 percent over the revenue for calendar year 1972 while the cost increase for 1973 over 1972 was 16 percent. However, because the cost base which was transferred to Amtrak from the railroads was much higher than the revenue base, the amount of the cost increase totaled \$50.6 million while the revenue increase was \$39.5 million. This results in \$11.1 million higher deficit than that experienced for calendar year 1972.

The increase in cost of \$50.6 million is accounted for by (1) an increase of \$25.2 million in wage and material prices, reflected for the most part in higher railroad billings, (2) an increase of \$1.0 million in the employer's railroad retirement tax resulting from new legislation, (3) the cost of added train service in the amount of \$7.8 million, (4) the cost of increased sales of food and beverages of \$2.8 million, (5) the cost of the new nationwide computerized reservations system and improved station service of \$8.7 million, and (6) an increase in interest and depreciation costs of \$5.1 million. Amtrak was not able to increase fares sufficiently to offset the higher costs of labor and materials.

Audits of railroads providing service under agreements with Amtrak have resulted in the collection of and agreement on reductions totaling \$27.5 million for services billed beginning May 1, 1971. Additionally, there are \$16.8 million in adjustments proposed for this period that have not yet been agreed to and are under current discussion with the railroads.

The Amtrak Financial Plan for fiscal years 1974 and 1975 submitted to the Congress on November 15, 1973, did not include any requirements related to the present energy shortage or the service requirements established by the Interstate Commerce Commission under Ex Parte 277 Ruling.

The revised financial plan for fiscal years 1974 and 1975 is set forth in Table I. The revised plan does include an initial estimate of start-up costs resulting from the energy shortage and any increase in costs resulting from the Interstate Commerce Commission's recently set standards for intercity rail travel (Ex Parte 277). The President's Budget for fiscal years 1974 and 1975 provides for operating grants in consonance with the revised financial plans. Table II sets forth the Capital Acquisition Program for fiscal years 1974 and 1975. This Program is currently being reviewed for revision as a result of increasing demand and new requirements.

TABLE I
NATIONAL RAILROAD PASSENGER CORPORATION

Results of Operations

	Actual - Fiscal Year 1973			Planned - Fiscal Year 1974			Planned - Fiscal Year 1975		
	Revenue	Expense	Deficit	Revenue	Expense	Deficit	Revenue	Expense	Deficit
<u>Short Haul</u>									
Northeast Corridor	\$ 62.1	\$ 56.0	\$ 6.1	\$ 69.1	\$ 63.0	\$ 6.1	\$ 79.6	\$ 67.5	\$ 12.1
New York-Buffalo	3.5	6.3	(2.8)	3.9	7.3	(3.4)	4.5	7.6	(3.1)
Chicago-Detroit	1.2	2.2	(1.0)	1.4	2.9	(1.5)	2.7	3.6	(0.9)
Chicago-Quincy	0.8	0.7	0.1	1.0	1.2	(0.2)	1.3	1.2	0.1
Chicago-Dubuque				0.4	.6	(0.2)	0.9	1.0	(0.1)
Chicago-Bloomington				0.4	.6	(0.2)	0.9	1.0	(0.1)
St. Louis-Milwaukee	2.5	3.6	(1.1)	4.1	7.9	(3.8)	4.8	7.4	(2.6)
<u>Long Haul</u>									
Boston-Florida	24.2	34.1	(9.9)	34.2	38.4	(4.2)	42.0	40.9	1.1
New York-Washington-Chicago	8.0	11.9	(3.9)	10.8	12.2	(1.4)	12.9	12.6	0.3
Chicago-Los Angeles	16.1	22.4	(6.3)	19.5	23.0	(3.5)	23.3	22.9	0.4
Chicago-New Orleans	4.7	6.3	(1.6)	6.0	7.4	(1.4)	6.6	7.4	(0.8)
Chicago-San Francisco	8.7	11.9	(3.2)	13.0	17.4	(4.4)	16.1	18.2	(2.1)
Chicago-Seattle	14.4	22.1	(7.7)	18.4	24.4	(6.0)	22.6	26.3	(3.7)
Chicago-Washington-Newport News	1.6	4.6	(3.0)	1.9	4.9	(3.0)	2.3	4.9	(2.6)
Los Angeles-New Orleans	3.5	5.4	(1.9)	6.2	6.7	(0.5)	8.0	6.7	1.3
Seattle-San Diego	5.9	10.0	(4.1)	8.3	13.0	(4.7)	9.3	13.2	(3.9)
New York-Washington-Kansas City	4.1	9.0	(4.9)	5.1	10.3	(5.2)	6.0	10.6	(4.6)
Chicago-Florida	3.9	8.6	(4.7)	6.0	10.2	(4.2)	7.2	10.3	(3.1)
Chicago-Houston	4.3	8.7	(4.4)	5.5	9.4	(3.9)	6.6	9.7	(3.1)
Other Train Operations	0.9	1.8	(0.9)	1.3	1.3	-	1.4	1.3	0.1
<u>Section 403(a) Services</u>									
Washington, D.C.-Cumberland	0.2	1.4	(1.2)	0.2	.6	(0.4)	0.2	0.6	(0.4)
St. Louis-Little Rock-Dallas				0.6	1.4	(0.8)	1.1	2.8	(1.7)
San Joaquin Valley				0.3	.6	(0.3)	0.6	1.3	(0.7)
<u>International</u>									
Vancouver	0.7	1.2	(0.5)	0.8	1.4	(0.6)	0.9	1.6	(0.7)
Montreal	2.5	4.8	(2.3)	3.8	5.6	(1.8)	4.2	5.7	(1.5)
Ft. Worth-Laredo	0.1	0.4	(0.3)	0.3	1.1	(0.8)	0.3	1.2	(0.9)
Sub-Total	173.9	233.4	(59.5)	222.5	272.8	(50.3)	266.3	287.5	(21.2)
<u>Semi-Fixed</u>									
Common Facilities	3.4	33.8	(30.4)	2.3	37.7	(35.4)	1.7	38.8	(37.1)
Common Services		24.9	(24.9)		35.5	(35.5)		37.3	(37.3)
General & Administrative		23.5	(23.5)		16.4	(16.4)		17.0	(17.0)
Interest & Depreciation		3.5	(3.5)		13.4	(13.4)		25.4	(25.4)
Reserve for Equipment Repair		0.0	(0.0)		4.0	(4.0)		5.0	(5.0)
Sub-Total	3.4	85.7	(82.3)	2.3	107.0	(104.7)	1.7	123.5	(121.8)
<u>Total</u>	<u>\$177.3</u>	<u>\$319.1</u>	<u>\$ (141.8)</u>	<u>\$224.8</u>	<u>\$379.8</u>	<u>\$ (155.0)</u>	<u>\$268.0</u>	<u>\$411.0</u>	<u>\$ (143.0)</u>

TABLE II

NATIONAL RAILROAD PASSENGER CORPORATION

Capital Acquisition Program
Summary of Planned Commitments,
Fiscal Years 1974 and 1975

(millions of dollars)

	<u>FY 1974</u>	<u>FY 1975</u>	<u>Two- Year Total</u>
<u>Passenger Cars</u>			
High-performance corridor equipment			
- 10 High-performance train sets	\$ 35.2*		\$ 35.2
- 57 Metroliner-type new cars (Northeast Corridor)	23.8*		23.8
- 12 Metroliner used cars (Northeast Corridor)	3.9		3.9
150 New bi-level conventional cars	90.0		90.0
Purchase used cars	4.6		4.6
Modernize used cars	50.7	19.6	70.3
Modernize RDC cars	0.9	\$	0.9
Sub-total	<u>\$209.1</u>	<u>\$ 19.6</u>	<u>\$228.7</u>
<u>Motive Power</u>			
Purchase used locomotives	1.2		1.2
11 New electric locomotives	8.5*		8.5
138 New diesel electric locomotives	54.3	14.0	68.3
Overhaul 57 used locomotives	16.7		16.7
	<u>\$ 80.7</u>	<u>\$ 14.0</u>	<u>\$ 94.7</u>
<u>Facilities</u>			
Autotrak facilities	1.6		1.6
New Carrollton Station	0.5	6.6	7.1
Stations and sales offices	11.5	13.4	24.9
Equipment maintenance facilities	7.5	32.0	39.5
Right-of-Way improvements (1)	50.0	50.0	100.0
Sub-total	<u>\$ 71.1</u>	<u>\$102.0</u>	<u>\$173.1</u>
Total	<u>\$360.9**</u>	<u>\$135.6</u>	<u>\$496.5</u>

*Plans under development for specific fund authorization.

**Includes \$26.5 million reprogrammed from fiscal year 1973.

- (1) \$50 million to be financed from Railroad Capital Payments, the balance to be financed from guaranteed loan funds.
- (2) Capital Acquisition Program excludes requirements resulting from ICC Ex Parte 277 or additional equipment requirements to meet the demand resulting from the present energy shortage.

CHAPTER 2 OPERATIONS

Introduction

The Amtrak Operations Department is made up of various sub-departments whose responsibility it is to ensure that the contracting railroads operate Amtrak's trains safely and on schedule, to maintain equipment to a clean, safe and mechanically sound standard, and to plan, develop, and design equipment and facilities for future needs.

During 1973 the Operations Department began to expand its control over day-to-day operations by establishing a system of regional superintendents, which includes transportation and mechanical personnel stationed at all major Amtrak points in the country. Their job is to closely monitor each carrier's operation, directed towards improving on-time performance, upgrading the cleanliness of equipment, and reducing the number of cars and locomotives out of service for mechanical or other reasons. These positions have been effective in improving the level of performance throughout the system.

Within the Operations Department, the transportation section maintains a 24-hour daily control over the entire Amtrak system. This organization is in close contact with all railroads operating in the Amtrak system, keeps records of all unusual occurrences, sets up detour routes that may be necessary during emergencies, has overall control of the utilization of Amtrak cars and locomotives, and is responsible for the daily on-time performance records of all passenger trains, plus overall responsibility for schedules and consists.

The mechanical section is responsible for the maintenance of car and locomotive equipment operated in Amtrak service. Primary effort is expended to obtain adequate and satisfactory work performance from the railroads and the development and establishment of passenger car and locomotive equipment standards and specifications.

The engineering section is responsible for dealing with the various railroads regarding maintenance of the right-of-way and the serviceability of the facilities necessary for passenger train operations. Under Amtrak's contracts with the participating railroads, the railroads are responsible for maintaining their track and facilities so as to maintain a "level of utility" for passenger service equal to that available on May 1, 1971, when Amtrak began operating the national basic system.

The engineering section is also engaged in construction of facilities as well as maintenance of radios and train electronics, including on-board television equipment.

The terminal planning group is responsible for station cost projections for new routes, and cost analysis at terminals with a view toward reducing costs while still maintaining a high degree of efficiency.

The development and planning group is a specialized sub-department set up to develop new rolling stock equipment, new maintenance and servicing facilities and to provide industrial design support for stations, ticket offices, buildings and passenger car interiors.

System Performance

The following tables showing on-time performance, causes of delays, and equipment malfunctions causing delay, are based on daily reports received by Amtrak from each railroad.

TABLE III: AMTRAK PERCENTAGE OF ON-TIME PERFORMANCE (SIX-MINUTE STANDARD) BY RAILROAD AND TYPE OF ROUTE

	ALL OF 1972	JAN. 1973	FEB. 1973	MAR. 1973	APR. 1973	MAY 1973	JUN. 1973	JUL. 1973	AUG. 1973	SEP. 1973	OCT. 1973	NOV. 1973	DEC. 1973	ALL OF 1973
ATSF	84.8	72.3	78.3	81.0	62.2	62.9	44.4	57.3	59.7	68.5	69.6	78.5	69.6	66.8
BN	71.8	68.8	68.0	73.4	68.6	75.4	65.6	42.3	54.0	69.8	72.4	59.3	52.9	64.1
C&O/B&O	73.8	63.4	63.7	68.3	60.6	48.4	38.3	47.3	48.9	62.2	65.6	69.4	54.8	57.5
ICG	57.7	27.8	36.4	45.5	38.6	41.1	29.0	25.5	30.1	31.0	34.0	36.9	26.6	33.8
LN	45.2	3.2	1.8	0	15.0	62.9	50.0	29.0	54.8	81.7	75.8	78.3	58.1	42.7
Milw	87.6	87.5	90.1	87.9	75.5	72.1	61.0	56.6	32.9	33.6	56.6	80.5	83.3	68.0
MP	58.4	40.9	57.5	57.3	54.1	52.8	67.4	70.5	76.4	70.9	53.4	51.2	43.2	58.3
PC	78.7	70.3	69.8	70.4	70.0	58.0	54.7	49.8	55.9	68.2	69.7	65.7	50.5	62.7
RFP	70.7	59.7	58.0	67.7	51.9	70.4	47.6	37.6	43.1	74.6	81.2	80.6	47.5	59.6
SCL	73.7	51.2	48.2	47.2	34.1	72.2	44.1	42.9	56.9	77.6	86.4	81.0	51.8	55.2
SP	67.0	55.9	54.9	52.8	51.3	42.2	26.5	21.6	11.9	34.3	46.7	46.6	36.7	39.1
UP	87.6	53.8	95.8	77.8	84.6	80.8	51.0	71.0	80.7	93.3	82.3	86.7	71.0	77.5
TURBOLINERS ^{1/}	--	52.3	64.2	32.6	75.3	17.8	38.1	29.5	25.6	49.3	30.2	30.5	26.7	39.2
METROLINERS	75.6	70.9	77.5	71.5	63.5	56.8	59.5	42.9	51.4	72.6	73.9	70.4	42.9	62.5
ALL CORRIDORS ^{2/}	82.4	76.7	75.0	79.8	78.5	70.9	62.1	60.2	63.1	70.8	73.3	71.5	62.5	70.4
LONG DISTANCE ROUTES ^{3/}	53.3	34.6	36.4	36.9	25.7	30.2	21.5	16.7	17.5	35.1	40.2	40.6	28.8	30.4
ALL AMTRAK SYSTEM TRAINS	75.0	66.2	66.7	68.0	65.2	59.3	53.2	48.4	51.4	63.4	65.3	63.9	51.0	60.2
NUMBER OF TRAINS OPERATED	66,840	7037	6224	7161	6895	6778	6579	6839	6839	6517	6869	6608	6997	81,343

^{1/} On-time performance percentages for the turbine-powered trains were categorized in 1972 with the conventional New York-Boston trains. Beginning in October 1973, "Turboliner" figures also include the Chicago-St. Louis Turbo service.

^{2/} See Table IV

^{3/} See Table V

TABLE IV: AMTRAK ON-TIME PERFORMANCE FOR CORRIDOR ROUTES (INCLUDES METROLINERS BETWEEN WASHINGTON-NEW YORK-NEW HAVEN AND TURBOLINERS BETWEEN NEW YORK-BOSTON AND BETWEEN CHICAGO-ST. LOUIS)

ROUTES	ALL OF 1972	JAN. 1973	FEB. 1973	MAR. 1973	APR. 1973	MAY 1973	JUN. 1973	JUL. 1973	AUG. 1973	SEP. 1973	OCT. 1973	NOV. 1973	DEC. 1973	ALL OF 1973
METROLINERS	75.6	70.9	77.5	71.5	63.5	56.8	59.5	42.9	51.4	72.6	73.9	70.4	42.9	62.5
TURBOLINERS ^{1/}	--	52.3	64.2	32.6	75.3	17.8	38.1	29.5	25.6	49.3	30.2	30.5	26.7	39.2
New York/Wash. ^{2/}	94.9	92.6	97.6	96.4	95.5	87.3	84.5	80.0	75.2	83.3	79.0	79.5	71.2	85.6
Boston/Wash.	63.1	63.0	64.3	68.6	72.4	66.9	44.2	44.7	54.3	66.3	67.8	65.8	45.1	60.0
New York/Boston ^{3/}	72.3	81.0	87.0	84.9	83.3	65.3	58.9	69.6	73.1	84.1	71.1	78.3	60.5	74.3
New York/Boston ^{4/}	82.7	63.6	67.6	80.6	81.7	70.7	50.3	55.4	57.5	74.6	77.7	70.4	62.1	67.7
New York/Buffalo	78.0	48.7	42.6	53.2	64.0	71.9	62.3	50.3	63.9	69.0	72.3	57.3	43.4	58.4
Phil/Harrisburg	80.7	86.0	65.0	73.3	74.5	41.2	50.4	53.5	67.8	71.6	82.4	69.6	72.7	67.7
Wash/Cumberland	73.9	85.2	69.6	88.7	60.0	81.7	68.3	77.4	71.0	66.7	51.6	73.3	62.5	71.3
Chic/Carbondale ^{5/}	71.7	60.5	14.3	46.8	33.3	62.9	31.7	14.5	11.3	10.0	46.8	55.0	38.7	31.1
Chic/Champaign	--	--	--	--	--	--	--	--	--	--	--	--	15.4	15.4
Chic/Detroit	91.1	83.9	75.9	75.0	77.5	77.4	78.3	64.5	75.0	85.0	72.6	80.8	47.6	74.4
Chic/Quincy	69.7	41.9	35.7	38.7	31.7	50.0	55.0	9.7	27.4	60.0	22.6	8.3	12.9	32.7
Chic/St. Louis	70.4	58.1	72.3	74.2	51.7	32.3	34.2	39.5	35.5	38.3	57.7	57.4	36.1	48.6
Chic/Milw	92.4	94.5	94.3	94.8	87.0	86.5	85.0	88.7	66.1	64.0	55.2	85.3	87.7	82.4
Seattle/Portland ^{6/}	82.8	90.9	85.7	86.0	81.7	87.6	83.3	66.9	72.6	76.4	92.5	73.3	73.1	81.0
Oakland/Los Ang	83.3	48.4	81.3	88.6	91.2	66.7	90.0	--	--	--	--	--	--	72.3
Los Ang/San Diego	94.8	97.8	92.3	97.8	90.6	94.1	49.5	56.4	64.1	71.7	82.4	89.4	88.2	80.9
ALL CORRIDORS	82.4	76.7	75.0	79.8	78.5	70.9	62.1	60.2	63.1	70.8	73.3	71.5	62.5	70.4

^{1/} On-time performance percentages for the turbine-powered trains were categorized in 1972 with the conventional New York-Boston trains. Beginning in October 1973, "Turboliner" figures also include the Chicago-St. Louis Turbo service.

^{2/} Conventional trains

^{3/} Shore route (via Providence)

^{4/} Valley route (via Springfield and Worcester)

^{5/} Operation started December 1973

^{6/} Effective in July 1973, with the beginning of daily service over the entire route between Los Angeles and Seattle, these performance percentages are incorporated in the following table as a long-distance route.

TABLE V: AMTRAK ON-TIME PERFORMANCE FOR LONG DISTANCE ROUTES

ROUTES	ALL OF 1972	JAN. 1973	FEB. 1973	MAR. 1973	APR. 1973	MAY 1973	JUN. 1973	JUL. 1973	AUG. 1973	SEP. 1973	OCT. 1973	NOV. 1973	DEC. 1973	ALL OF 1973
New York/Chic	48.5	29.0	24.1	12.9	0	1.6	0	0	0	1.7	3.2	6.6	4.8	6.8
New York/Florida ^{1/}	54.6	43.2	36.8	40.0	27.0	47.6	36.4	22.6	21.6	51.6	61.8	66.3	38.1	40.2
Boston/Florida	--	--	--	--	--	43.5	23.3	9.7	22.6	56.7	59.3	--	--	35.3
New York/Harrisburg ^{2/}	--	--	--	--	--	--	--	--	--	--	50.0	50.0	54.8	52.7
New York/Kansas City	22.5	6.5	3.6	6.5	0	1.6	1.7	0	1.6	5.0	4.8	0	1.6	2.7
Wash/St. Louis	50.5	50.0	19.0	19.2	0	0	0	3.7	0	0	3.6	0	0	9.6
Wash/Chic	39.7	27.4	27.8	17.7	0	1.6	0	0	0	1.7	4.8	5.0	11.3	8.0
Cincinnati/Wash	54.8	24.2	14.3	35.5	25.0	8.1	0	3.2	0	18.3	24.2	21.7	14.5	15.8
Chic/Newport News	48.2	21.7	21.4	27.4	26.7	4.8	6.7	8.2	8.1	13.3	19.4	18.3	24.2	16.6
Chic/Florida	56.8	29.8	27.7	25.8	31.0	29.0	28.3	12.9	6.2	32.3	52.4	42.6	33.7	29.2
Chic/New Orleans	20.8	0	1.7	15.4	15.2	15.8	4.8	0	0	0	9.7	10.0	1.6	7.5
Chic/Houston	78.0	33.9	57.1	56.5	10.0	4.8	10.0	32.3	37.1	61.7	37.1	48.3	37.1	35.3
Chic/Los Ang ^{3/}	61.5	41.9	76.8	69.4	40.0	41.9	45.0	80.0	72.6	78.3	58.1	76.7	40.3	60.0
Chic/Denver ^{3/}	83.1	88.7	87.5	94.4	52.9	69.4	80.0	--	--	--	--	--	--	80.8
Chic/Oakland	59.1	15.4	30.8	26.9	48.1	15.4	10.0	9.7	6.5	43.3	29.0	33.3	17.7	23.0
Chic/Seattle	58.8	53.2	41.1	62.9	46.7	54.8	11.7	0	16.1	45.0	71.0	58.3	41.9	41.9
Ft. Worth/Laredo	--	0	58.3	63.0	52.0	55.6	84.6	54.2	44.4	34.6	61.5	61.5	53.8	55.9
Chic/Minneapolis	86.3	53.6	87.5	53.8	30.8	61.3	61.8	33.3	17.1	36.1	55.9	62.9	57.1	46.1
Chic/Spokane	63.0	53.6	87.5	53.8	30.8	61.3	7.7	0	37.0	60.0	75.0	72.0	44.4	49.7
New Orleans/Los Ang	59.2	55.6	70.8	37.0	26.9	38.5	19.2	0	0	8.0	34.6	48.0	7.7	28.5
Seattle/Los Ang	56.0	15.4	20.8	29.6	3.8	7.7	14.0	26.2	21.0	35.0	59.7	31.7	32.3	28.0
Wash/Montreal	28.9	11.3	32.1	53.2	65.0	87.1	67.8	32.8	40.3	80.0	71.0	70.0	29.0	53.4
LONG DISTANCE	53.3	34.6	36.4	36.9	25.7	30.2	21.5	16.7	17.5	35.1	40.2	40.6	28.8	30.4

^{1/} As a summer service, Boston-Florida through trains only operated in May through October.

^{2/} The "Valley Forge" direct service between Harrisburg and New York City (via North Philadelphia) began in October.

^{3/} Beginning in July 1973, with the provision of daily service over the entire route between Chicago and Oakland/San Francisco, these performance percentages are incorporated in the Chicago-Oakland figures.

TABLE VI: YEARLY SUMMARY - CAUSES OF DELAY 1973
(as cited by railroads in daily on-time performance reports)

CATEGORIES	TOTALS	ATSF	BN	C&O/ B&O	ICG	LN	Milw	MP	PC	RFP	SCL	SP	UP
EQUIPMENT MALFUNCTION	12248	446	657	586	864	626	377	35	5665	697	1495	732	68
SLOW ORDERS	51911	1322	1458	1392	5384	504	1687	358	36986	565	233	2020	2
SERVICING IN STATIONS	15585	1902	953	880	1637	778	314	98	4514	290	2659	1367	193
PASS. TRAIN INTER- FERENCE	9399	439	232	118	601	107	135	14	5842	98	1434	374	5
FREIGHT TRAIN INTER- FERENCE	14884	346	485	448	1744	549	561	331	7332	474	1354	1215	45
WAITING FOR CONNEC- TIONS	2793	63	91	262	21	2	95	24	1734	5	445	47	4
PASSENGER RELATED DELAYS	20930	1903	1156	636	1135	101	438	141	13330	233	692	1153	12
SIGNAL FAILURES	12081	678	506	294	1782	137	485	96	5870	259	1074	889	11
MAINTENANCE OF WAY WORK	6408	54	153	36	147	49	605	7	5136	67	11	142	1
EMPLOYEE FAILURE	349	15	13	28	32	25	19	2	173	8	10	24	-
MISCELLANEOUS	11433	672	729	502	1211	194	385	44	6011	626	450	577	32

TABLE VII: EQUIPMENT FAILURE/MALFUNCTION REPORT
YEARLY SUMMARY 1973

	Number of Train Miles Operated	Number of Locomotive Failures Enroute 1973	Locomotive Failures Per 10,000 Train Miles 1973	Number of Cars with Malfunctions Enroute 1973	Car Failures Per 10,000 Miles 1973
Amtrak Total	27,478,098	5793	2.10	7110	2.58
CARRIER:					
ATSF	2,965,672	229	0.77	204	0.68
B&O/C&O	674,999	301	4.45	227	3.36
BN	3,357,226	468	1.39	405	1.20
Milw	856,370	246	2.87	97	1.13
ICG	1,434,090	308	2.14	239	1.66
LN	357,700	399	11.15	328	9.16
MP	267,236	6	0.22	221	8.26
PC	12,264,161	1776	1.44	3224	2.62
RFP	280,190	439	15.66	390	13.91
SCL	3,007,244	1074	3.57	1516	5.04
SP	1,691,660	493	2.91	235	1.38
UP	321,550	54	1.67	24	0.74

Safety

It is a railroading tradition that in operating matters, safety comes ahead of all other considerations. Safety is important. Railroad travel has an exceptional safety record, and Amtrak intends to keep it that way. Safe operation is one reason why passengers select rail travel.

At the close of 1973, Amtrak has been responsible for the national rail passenger service a total of 32 months. Amtrak's figures for accident-related fatalities and injuries are for all those aboard the trains, including crew members and pass riders, and the rate is computed on a million-train-mile basis. The following table shows the accident record to date:

Table VIII
Amtrak Train Accidents Resulting in Injury or Death
of Passengers, Crew Members, or Pass Riders Aboard Trains
May 1, 1971, to December 31, 1973, Inclusive

	1971 (8 months)		1972		1973		Total	
	<u>number</u>	<u>rate*</u>	<u>number</u>	<u>rate*</u>	<u>number</u>	<u>rate*</u>	<u>number</u>	<u>rate*</u>
Train Accidents	6	0.36	6	0.22	6	0.22	18	0.28
Fatalities	11	0.66	0	--	1	0.036	12	0.19
Injuries	162	9.67	103	3.86	104	3.70	369	5.60

* Rate per million train miles

Under our operating contracts with the railroads, which are responsible for providing a single point of control for all operations using the tracks, we hold the railroads responsible for safe operation as well as for maintenance and inspection of track, facilities, engines and rolling stock. On the matter of train accidents, good cooperation has been achieved between Amtrak and the railroads, and we have every reason to believe that this cooperation will continue.

In 32 months of operation, Amtrak has not been able to compile a long enough record to permit drawing any significant conclusions on trends. It is apparent that during the first period shown in the table (the first eight months of Amtrak

operation, in 1971) the poorest accident record was compiled. This reflects a very serious accident at Tonti, Illinois, on the Illinois Central Railroad on June 10, 1971. This accident resulted in eleven fatalities and 130 injuries. Since that date, Amtrak has had no accident approaching this severity.

To date there have been no statistically meaningful changes of direction either in the accident frequency or in causes of accidents. Of course, each accident -- major or minor -- is examined carefully to determine the probable cause so as to minimize the likelihood of similar occurrences.

In the light of Amtrak's developing program for maintaining a portion of the passenger equipment at Amtrak facilities with Amtrak employees, a safety department has been established to insure safe working practices. This department will be responsible for:

- (1) The establishment of accident prevention policies for maintenance activities.

- (2) The establishment of rules, regulations, and standards that will aid in accident prevention.

- (3) The establishment of standards for personal protective devices and equipment.

- (4) The establishment of a system of statistics for analytical and informational purposes.

- (5) The establishment of educational and training programs.

- (6) The reporting of those accidents that must be reported to the Department of Transportation, Department of Labor, or any individual state. Also, coordinating safety requirements of these two agencies or the states that could govern Amtrak employees.

- (7) Making any recommendations that will insure the safety of the public and employees.

Even though the provisions of the Occupational Safety and Health Act of 1970 (under the jurisdiction of the Department of Labor) may not technically apply to Amtrak's shop facilities at Brighton Park, Chicago; Fields Point, Providence, Rhode Island, as well as the station at Jacksonville, Florida, the primary safety requirements of OSHA are being applied by Amtrak's safety department.

Planning and Development

New Passenger Cars

By the year's end, engineering specifications were completed and procurement was initiated for 57 nonpowered passenger cars, which are to be similar to the original Metroliner cars in appointments and passenger facilities. Although intended primarily for service in the northeast corridor, these cars can also be used in any other Amtrak service that is normally operated by means of diesel locomotives.

Specifications for Totally New Cars

Amtrak's design competition for a high-capacity passenger car suitable for long-distance travel was completed in the final months of 1973. Two proposals were received, and the most desirable ideas are being incorporated into the specifications for a new standard Amtrak car, which will be the primary equipment for use in long-haul passenger trains. These cars will be characterized by improved, more reliable passenger comfort facilities and by a superior ride quality. Procurement of the first order of cars based on the new specifications is expected to begin in early 1974.

Maintenance Facilities

To support and service these improved passenger trains, planning was well underway during 1973 toward the goal of acquiring Amtrak's own maintenance and servicing facilities in both the Washington, D.C., and Boston areas. Preliminary planning was also started to insure adequate maintenance facilities in the southeast and central regions of the United States. These efforts are in line with Amtrak's long-range goal of assuming full responsibility for the general maintenance, servicing, cleaning, and testing of its entire fleet of passenger cars and locomotives.

Turbine-powered Trains

Through the cooperation of the French National Railway (SNCF), Amtrak was able to put into service in 1973 two turbine-powered trains built by ANF-Frangeco. These trains are undergoing evaluation in revenue service between Chicago and St. Louis. The public reception to these trains and their mechanical reliability has been very encouraging.

Terminal Planning

Throughout 1973 the Terminal Planning section of the Operations Department continued its coordination of Amtrak's systemwide program to create stations and terminals that are more responsive to the needs of today's intercity passengers.

The first of Amtrak's new relocated stations, in Cincinnati, was put into service in 1972. Studies were finished early in 1973 that led to the construction of a new station at Jacksonville, which opened for operation of January 3, 1974. This attractive facility substantially reduces operating costs at Jacksonville while eliminating the requirement of the old station for trains to either back in or out of that facility.

During 1973 planning was finalized on a new station to serve the Richmond, Virginia, area and the project was approved by Amtrak's Board of Directors.

Planning studies are underway for new or improved stations in a number of cities. Such studies entail coordination with local government, transportation authorities, real estate developers and terminal and line-haul railroads.

Amtrak has been engaged in preparatory work on a replacement for the Washington Beltway station, at approximately the same location as the present facility (New Carrollton), but allowing a direct connection with the Washington rail rapid transit system now under construction.

Engineering

Amtrak's engineering department (the Office of the Chief Engineer), within the Operations Department, has the responsibility for developing and supervising improvement projects involving construction of fixed facilities and installation of electrical, electronic and mechanical equipment. This work is done cooperatively with other Amtrak departments and sections, including the Design Group within Operations, and the Procurement Department, as well as Marketing, which supplies requirements for those facilities serving the public or for the marketing functions, such as reservations, ticketing and baggage services.

During 1973 the engineering department was responsible for the completion of the following major projects:

Stations

Springfield, Massachusetts. Station and facilities were completely rehabilitated, with new interior, at a cost of \$321,000. This facility was formally opened to the public on September 5, 1973.

Laredo and Austin, Texas. A new waiting room was constructed at Laredo to accommodate traffic on the new route connecting with Mexico. Also, the station at Austin was rehabilitated. New station platforms were constructed at Temple, Austin, San Marcos and San Antonio, and, related to the operating needs of the new route, track rehabilitation was done at Temple, Milano and Austin. Total cost of these projects for the international service was \$190,000.

Jacksonville, Florida. During 1973 a major new passenger station was constructed at Jacksonville. The new facility has been relocated, which eliminates the previous requirement that trains back into or out of the station. The new station is modern in design, built in a modified "hacienda" style of steel, glass and masonry. The station has two running tracks, each of which can accommodate a full 18-car train pulled by three locomotives, and a set-off track for holding mail or other cars added to or removed from the trains at Jacksonville. An adjacent lot can provide free parking for 117 cars and three buses. The station is designed to accommodate up to 150 patrons at any one time. The facility was put into revenue service on January 3, 1974. The total project cost was \$1,300,000.

Philadelphia, Pennsylvania. At a cost of \$33,000, the Philadelphia 30th Street Station was given its first complete interior cleaning since the structure was built in the early 1930's.

City Ticket Offices. Downtown ticket offices in Washington, Philadelphia, Miami Beach and Chicago were remodeled, at a total cost of \$107,600.

A total of 95 smaller stations over the Amtrak system have been cleaned and painted, and new signs have been installed.

Track, Roadbeds and Signaling

During 1973 the engineering department initiated surveys and developed preliminary cost estimates with the Milwaukee Road and the Illinois Central Gulf for track and signal upgrading to permit higher speeds and better ride quality in the Chicago-Milwaukee and Chicago-St. Louis corridors. Similar studies were

started with the Penn Central regarding upgrading of track between New York City and Boston. Upgrading of a possible alternate route in the Rochester, New York, area is also under examination. As might be expected, these negotiations are difficult and complex. Nevertheless, Amtrak expects that the preparatory steps taken in 1973 will permit realistic track upgrading programs to reach implementation stage in 1974. Shortages and long lead times for materials and equipment are an added difficulty that must be overcome.

In 1973 actual track and signaling work was confined in the main to station and terminal areas. New track was laid for the Jacksonville station and a track rehabilitation project at the Springfield, Massachusetts, station was completed in 1973 at a cost of \$60,000.

New Turboliner Maintenance Base

The maintenance shop for self-propelled equipment being constructed at Brighton Park (Chicago), Illinois, adjacent to the Illinois Central Gulf tracks, will be capable of maintaining a fleet of Turboliners or similar self-propelled trains to accommodate anticipated traffic growth in the corridors radiating from Chicago to St. Louis, Milwaukee, Detroit, and Carbondale, Illinois. At the end of the year this facility was 90 percent complete and scheduled for completion at the end of March 1974. The facility is already in use, and the two French Turboliners are presently based at this shop as well as a number of Rail Diesel Cars (Budd cars), which are also to be used in corridor service. Total project cost for the Brighton Park facility is \$3,200,000.

Electronic Equipment

Specifications were developed for a standard two-way, multichannel radio set to be used in Amtrak engines, and 250 such radios have been purchased. A number are already in service and others are earmarked for installation in new locomotives being built. Also, hand-carried two-way radios and base stations have been purchased for use in terminals, to coordinate train handling and supplying.

By the end of the year, 15 entertainment lounge cars had been equipped with closed-circuit television equipment, including video tape players, to provide movies and other features for passengers on long-distance trips.

Car and Engine Fleet;
Refurbishing, Rebuilding,
New Equipment Acquisitions

At the end of 1973, Amtrak's Operations Department had the responsibility for a passenger fleet composed of 1979 passenger cars and 400 locomotives.

During 1973, extensive progress was made in upgrading the performance, reliability and passenger-comfort qualities of the Amtrak fleet. An account by type of equipment follows:

Rail Diesel Cars

The decision was made to increase the reliability of this equipment by rebuilding instead of repairing and refurbishing. The scope of the work was increased to include interior redesign to allow additional seating capacity; installation of new airline-type seats, with snack trays, for increased passenger comfort; installation of floor and wall carpeting for noise suppression; complete rewiring, and rebuilding of engines, torque converters and major components to new-car standards for increased reliability.

Three rail-diesel cars were completed in 1973 and nine additional cars will be completed in 1974.

The work is being performed by the Reading Dispatch, Inc., Car Shops at Reading, Pennsylvania.

Turbine-powered Trains

(a) On January 23, 1973, Amtrak assumed the operation of the Providence (Fields Point) Turbo Maintenance Facility in Rhode Island and acquired the two United Aircraft Corporation (UAC) -- Sikorsky -- TurboTrains, which were already in revenue service between New York and Boston and which were being maintained at this facility.

(b) On August 8, 1973, Amtrak took delivery of two French RTG turbine-powered trains. The two trainsets are leased from ANF - Frangeo for an 18-month period. The trains were placed into revenue service on October 1, 1973. They are maintained at Amtrak's new maintenance facility at Brighton Park, Chicago.

(c) On October 3, 1973, Amtrak accepted delivery of a United Aircraft Corporation (Sikorsky) TMT-4 TurboTrain. This train was previously operated on the Canadian National Railway and underwent extensive modification and refurbishment prior to acceptance by Amtrak. The TMT-4 is assigned to northeast corridor service (between Boston and New York), and will be maintained at the Fields Point facility. It is currently undergoing an electrification modification permitting the train to operate on third rail into and out of Penn Station, New York. The train is scheduled to enter revenue service in February 1974.

Diesel-Electric Locomotives

(a) New Equipment -- In June and July, Amtrak acquired 40 new 3000 horsepower, six traction-motor, high-speed diesel-electric passenger locomotives from the Electro-Motive Division of General Motors. These locomotives were assigned to service on the Santa Fe and Burlington Northern Railroads, replacing low-reliability 1500 horsepower over-age locomotives. An additional 110 new units of similar design were ordered for fleet replacement purposes. Delivery of these units is scheduled to begin in March 1974 and be completed in July 1974.

(b) Rebuilding Program -- The majority of Amtrak's used locomotive fleet is more than 21 years old. These locomotives have a low reliability factor and are incurring a high out-of-service time. A program was instituted to completely rebuild a minimum of 57 E-type locomotives.

The engines, traction motors, main generators, steam generators, and all other major components are being rebuilt to new-locomotive standards; with the electrical systems on each locomotive completely rewired, incorporating the latest solid-state components; an additional steam generator added; water capacity increased; electrical sanding added, and the exterior of the locomotive completely stripped and rebuilt.

Fifteen locomotives were rebuilt in 1973 and an additional 42 locomotives are scheduled for completion in 1974. The work is being performed at the following shops:

ICG	- Paducah, Kentucky
PC	- Altoona, Pennsylvania
Milw	- Milwaukee, Wisconsin
SCL	- Jacksonville, Florida
General Electric Co.	- Pittsburgh, Pennsylvania
General Electric Co.	- Cleveland, Ohio
General Electric Co.	- Chicago, Illinois

(c) Overhaul Program -- Amtrak diesel locomotives requiring a lesser degree of repair were scheduled for overhaul. This program was designed to extend the service life of the locomotives for four years. Forty locomotives in this category have been overhauled.

Electric Locomotives

Twenty-six new high speed E60CP electric locomotives have been ordered from General Electric. Delivery is scheduled for the fourth quarter of 1974. Six of these units will be used for additional service between Washington, New York, New Haven, and Harrisburg. Twenty will be used to replace some of the older GG-1 electric locomotives.

Conventional Cars

During 1973, the passenger car repair program was changed from primarily a repair and refurbishment program to a heavy-overhaul program. This shift in emphasis was deemed necessary to insure a greater reliability in Amtrak's passenger carrying fleet. Special attention is being given to the overhaul of electrical, heating and air conditioning systems. All wheel assemblies are being overhauled, interior seats replaced or reconfigured, and all mechanical and plumbing systems are being overhauled.

The following shops performed passenger car overhauls for Amtrak in 1973:

<u>Shop</u>	<u>Location</u>
Penn Central	Beech Grove Shop, Indianapolis, Ind.
Pullman Standard	Chicago, Illinois
Hoover Interiors	Miami, Florida
Hamburg Industries	Augusta, Georgia
Mechtron Inc.	Wilmington, Delaware
Rail Systems, Inc.	Mira Loma, California
Auto Liner	Omaha, Nebraska
Burlington Northern	Como Shops, St. Paul, Minnesota
Atchison, Topeka & Santa Fe	Topeka, Kansas

A total of 512 cars were overhauled in 1973, of which 409 were classified as heavy overhauls and 103 as intermediate

overhauls. Since the inception of the program, 917 cars have been overhauled -- 586 heavy overhauls and 331 intermediate overhauls.

Other Passenger Equipment

As previously described, 57 locomotive-pulled, high-performance Metroliner type cars for northeast corridor service were ordered from the Budd Company.

Delivery is scheduled for early 1975.

CHAPTER 3 MARKETING

General Comment

Amtrak's Marketing Department -- which with the Operations Department makes up two major organizations within Amtrak charged with the line responsibility for all services offered to the public -- is responsible for sales, station and on-board services, advertising, promotion, product and service development, mail and package express, and market research. All of these functions and their sub-areas are discussed in more detail in the following sections.

During 1973 the development programs initiated in earlier years began to pay off in terms of ridership increases. The group tours and travel-agent recruitment programs began to produce increasing travel volumes. The Amtrak concept of "Rail/Drive" travel, offering the use of rental automobiles in vacation areas, showed that it had captured the public's interest, even before the energy crisis made gasoline availability unpredictable. Comprehensive efforts to bring the federal government traveler back to the passenger train showed marked improvement. And individual and corporate sales spurred by a nationwide sales organization did much to fill seats on all of Amtrak's trains.

But if 1973 proved that "Tracks are Back", and that Americans could indeed be attracted back to train travel, it also pointed up the critical need for essential service improvements. By the end of 1973 the fuel shortages and energy problems promised an accelerated return of the rail passenger traveler. In order to make a substantial contribution it is necessary to convert new passengers to repeat passengers. As ridership showed it would respond to Amtrak's sales efforts, increasing attention was devoted to the parallel effort of service improvement.

Even as the concerns about fuel shortage mounted, there were still many available seats and Amtrak's sales personnel still felt the pressure to fill them; but with an overall 14 percent increase in ridership, crowds began to fill many of the stations, peak-hour trains were filled and "standing room only" became a problem. All of this increased pressures on Amtrak's staff.

The first impact came at the reservations and information desks. Although a new computerized system was being

installed and partially in service, the number of calls being made each day to Amtrak reservations offices surpassed all previous loads and even passed the "five-year" projections of those who had designed the new system. Fortunately, the system had been designed for expansion, which is already underway.

At the same time changes in ticketing procedures had been made and it was now possible for travelers to go from one end of a route to another with just one ticket on any Amtrak train. Ticketing was simplified and ticket offices streamlined.

One of the major and most important projects underway during 1973 was Amtrak's station takeover program. Railroad employees at more than 150 offices became Amtrak employees and a coast-to-coast inspection program was put into operation to raise standards of service at all stations. This takeover and improvement program resulted in a service department employee total of 3970 on December 1, 1973.

Early in 1973 representatives of the Marketing Department participated in meetings with such organizations as the National Defense Transportation Association and the General Services Administration in seminars convened to discuss the impending energy shortage. As a result Amtrak got off to an early start with such advertising campaigns as "Save Energy -- Take Our Car" and with accelerated emphasis on tours and travel with Amtrak to conserve fuel.

Sales

General

During 1973, Amtrak sales efforts were enhanced by transferring the major initial customer-contact functions -- reservations and ticketing -- into the Sales Department.

An increase in sales revenues resulted from the introduction of a number of new programs designed to facilitate the use of our service by the public.

The placement of Amtrak ticket stock in commercial firms' company travel departments has improved Amtrak's overall acceptance in the business community. This has afforded Amtrak improved exposure and created an awareness of rail travel within this important segment of the travel market, especially for corridor travel.

Special theater, sports events and convention programs have been designed to increase pleasure and business travel for short and intermediate trips within the corridors. These programs were instituted to entice travelers to utilize rail travel in preference to the private automobile.

Improvements were also made in the method of passenger ticket purchase by expanding the ticket-by-mail program. This added convenience to the customer enables the passenger to receive his ticket by mail and remit payment within 72 hours by check or credit card.

Expansion of the Rail Travel Credit Card for credit purchases of transportation by individuals and business firms now gives Amtrak customers the additional capability of charging Package Express shipments as well as rail tickets and all on-train service purchases. Commercial firms are now purchasing blocks of tickets on short and intermediate-haul trains, using the Rail Travel Card, for distribution to their employees as necessary. Gains have also been made in state and local government travel markets, improving Amtrak's acceptance and identity, by soliciting the use of the Rail Travel Card.

Modification of Amtrak's family plan, group and excursion fares have improved revenue yields and have provided better load factors on traditionally "soft" days.

Improved revenues have been achieved by the appointment of 2300 additional travel agents domestically and 28 ticketing agency locations in West Germany, a rail-travel-oriented country. Expansion of this marketing function will continue to show further revenue improvements through increased sales service, training and travel-agent familiarization programs directed toward ticketing and produce knowledge.

Thomas Cook & Sons in the United Kingdom and Japan Travel Bureau in the Far East were designated as Amtrak's general sales agents affording greater exposure in the intermodal market and improving revenue production from foreign visitors, especially in the off-season periods.

More than 100 new tour programs have been designed to provide Amtrak's customers a greater selection of vacation and pleasure destinations. Major tourist attractions in the U.S., Canada and Mexico have been included to give an outstanding leisure product availability to attract the discretionary dollar.

Introduction of intermodal transportation and interline agreements with steamship, airlines, bus and rental car companies has resulted in the creation of numerous tour programs utilizing

rail to outbound destinations and return by other modes. This has opened a completely new concept in vacation, business and tourist travel and has stimulated new markets for our product.

Amtrak's Package Express program, begun on selected routes, has been expanded nationwide and is expected to generate considerable increase in sales revenue. By this expansion many additional cities are now included that were not considered in the initial stages of the program.

New working relationships have been developed in military and government offices through Federal Executive Boards and Federal Executive Associations to gain greater exposure in the federal government and military markets. By close association with this very influential group greater credibility is being achieved and government use of rail travel is being stimulated.

This was a year of expansion, reorganization and improvement in Amtrak's field sales system. A total of 140 salesmen were in place throughout the country in three regions (Central, Eastern and Western), and 16 District Sales Offices were established within the three regions to achieve optimum deployment of salesmen and to give maximum coverage to passenger and express markets within the United States.

Reservation System -- 1973

A computerized reservations system is bringing order to the previously fragmented railroad information and ticketing procedures, which was one of the major problems confronting Amtrak's mandate to modernize the nation's rail passenger system. Computer-readout consoles displaying electronic data can tell the ticket or reservations agent what space is available on any Amtrak train. A bedroom, roomette or reserved seat can be booked in the passenger's name on the date and train of his choice normally within a few seconds.

Amtrak's multiplicity of stops, fares and accommodations required the design and development of a totally new system. Two new computers were installed at Amtrak's headquarters to support the new system. A call from a traveler goes in to an agent, who types the request into a visual display unit on a remote terminal. The query is relayed directly to the computer, which in turn scans its extensive memory to find the appropriate information, which is then presented on the agent's terminal. If this call results in a sale, the computer can automatically relay the reservation to the station for preparation of the ticket to be picked up by the customer, or it can be relayed to a mail-out center.

During July, the Central Reservations Office in New York City was converted to the Amtrak Reservations and Ticketing System (ARTS). At the same time, the whole northeast area was converted to a toll-free, "800 number", telephone service, which directed calls to the new Bensalem and New York City offices.

During August and September, this same process of consolidation and conversion to the ARTS system and to the toll-free telephone circuits was begun in the southeast. The switchover to the ARTS system in the new building at Jacksonville took place during November. At that time, all of the Eastern region had been converted.

Meanwhile, the toll-free, telephone-access service began in the central region, although Chicago remained on the Automatic Diagram Retrieval System (ADR) that was Amtrak's first major reservations-system improvement, installed during the corporation's first year. At the same time, a general consolidation of all central regional reservations offices was underway. The Chicago conversion to the ARTS system will be made during the first half of 1974.

In the western region, there was a changeover in Los Angeles to ARTS in November, permitting the consolidation of the entire western region by early 1974. The ARTS system is in a new building in Los Angeles, and, when the western conversion is complete, that center will serve the entire western region in a manner similar to the services provided in Chicago and Bensalem.

The chronology of the developments in 1973 on the implementation of the Amtrak Reservations System follows:

January 11	Metroliner Control Functions switched over to Reservations Control.
February 1	Switched to passenger name-reservation-record system.
February 1-October	Southeast area calls switched into Jacksonville Central Reservations Office.
February 2	Detroit area calls switched into Chicago Central Reservations Office.
February 15	Reservations Manual issued.
March 2	Reservations Control assumes control of all space assignment.

April 1	Reservation and Information Clerk training program established.
April 15	Amtrak Reservations and Ticketing System on-line; Bensalem Central Reservations Office opens, covering Philadelphia and Wilmington areas.
April 29	Baltimore, Beltway, Washington switched into Bensalem Reservations Office.
May 2	Fort Worth and Dallas calls switched to Chicago Central Reservations Office.
May 6	Remaining Mid-Atlantic calls switched to Bensalem Central Reservations Office.
May 13	New England calls switched to Bensalem Central Reservations Office.
June 10	New York Central Reservations Office cutover to Amtrak Reservations and Ticketing System (ARTS). Chicago and Jacksonville Central Reservations Offices get first direct ARTS access. Telecopier communications system among Central Reservations Offices established.
July 8	ARTS cathode-ray-tube terminals installed at all New York and Washington ticket offices.
July 15	Operation Status Program begun.
July 24	All Metroliner availability given to ARTS beyond August 24, 1973.
August 24	Metroliner cutover completed; Ticketron system abolished; Metroliner handled by Central Reservations Offices.
September 15	Operation Status Program expanded into Automatic Diagram Retrieval (ADR).
October 5- October 31	Metroliner ticketing automated in ARTS.
October 13	Indianapolis and Cincinnati calls switched to Chicago Central Reservations Office.
October 28	New Orleans calls switched to Jacksonville Central Reservations Office.

November 1	Reservations Control assumes control functions of ADR trains.
November 2	Omaha and Kansas City calls switched to Chicago Central Reservations Office.
November 5	St. Louis calls switched to Chicago Central Reservations Office.
November 18	Los Angeles Central Reservations Office partially cut over to ARTS.
November 26	Jacksonville Central Reservations Office moved to new quarters, fully switched over to ARTS.

Since the entire integrated system conversion has been planned for 1973-1974, the remaining schedule is provided to indicate the steps that remain:

Reservation System -- Future

I Consolidation and Automation of Reservation Offices

A. Expansion of the Los Angeles Central Reservations Office

1. Elimination of the Seattle and Portland Reservation Office
2. Elimination of the San Francisco Reservation Office
3. Installation of toll-free telephone lines linking areas served by these offices
4. Installation of manifest printers

B. Chicago Central Reservations Office changeover from ADR to ARTS

1. Elimination of ADR reservation information positions, and installation of ARTS positions providing both reservations and information service

2. Installation of ARTS manifest printers and elimination of ADR manifest equipment
 3. Expansion of ACD facilities to provide increased answering capability
 - C. Creation of a Montreal Reservation Office
 1. Installation of ARTS positions
 2. Installation of an ARTS manifest printer
 3. Expansion to FX telephone lines between Montreal and the United States
- II Automation of Ticket Offices and Stations
- A. Installation of ARTS CRTS and/or associated printers in Southeast, Midwest, West, Northwest and Southwest
 - B. Installation of automated ticket printers providing nationwide automatic ticket issuance through the reservation computer
- III Nationwide teletype facilities
- A. Installation of ARTS terminals
 - B. Installation of ARTS associated printers
- IV Guaranteed coach reservations with specific coach seat ticketing

Amtrak Ticketing

The year 1973 was marked by a number of significant improvements in Amtrak's ticketing services. Employees at more than 100 railroad ticket offices were transferred to the Amtrak payroll, the largest group being at Penn Station in New York City. A second major accomplishment was the expansion of Amtrak's ticket mail-out service. Tickets mailed out to passengers exceeded

\$10 million in revenue for 1973. A system of machine-produced mail-out tickets for the future is under development. Machine-produced tickets will be necessary to accommodate the increased mail-out volume, which constantly expanded during 1973.

Ticket procedures were simplified when a "single-coupon" ticketing system went into effect this year. This reduced the time necessary for a passenger to purchase an Amtrak ticket. Only one coupon is required from origin to destination on any given Amtrak train, regardless of the number of operating railroads that may be involved.

In 1974, centralized mail-out centers will be opened in three major locations -- Washington, D.C., Chicago, and Los Angeles. A revised edition of the "Ticket Agents Manual of Procedures" was issued giving detailed information for using Amtrak tickets and associated forms. All of the many railroad ticket forms were replaced with four basic Amtrak ticket coupons. As a preliminary arrangement, a central ticket-stock distribution office was set up in the Washington, D.C., Union Terminal. Cash refund procedures were simplified to permit Amtrak tickets to be refunded at any Amtrak ticket office in the country.

Computerized ticket printers associated with Amtrak's new computerized reservation and information system replaced the earlier Ticketron System for sale of Metroliner tickets in the northeast corridor. Ticketeer operations (machine-ticketing) were also established at Chicago, San Diego, Seattle and Portland. Furthermore, multi-destination tickets (usable for more than one destination) were developed for use in major high-volume ticket offices and corridor-type service. Both of these activities permit rapid handling of high-volume ticket requirements.

Mail Sales

During 1973 mail revenues doubled to \$4.4 million. A large part of this increase was due to the establishment of mail service on the Chicago-Los Angeles route as well as a general increase in volume on the previously established mail runs.

A joint program has been undertaken by Amtrak with the U.S. Postal Service to improve the handling of mail and to reduce the overall workload through containerization of mail in baggage cars. This advanced system is now planned for experimental implementation on selected train routes.

Proposals for additional mail-hauling service for 1974 have been submitted to the U.S. Postal Service for utilizing

Amtrak's Chicago-Oakland and Los Angeles-Seattle routes. Should these routes be accepted, projected mail revenues for 1974 will exceed \$6 million.

Amtrak has filed two anti-trust suits against terminal companies and operating railroads alleging that they are improperly charging Amtrak excessively high costs which adversely affects its ability to compete for mail hauling business (see Chapter 7 on Legal Proceedings). If Amtrak is successful in this litigation, its mail business could improve significantly.

Amtrak Package Express Services

In conformity with the 1972 amendments to the Rail Passenger Service Act of 1970, which provides that "the Corporation shall take such actions as may be necessary to increase its revenues from the carriage of mail and express", an entirely new concept in passenger train express services was introduced. Rates and charges were designed to take advantage of Amtrak's unique ability to establish a new form of cargo transportation unencumbered by technical regulations and complex rate structures. On July 1, 1973, three types of service were introduced:

Amtrak Priority Express: This is a high-speed service for small-package traffic, which is now offered between 32 major cities using preferential trains such as the Metroliners and Turboliners, as well as conventional trains operating on express schedules.

Amtrak Economy Express: This service is for normal express-type heavier traffic between 110 large industrial centers.

Amtrak Custom Express: This is an innovative service created to permit Amtrak to enter into individual arrangements with major shippers for the transportation of frequent repeat traffic.

Currently there are some 250 regular Amtrak Package Express clients. DuPont, Westinghouse, The New York Times, Boeing, General Dynamics, the American Broadcasting Company and Eastman Kodak are among those now routing via Amtrak Express.

Tour Sales

Tour sales made through tour wholesalers doubled in 1973 compared to 1972. Major operators of escorted rail tours reported double the number of passengers and revenues. Although our capacity in the summer remained static, the number of package tours offered during spring or fall "shoulder" periods, and low season periods, went up dramatically. Fall and winter programs to Florida, the Southwest, California and Mexico have been well received.

Amtrak-sponsored tours to the West from Chicago had excellent reception with patronage and revenues doubling. These are the only tours sponsored in total by Amtrak. The great majority of the independent and escorted tours are sponsored by tour wholesalers or travel agents, who do the necessary detail work and booking and also provide ancillary services such as hotels, sightseeing, transfers, etc. In 1974 Amtrak will turn over the Southwest and California programs to a tour operator, while retaining the Colorado and Pacific Northwest series as Amtrak-operated.

All rail tours identify Amtrak as the transportation mode. These include extensive ski, Florida, California, city-destination and other packages. Response to advertising, and information we receive from sales, ticket and travel agent offices testify as to the popularity of these packages.

Travel Agency Sales

Sales through travel agencies doubled again in 1973 as compared to 1972, exceeding \$16 million and representing 8 percent of Amtrak's total transportation revenues. Amtrak-appointed agency locations now total 6600 worldwide, of which 5800 are in the United States and Canada. More than 2000 travel agents now hold Amtrak ticket stock. By July 1, 1974, only those travel agents holding Amtrak ticket stock will be commissionable on these Amtrak sales, excluding overseas, Alaska and Hawaii locations. This will enable the travel agent to expedite ticket deliveries to our customers and do away with the archaic purchase-order system in effect the past three decades. The present appointed travel agents have been notified of the change and the response to date is gratifying, including full support of the American Society of Travel Agents.

As Amtrak's image improves, as our reservations capability increases and as advertising impact is greater, the travel agent will turn to us for more and more of his vacation-travel-oriented clients. Agents are also responsible for a

large share of the business travel market and the holding of ticket stock will improve his ability to issue tickets rapidly and efficiently for this essentially last-minute client.

Group Sales

A growing number of fraternal, school, church and convention groups are utilizing Amtrak services. Summer groups to Florida, including Disney World and Caribbean-cruise destinations rode Amtrak trains, helping to fill space in this area's off season. Ski clubs are riding western trains, using space in the periods of intermediate demand where capacity is available.

The Reno Fun Train has been carrying capacity passenger loads each weekend from the San Francisco Bay area over the Sierra Nevadas. Cars not required in line service during the winter are used for this service. Departures increased from 11 in the 1972-1973 season to 20 in 1973-1974.

Boy scout groups trek west each year to camps in Colorado. School groups rode selected Amtrak route segments in increasing volume. It is important that young persons be encouraged to sample rail travel. The company encourages participation to the extent of space availability, and special efforts are made to have such groups travel at times when our trains are not being used at full capacity.

An increasing number of small convention groups rode Amtrak trains during 1973. This important segment of traffic can be substantially increased as equipment is more readily available. Travel for off-season and intermediate-period meetings will be aggressively solicited in 1974.

Tour Development

It is the function of the Marketing Department's tour development office to monitor the Amtrak tour program and, in conjunction with the travel industry, to develop tours that create a desire to include train travel in vacation plans. Thus, tour development generates new business and serves the needs of various resort or recreation-oriented communities, many of which in this time of fuel shortages might otherwise be facing the prospects of heavy reductions in their most important dollar-producing business. Serving those local needs generates traffic that is also essential to Amtrak's business.

For the first time, information on all Amtrak tours -- now totalling 157 individual tour packages -- has been brought together in one Amtrak Tour Manual. This includes all inter-modal packages, which combine rail travel with airline, steamship, bus and rental car travel, as well as rail-only tours.

The Tour Development function works in close coordination with the Sales staff members, who are responsible for selling these tours throughout the country. More than 6000 travel agencies also support the tour sales efforts.

A successful tour innovation introduced by Amtrak is the Florida "Week of Wheels" program. This is a rail-and-drive program, that provides passengers with a rental car free of rental charges for one week when a minimum number of round trip tickets are purchased from New York City or Chicago to Miami. Although this popular program was initiated long before the "energy crisis", it could not have been developed at a better time, as more and more vacationers are finding it advisable to leave their own cars at home and to take an Amtrak train to their vacation site and then use rental cars for local touring throughout Florida.

During 1973 the first major packaged ski vacation plans were put together, offering 29 ski tour options to Amtrak passengers. In the west these ski areas are located in Colorado, Montana, New Mexico, Idaho, and California. In the east the Amtrak ski-tour areas are located in Vermont and Canada.

The impact of fuel shortages has significantly increased the dependency upon rail travel to and from vacation resorts of all kinds. This is important not only to Amtrak but to the many regions of this country that depend on the tourist dollar for income, and to all Americans who plan to vacation in their own country. It is expected that 1974 will be a most productive year throughout the Amtrak system for vacation and tour travel.

Government Marketing

After a first year devoted to preliminary planning on ways to better tap the existing market potential for government travel, 1973 was devoted to the establishment of a national marketing campaign designed to reach Federal Government departments and agencies throughout the country. One organization through which this effort was channeled is the Federal Executive Boards. With the assistance of the General Services Administration,

several calls were made upon those officials in the Office of Management and Budget who have the assigned responsibility for the Federal Executive Board program. These Boards, 25 throughout the country, exist by Presidential decree and consist of the senior department or agency official in each Board area. Amtrak is meeting with each Board to discuss common interests.

By the time the Amtrak presentation has been brought to all 25 Boards and the 95 Federal Executive Associations, more than 7000 officials of more than 100 agencies and instrumentalities of the government will have been introduced personally to Amtrak and will have been identified for Sales follow-up.

During 1973 Amtrak presentations were given in Cincinnati, New York, Boston, Buffalo, San Diego, Seattle, Denver, Milwaukee, Newark, and others where the local Sales Representative made local presentations.

Government Direct Mail Master List

In support of these efforts to penetrate the extensive government market for travel, a Master List of all Federal Executive Boards and Federal Executive Association members has been established and it is being added to weekly. This computerized listing will eventually contain the office address of some 7000 agency or department offices.

Amtrak - General Services Administration Coordination

To facilitate government railroad travel, Amtrak has worked closely with the General Services Administration to develop such things as placing ticket stock in government offices and plans a system for the use of a Government Transportation Request (GTR) in lieu of a ticket for rail passenger service.

Ticket Office: Pentagon

Years ago, a major railroad passenger ticket office was on the Concourse of the Pentagon. It was closed in 1968. Arrangements have been made at the Pentagon to re-open this major facility, which serves a market of more than 35,000 personnel of the Department of Defense. It will re-open with two ticket windows and a computer terminal early in February 1974.

Advertising and Sales Promotion

Amtrak's 1973 advertising campaign included newspapers, television, radio, billboards, transit advertising, as well as advertisements in trade magazines.

A major systemwide newspaper campaign was implemented in January 1973. Amtrak advertised in 66 newspapers in 46 cities. There were radio commercials on 170 stations in 52 cities. The primary theme of this advertising was schedule and fare information.

Television commercials promoting the Metroliner were shown in the Washington, D.C.; Baltimore; Philadelphia and New York markets. Television was also utilized in 69 key Amtrak markets representing 55 percent of U.S. television homes in connection with the Disney World Open Golf Tournament. Several bowl games broadcast in New York City included Amtrak television commercials.

In early autumn, an outdoor advertising campaign was initiated in the Los Angeles area. One of the billboards, "Save Energy -- Take Our Car", won first award in the Art Director's Association annual contest.

Amtrak was further promoted by transit advertising on signs within subways and buses in New York and Boston, as well as by bus billboards in Chicago.

Advertisements were placed in trade publications to bring Amtrak's available tours to the attention of travel agents and tour brokers. One of these Amtrak advertisements, "The Plane-Train Vacation", received an honorable mention from the Art Director's Association. Trade magazines and The Wall Street Journal were also used to promote Amtrak's package-express program.

Amtrak's timetable was made an effective sales tool in 1973. More than 8 million were distributed in 1973, as compared to some 3 million in 1972. Colorful covers and pictures of destination points were used to make the timetables sales as well as informational tools.

More than 200 different brochures were created and distributed in 1973 through stations and ticket offices as well as on board the trains. Shipments to travel agents and other distribution outlets reached multi-thousand copy levels. The popularity of this sales promotional literature necessitated streamlined and regionalized distribution and request-fulfillment operations.

The concept of issuing route folders showing service over selected routes was implemented in April. Eleven route brochures were developed, describing points of interest along the way and featuring color strip maps. Approximately 50,000 of each were distributed on board trains, in ticket offices and stations, and through travel agents.

A four-unit 40-foot modular full-color display was designed and produced for exhibits and conventions across the country. It was well received and awarded a prize at a travel exhibition in Houston. Giveaway items such as buttons, shopping bags, balloons and many other advertising pieces were used for local and regional promotions.

Services

Station and Terminal Improvements

During 1973, further progress was made on station and terminal improvement projects. New stations were completed at Springfield, Massachusetts, and Jacksonville, Florida. Guidelines were developed by Amtrak's Marketing Department for use in a major terminal improvement program, and all stations south of Richmond, Virginia, and Louisville, Kentucky, to Miami and St. Petersburg, Florida, were inspected for improvement. These guidelines include the examination of each station for its:

- (1) Appearance and lighting
- (2) Safety
- (3) Interior
- (4) All facilities including restrooms, etc.
- (5) Vending areas including machines, luncheon counters, newspaper and magazine stands
- (6) Parking and pick-up areas for private automobiles and taxicabs
- (7) Lounge areas
- (8) Special access arrangements for the handicapped
- (9) Location of information center to include an adequate public announcement system

- (10) Signage and other Amtrak identification to include route highway signs from interstate and local highways to the station and access roads

More than forty stations were inspected under this procedure, and marketing needs were thereby defined.

During 1974, the same will be done for the stations along the Chicago-Seattle, Chicago-San Francisco, Chicago-Los Angeles and Chicago-New York routes.

Planning for major improvements and renovations is in the final stages for Penn Station in New York City and Chicago's Union Station. Preliminary planning is also underway for 18 other stations, including Miami, Orlando and Spokane. Other state-sponsored station improvement projects have begun within individual states such as Vermont (Brattleboro) and Illinois (Bloomington).

Passenger Services

The program of providing special on-board service and entertainment features was expanded during 1973. Motion picture feature films, games, taped music, magazines and additional passenger entertainment were among features added to the Coast Daylight/Starlight, the Silver Star and the Floridian trains in addition to those trains on which such features were begun in 1972. On-board live entertainment is being provided on the Montrealer/Washingtonian on heavy travel days. Newspapers, magazines and route brochures are standard features on all long-distance trains, and efforts to ensure better implementation of this program are continuing.

On-board service directors have been employed on the San Francisco Zephyr, Empire Builder, North Coast Hiawatha, Broadway Limited and all Florida trains. The position of on-board service director was established to provide direct supervision of all members of on-board service crews as well as to provide direct contact with the public enroute by a responsible member of Amtrak management.

Food and Beverage Service

A program to continue the improvement of food and beverage selections to best suit public preference for menu

items was continued. Procedures to test public opinion on food preferences and to monitor actual popularity of menu choices were established. A three-year plan was adopted for the future of on-board services that details an orderly, logical implementation of food and other on-board services to best accommodate public preference and, at the same time, be cost effective.

The first steps toward a new concept in railroad food service were taken with the off-train preparation and modular loading of the French Turboliner buffet car, which began operation between Chicago and St. Louis on October 1. Amtrak assumed direct operation of commissaries and employment of commissary personnel at Washington, D.C., Oakland, California, Seattle, and Miami in 1973. The only remaining commissaries under railroad operation are in Jacksonville, Florida, and New York City, both of which are scheduled to be taken over by Amtrak early in 1974.

Training

Extensive training was conducted in 1973 among all categories of service employees on the Amtrak payroll. This training included advanced management training given approximately 150 service department supervisors; recurrent training and skill-improvement instruction provided 700 station employees and more than 800 on-board service employees in conjunction with a full scale improvement program on Florida routes, and a continuation of a training program for newly hired employees such as on-board passenger service representatives. Nearly 700 on-board service employees who entered Amtrak service from their former status on the Burlington Northern, Milwaukee, Chesapeake & Ohio/Baltimore & Ohio, Illinois Central Gulf, Penn Central and Seaboard Coast Line railroads were provided a recurrent training program consisting of a one-week course covering Amtrak goals, service to the public and skill improvements.

Amtrak Assumption of Functions

The program begun in 1972 to assume all service functions from the railroads was continued. Ticketing, baggage handling, Red Caps, station passenger services and information services came under direct management by Amtrak's Marketing Department, as the personnel involved became Amtrak employees.

With the start of service between Fort Worth and Laredo, Texas, in January, Amtrak began employing its own on-board service employees. Six persons were hired to perform such on-board functions on the InterAmerican as food service cooks and waitresses and coach attendants. On March 1, Amtrak employed 52 additional on-board service attendants and food specialists, and assumed the responsibility for these functions on the Montrealer service from Washington. Among these were the initial four on-board service directors. On June 10, Amtrak began the full-scale assumption of railroad on-board service personnel by taking over 616 former Burlington Northern and Milwaukee Road employees. This was followed throughout the fall of 1973 by the employment of 330 additional personnel formerly operating on the Chesapeake & Ohio/Baltimore & Ohio and the Illinois Central Gulf railroads, as well as the Chicago-Florida route of the Seaboard Coast Line and Penn Central lines.

During 1973, Amtrak took over from the railroads all of the reservations and information functions. This direct takeover began with the western railroads and spread eastward to the area served by the Penn Central. By March, a consolidation of these functions in the northeast came as a prerequisite to the conversion to the on-line Amtrak Reservation and Ticketing System (ARTS), which opened at Bensalem (Cornwells Heights), Pennsylvania, in mid-April.

The following chart lists the cumulative number of stations taken over by Amtrak and the cumulative number of personnel assigned to stations at the end of the year.

<u>Stations</u>	<u>Personnel</u>	<u>Original Railroad</u>
24	157	Atchison, Topeka & Santa Fe
13	102	Southern Pacific
--	---	Union Pacific
25	234	Burlington Northern
14	63	Illinois Central Gulf
4	38	Milwaukee Road
5	17	Missouri Pacific
24	226	Seaboard Coast Line
1	---	Richmond, Fredericksburg & Potomac
4	17	Chesapeake & Ohio/Baltimore & Ohio
3	10	Central of Vermont
22	309	Penn Central
4	19	Louisville & Nashville
<hr/> 143	<hr/> 1,192	<hr/> 13

<u>Other Facilities</u>	<u>Locations</u>	<u>Personnel</u>
Central Reservations Offices	7	773
City Ticket Offices	11	62
Commissaries	5	117
Regional Offices	3	40
Terminals	16	468
Headquarters		31
On-Board Personnel		946
Ticketing and Training		
Personnel (Regional Offices)		17
		<u>2,454</u>
TOTAL CUMULATIVE PERSONNEL TAKEN OVER		<u>3,646</u>

The assumption of these functions directly by Amtrak has also permitted the assumption of the railroad management functions associated therewith. During 1973, the number of railroad personnel associated with marketing service management being charged to Amtrak was reduced from 196 to 65, and this number will be further reduced early in 1974 through the assumption of other miscellaneous functions, such as the processing of baggage claims and the preparation and distribution of notices concerning special group movements. (Other details of railroad employee assumptions by Amtrak appear in the section of this report covering Administration and Personnel.)

Uniform Program

A program to supply uniforms for all employees engaged in passenger service and who deal directly with the public was continued during 1973. As a result, uniforms were delivered or orders placed for all employed personnel in this category, and steps were taken to assure that railroad personnel, such as operating conductors and trainmen in passenger service, would be fully uniformed on key routes by the end of 1973 and on all other routes prior to the summer of 1974.

Other Service Improvements

Red Cap service at stations is now being provided to all Amtrak passengers nationwide free of charge. The program

to eliminate prior existing charges was begun in Los Angeles on June 1 and completed nationwide December 1.

Charges for pillows for coach passengers were eliminated during 1973.

A program to establish a complete transportation capability for the public has been launched. The present goal is to establish travel centers at 60 major station locations throughout the country. Each of these travel centers will be capable of providing the public with hotel and motel reservations, car rentals, travel insurance, connecting or substitute airline and bus ticketing and reservations, local transportation and other aspects associated with the needs of the traveling public. Beginning in late December, the first such travel center was established in Chicago's Union Station.

In coordination with the Amtrak Operations Department's Design Group and Engineering sections, an extensive program was undertaken to improve the quality, quantity and clarity of station signage. New signage designed for a multitude of purposes, such as arrival and departure information, location of cars within a train consist and location of various services, is being placed in service at all locations on the New York-Florida and Chicago-Florida routes. This program for better station signs will be expanded nationwide during 1974.

As part of a special effort focusing on one service region, specific objectives were established and implemented to improve the total service to and from Florida in 1973. This package includes an upgrading in several categories previously mentioned, such as on-board service programs and menus, station signage and facilities, employee training, applied in a concentrated way on a specific route for maximum passenger impact. Such concentrated efforts are now in preparation to be extended to the New York-Chicago, Chicago-Los Angeles, Chicago-San Francisco and Chicago-Seattle routes during the first six months of 1974.

During 1974, the processing of all baggage claims will be centralized. Several experiments are currently being conducted to improve baggage handling at major terminals. These include curbside reception and delivery of baggage and containerization to speed baggage handling. Requirements set forth in the Interstate Commerce Commission's Ex Parte Ruling 277 are being actively pursued.

The preparation of transportation notices will be consolidated at Amtrak headquarters. Transportation notices are notices of a group or special movement and have in the past

been initiated by Amtrak and then published by each railroad affected by the movement. This procedure will be centralized in Amtrak to eliminate the requirement that they be republished by the railroads.

Management Controls and Personnel

During 1973, Amtrak service management was extremely active in establishing effective monitoring of its business results. Programs were initiated to effectively monitor costs and relate these costs to both a level of service and the volume of production received. Budgeting by location has been established and will be fully implemented for the calendar year 1974.

During 1973, the Marketing Service Department's top management structure has been revised and in some cases, where warranted, replacement and new personnel were selected and added. These changes were made to bring the best possible management organizational framework and talent into the service group during the critical takeover and assumption-of-service year of 1973.

Market Research

Amtrak's market research section, within the Marketing Department, is responsible for the collection, tabulation and analysis of ridership statistics. In this capacity, it works in coordination with the Department of Transportation and with various contractors performing special studies. From the data developed, the market research section performs analytical studies on potential services. It makes economic analyses of route structures, new routes or potential changes or discontinuance of services. It studies schedules and the impact of changes on schedules as these changes influence ridership.

The primary methods used in the development of ridership statistics are headcounts of passengers on trains as they pass various checkpoints and a system that gives origin/destination data for each passenger and each train stop. This more elaborate system is computer-operated using matrix techniques for organizing and processing the raw data. The matrix system was developed by Amtrak's market research section and has been in operation for more than a year.

Information from the checkpoint ridership counts is tabulated and graphed and made available to Amtrak management within two weeks of the date of the train's operation. The

primary usefulness of the checkpoint data is in making comparisons with prior time periods. For each checkpoint along a route, a percentage change is calculated for the same period one year or two years earlier. Ridership graphs are compiled that give a comparison picture of traffic trends on each route. Ridership checkpoint counts indicate that traffic in 1973 was 14 percent above 1972, on an overall system basis.

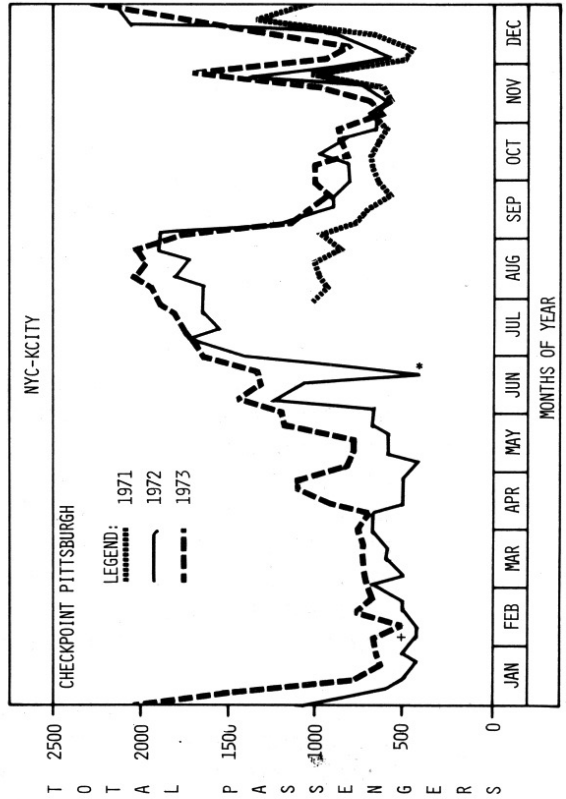
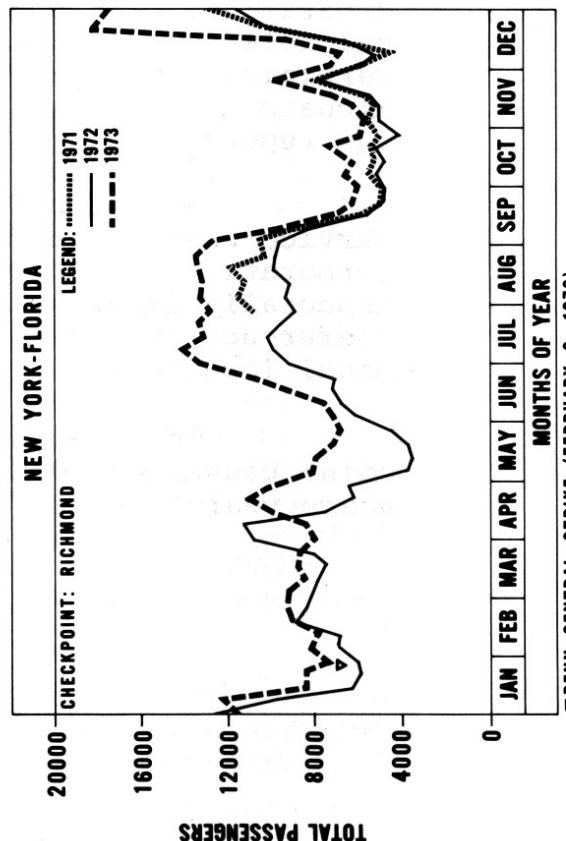
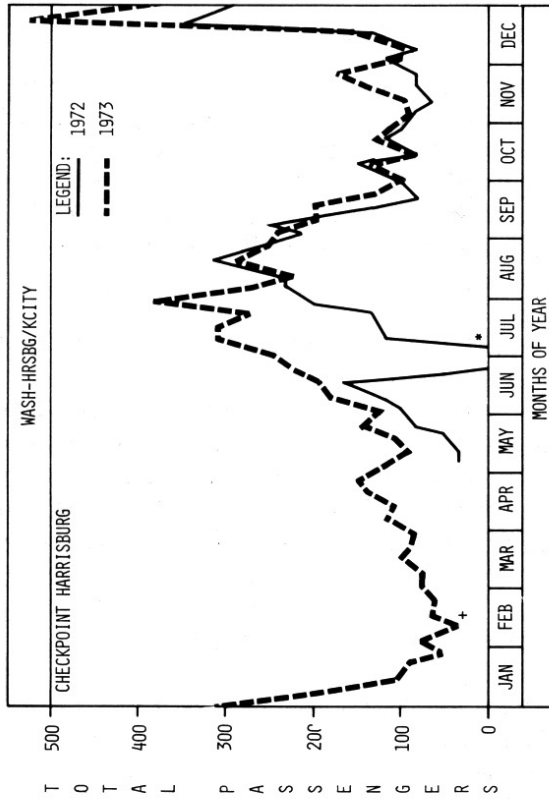
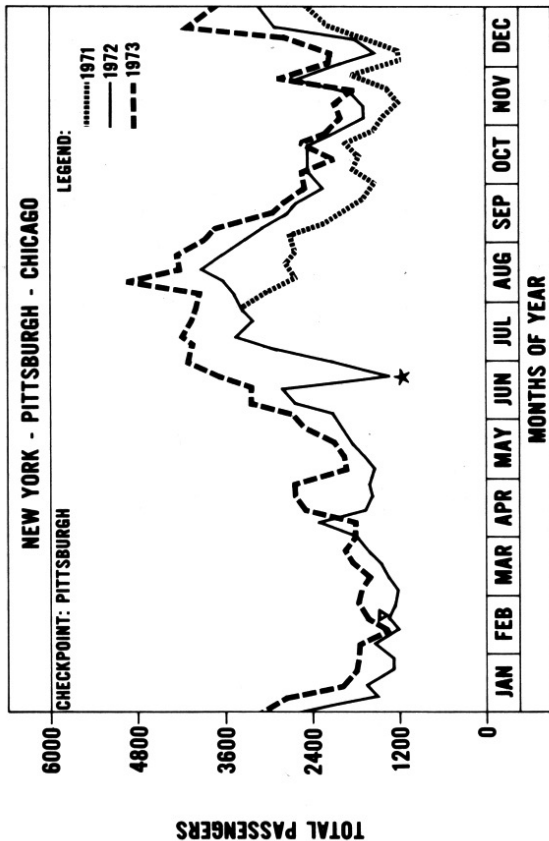
The matrix system is much more elaborate, recording each passenger's origin and destination on a particular train. A voluminous monthly computer printout reports origins and destinations for passengers on each train as well as on-off and on-board station counts. The information is available on a daily as well as monthly summarized basis. Reports derived from this matrix system are used extensively for forecasting ridership and revenues resulting from service and fare changes, analyzing travel patterns and measuring station activity. The matrix report is a joint product of Amtrak and the Department of Transportation.

In addition to ridership statistics, market research is involved in survey work. Results were completed in March, 1973, of a survey taken on board many of Amtrak's long-haul trains during the Christmas-New Year's rush of 1972-1973. The report included information on passenger demographics (sex, age group, income bracket, etc.), opinions of Amtrak service, frequency of rail travel, and reactions of passengers to proposed promotional travel packages. The report was distributed to all departments within Amtrak's Marketing Department and offered valuable guidance in planning numerous aspects of Amtrak's advertising campaign and service requirements. Professor Richard L. Day of the University of Idaho was the author of the report.

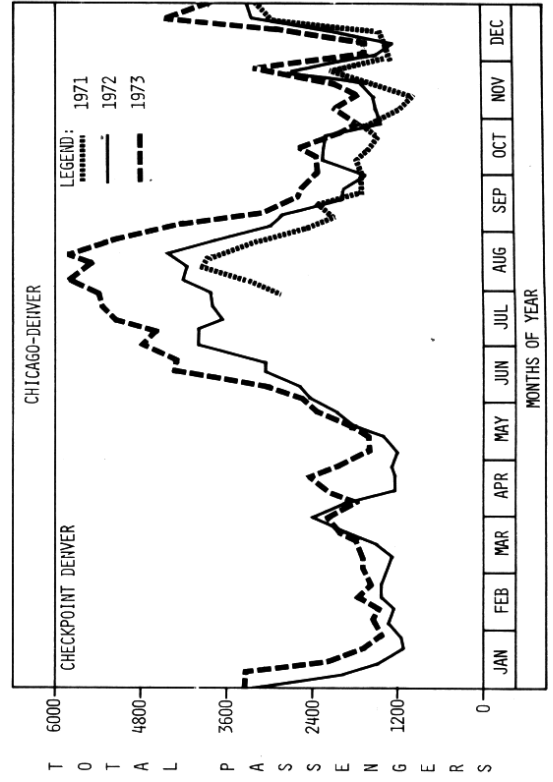
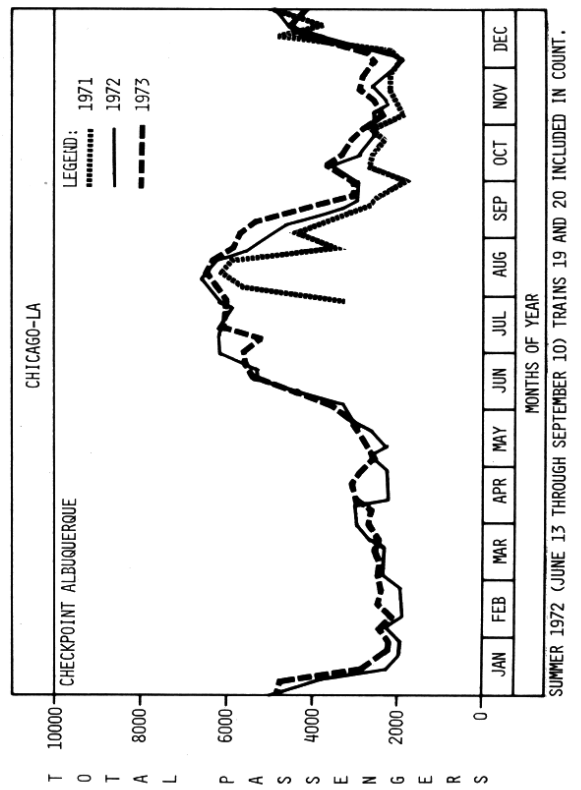
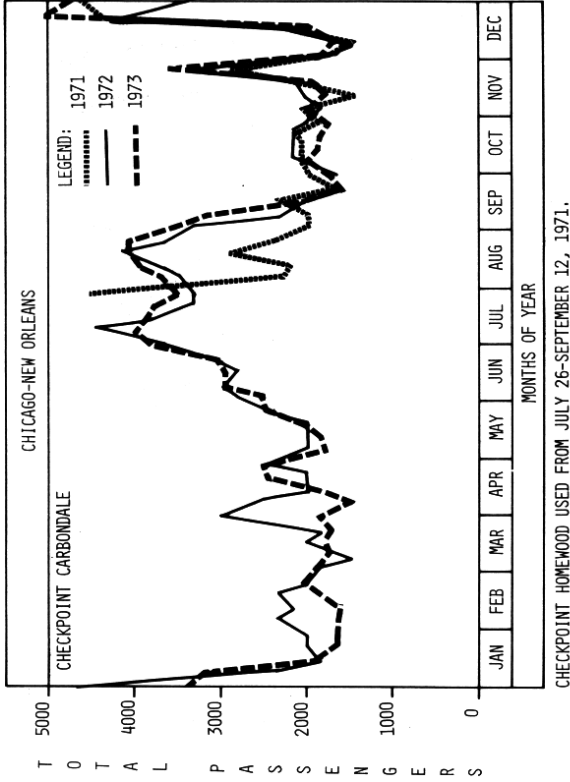
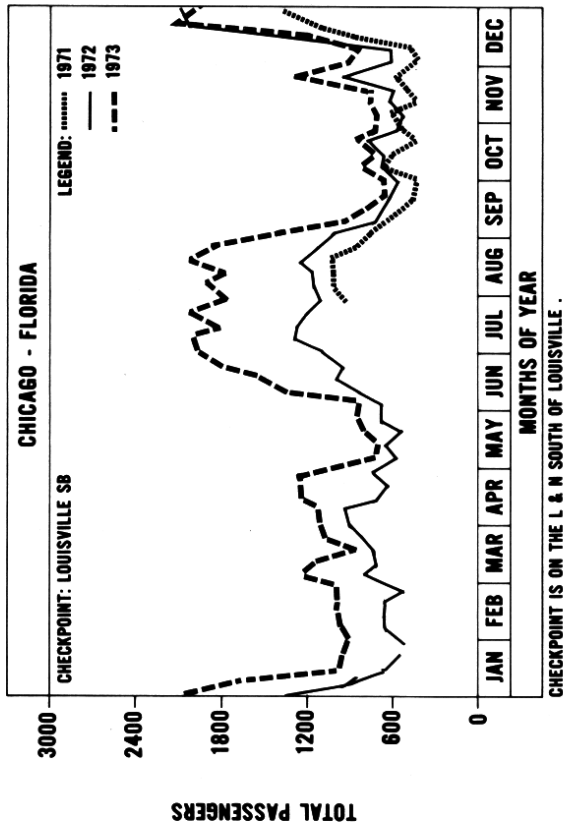
Guidance for Amtrak's decisions on offering auto-ferry service was gained through a survey conducted by Opinion Research Corporation of consumer attitudes toward an auto-carrying service. Especially important was the information Amtrak gathered on the preference of potential travelers regarding scheduling and terminal location.

The graphs on the following pages are based on checkpoint passenger counts and are presented for those Amtrak routes where year-to-year ridership comparability can be shown.

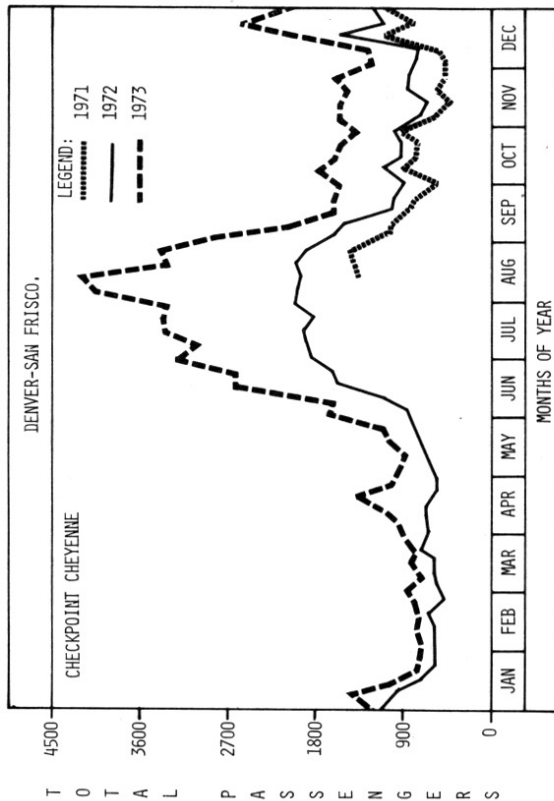
CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



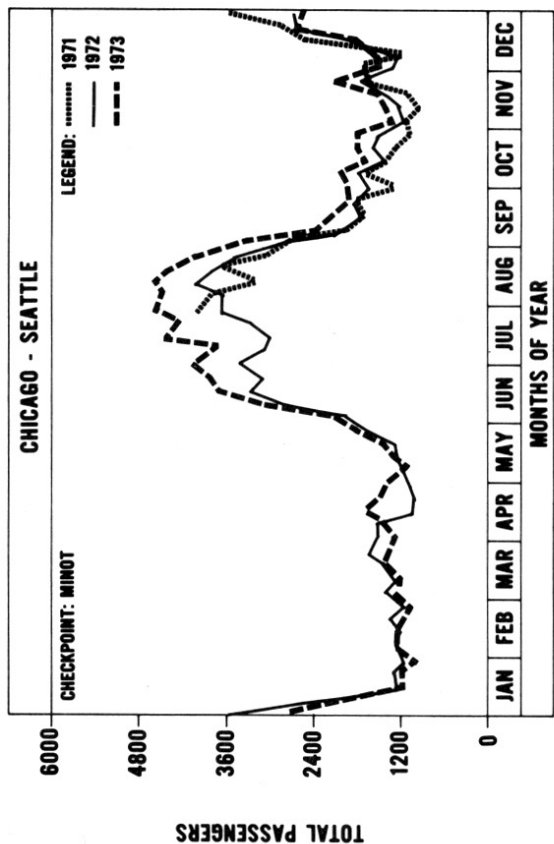
CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



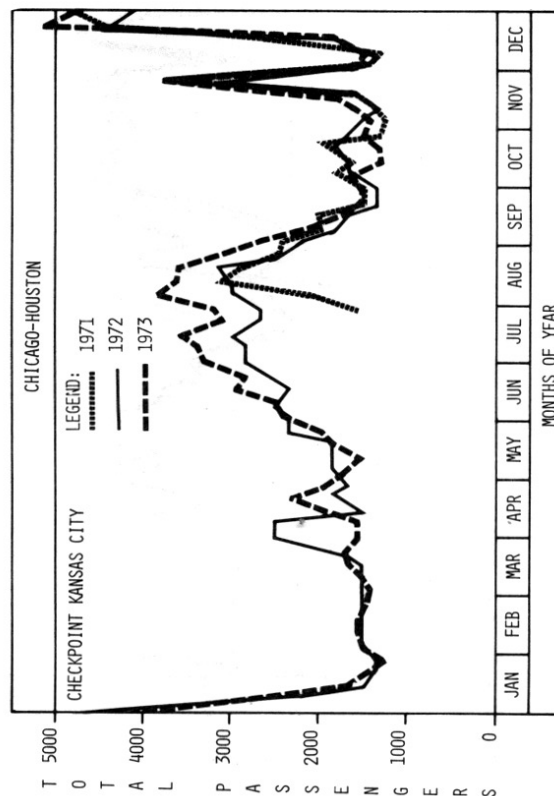
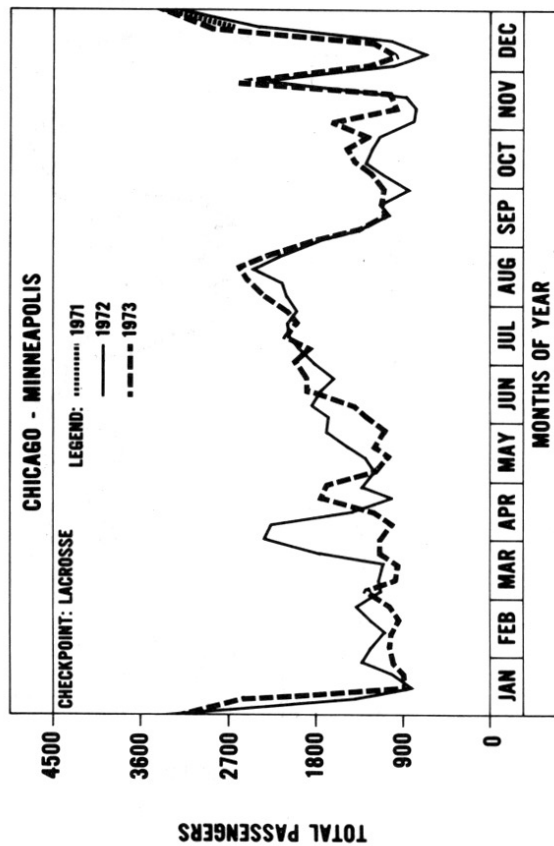
CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



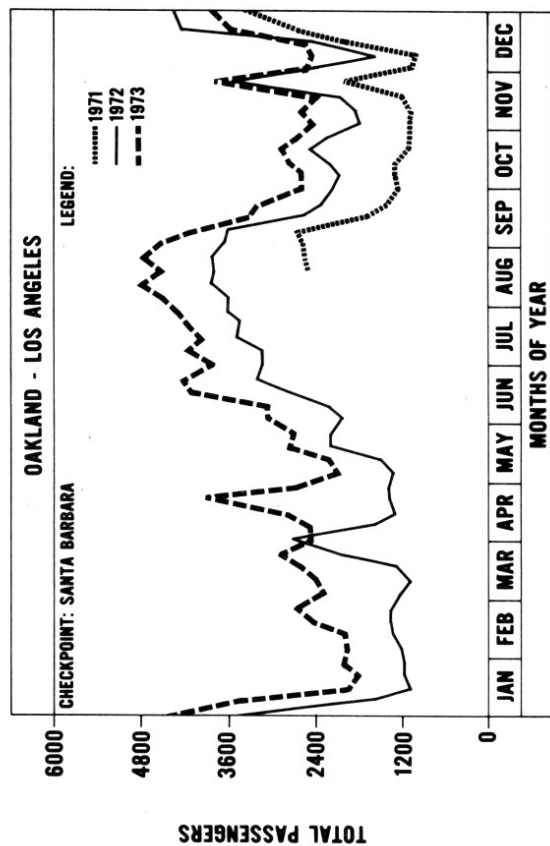
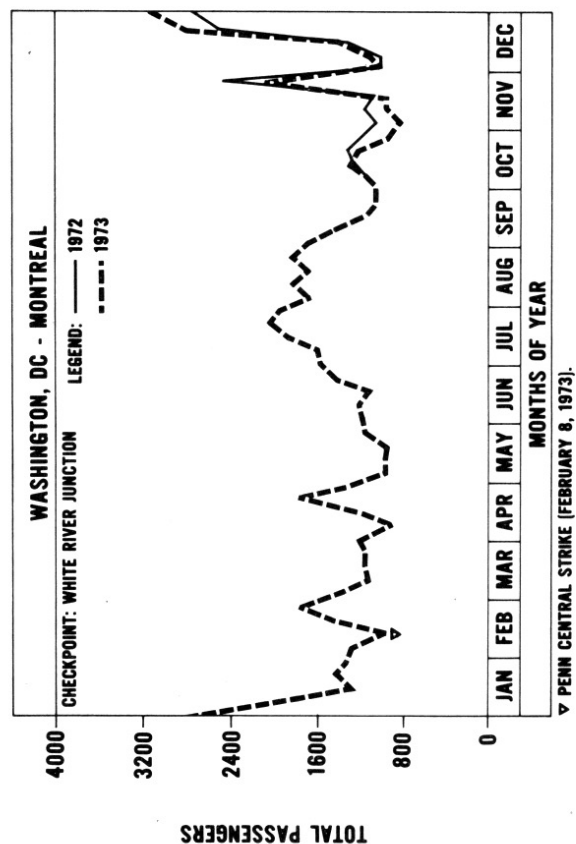
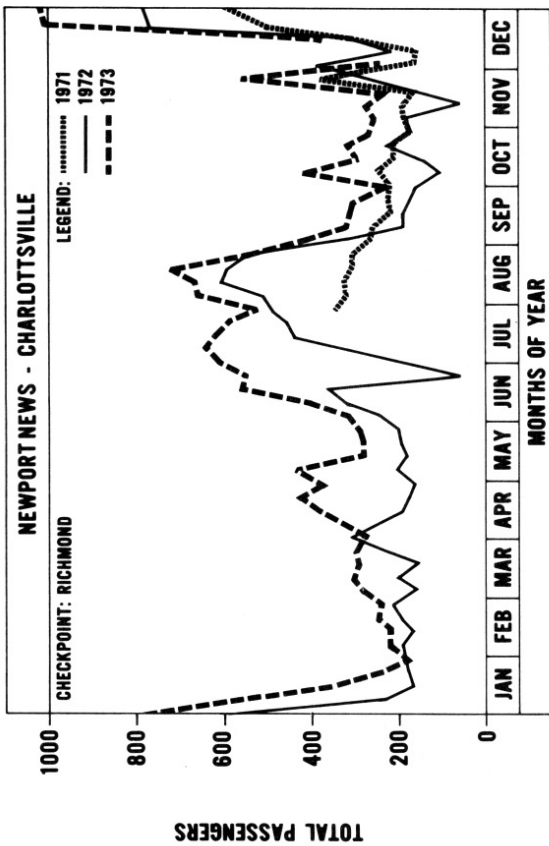
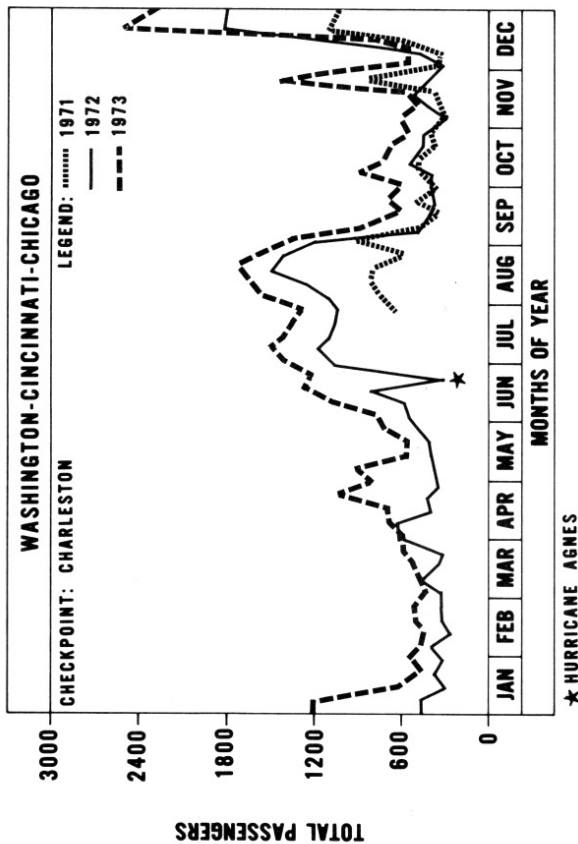
THE DENVER-SAN FRANCISCO SEGMENT OF TRAINS 5 AND 6.



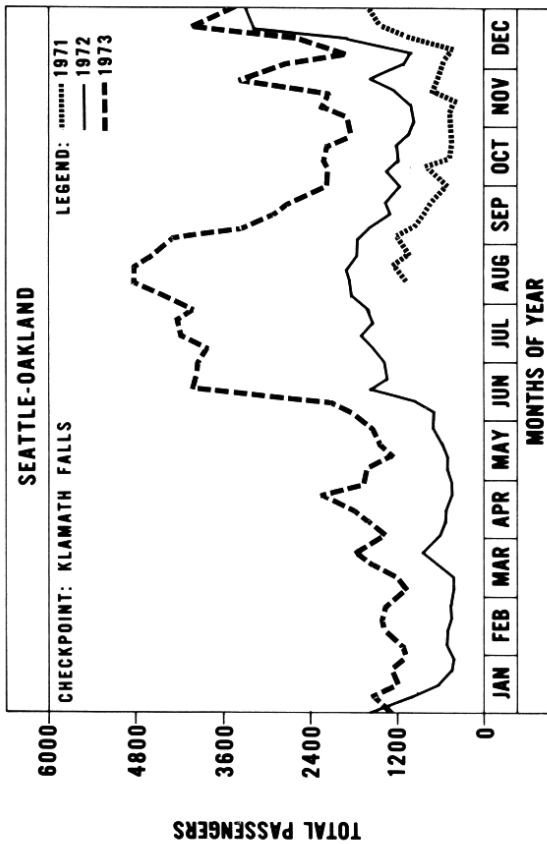
FROM JULY 26 - NOVEMBER 14, 1971, WESTBOUND CHECKPOINT WAS HAVRE.



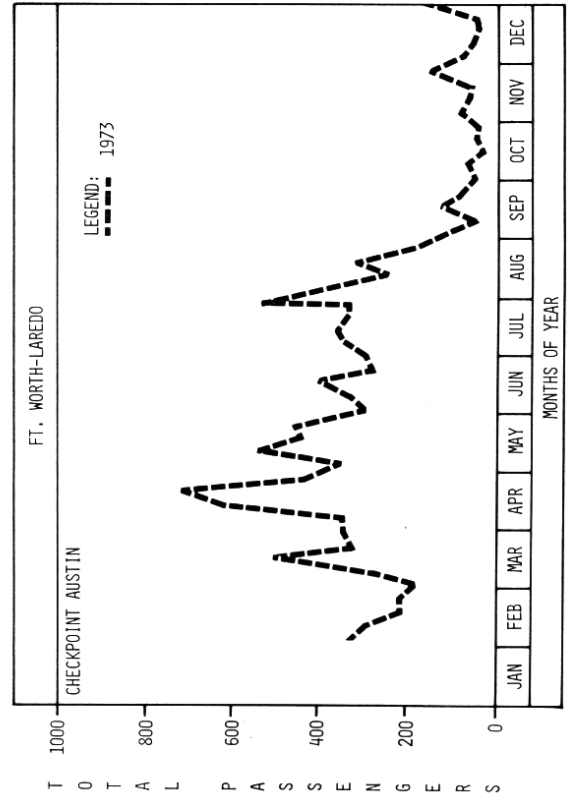
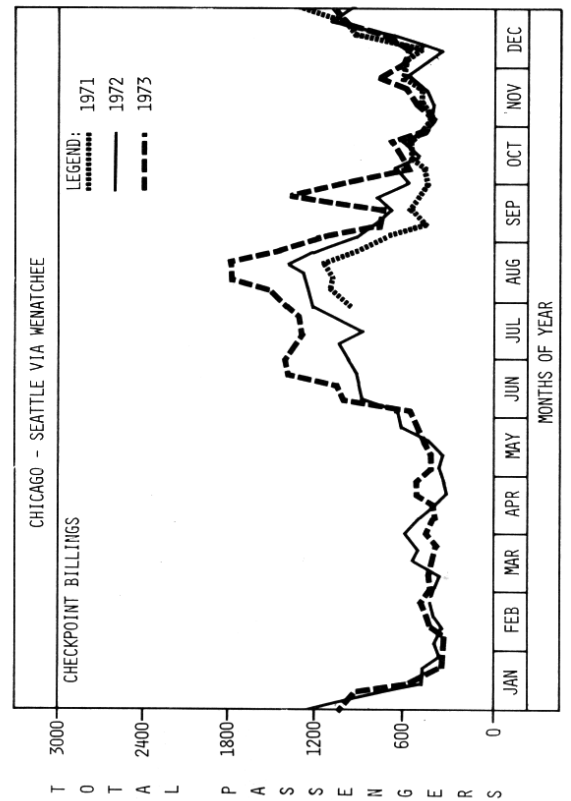
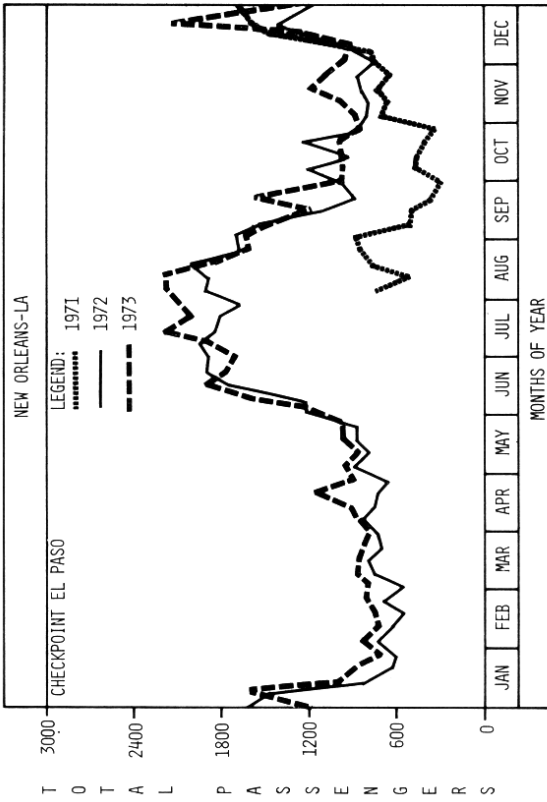
CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



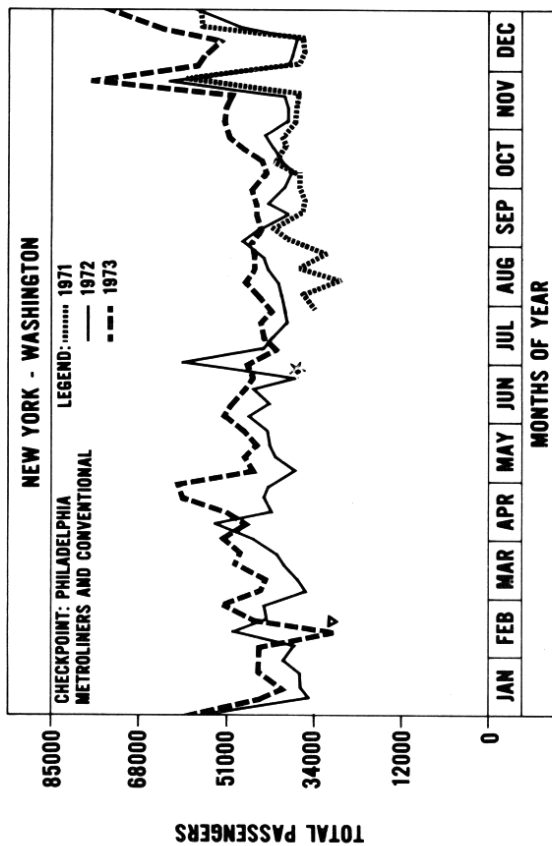
CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



HOLIDAY SCHEDULE: SERVICE WAS CHANGED FROM TRIWEEKLY TO DAILY FROM DECEMBER 15, 1972 TO JANUARY 5, 1973.

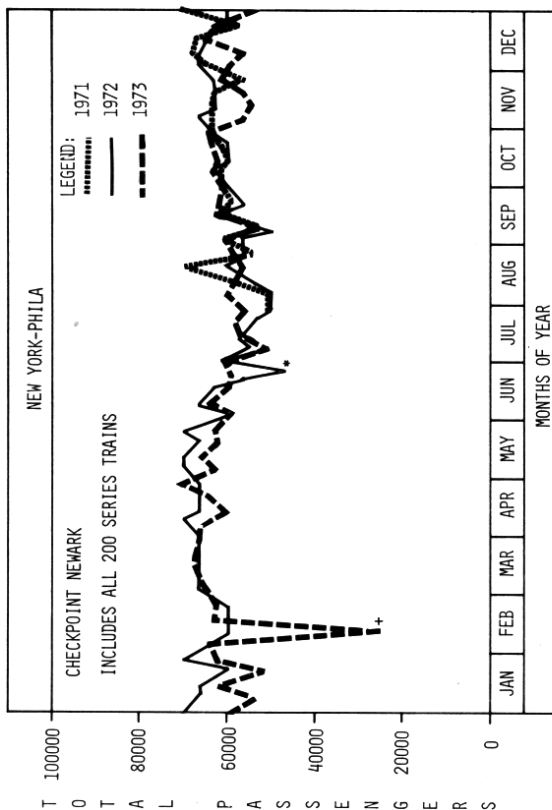


CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



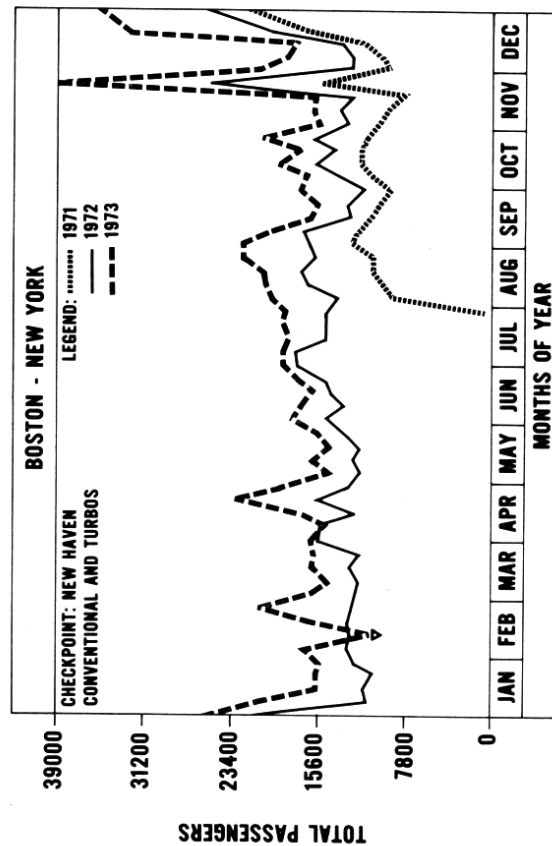
★ HURRICANE AGNES

▽ PENN CENTRAL STRIKE (FEBRUARY 8, 1973).

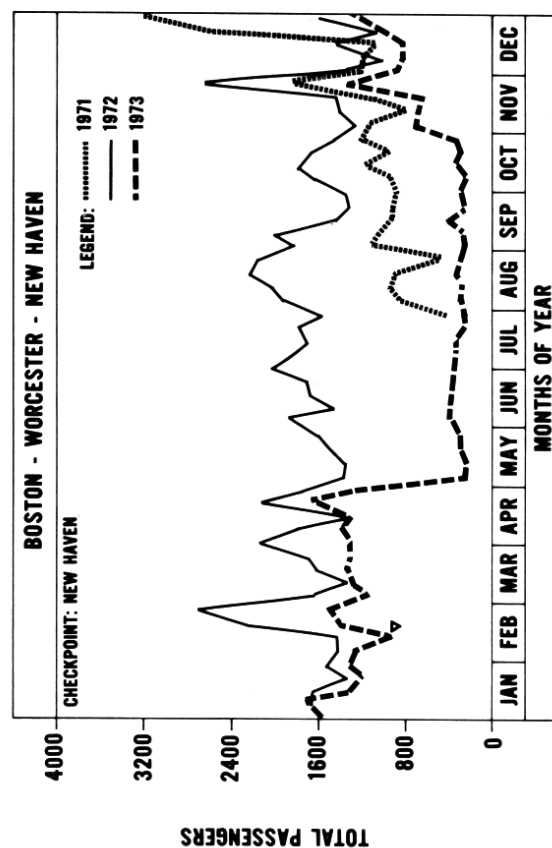


* HURRICANE AGNES

+ PENN CENTRAL STRIKE (FEBRUARY 8, 1973).



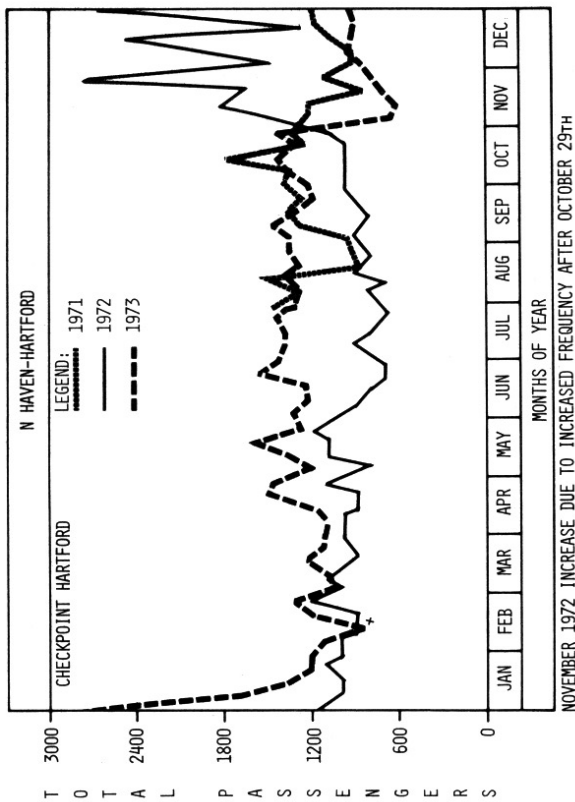
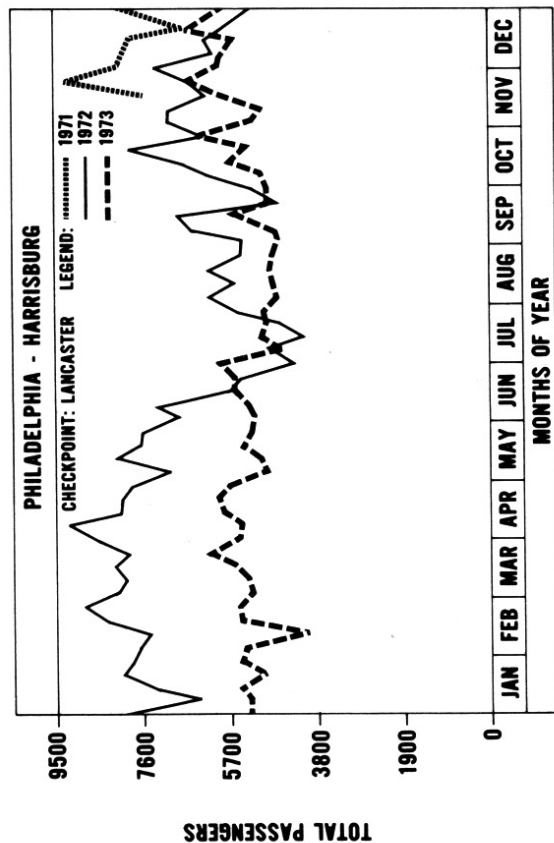
▽ PENN CENTRAL STRIKE (FEBRUARY 8, 1973).



▽ PENN CENTRAL STRIKE (FEBRUARY 8, 1973).

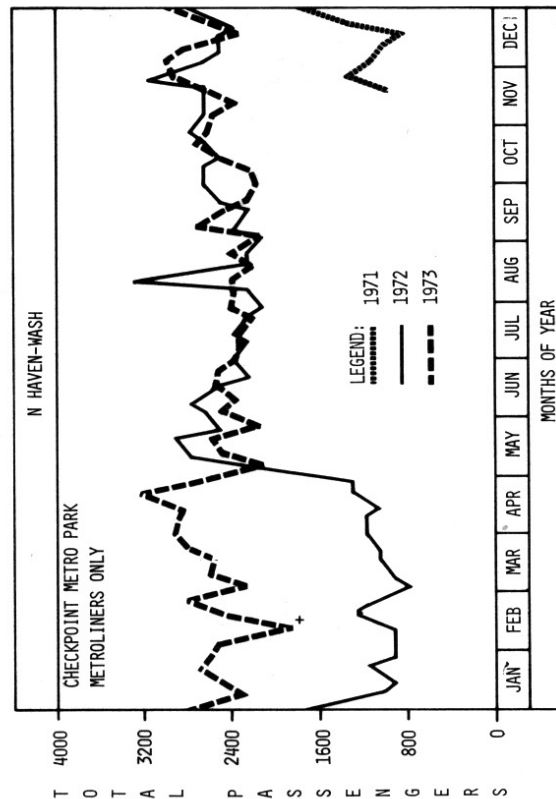
TRAINS TERMINATE AND ORIGINATE IN NEW HAVEN BEGINNING APRIL 29, 1973.
PRIOR TO APRIL 29, TRAINS WENT THROUGH TO NEW YORK CITY AND POINTS SOUTH.

CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



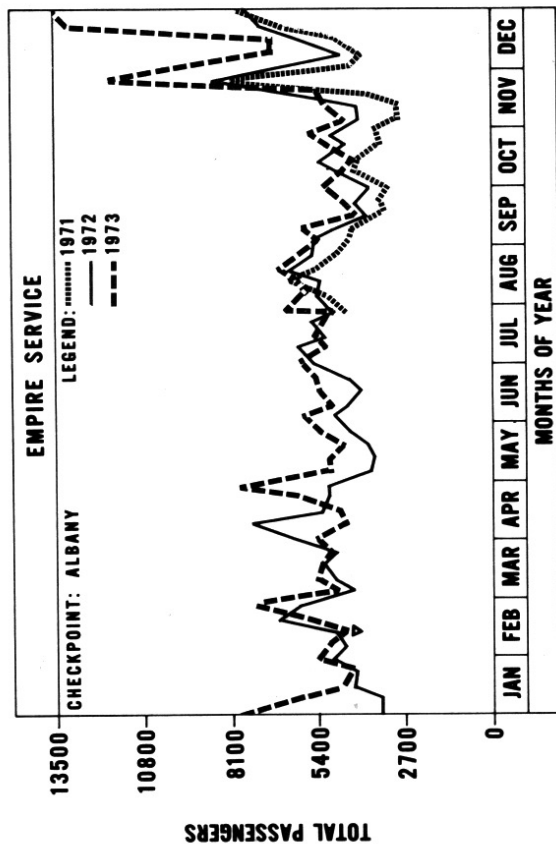
NOVEMBER 1972 INCREASE DUE TO INCREASED FREQUENCY AFTER OCTOBER 29TH SCHEDULE CHANGE.

+PENN CENTRAL STRIKE (FEBRUARY 8, 1973).



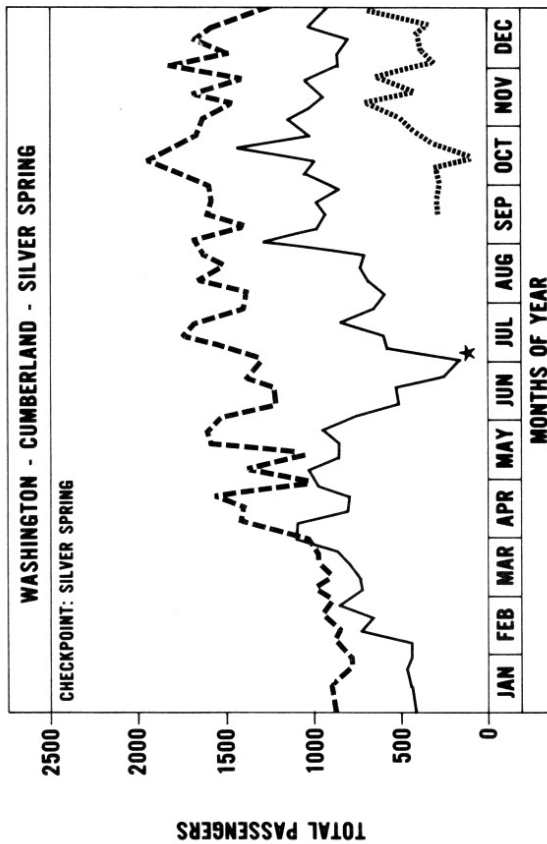
INCREASE IN RIDERSHIP BEGINNING LAST WEEK IN APRIL DUE TO FREQUENCY INCREASE OF THREE TRAINS PER WEEK.

+PENN CENTRAL STRIKE (FEBRUARY 8, 1973).

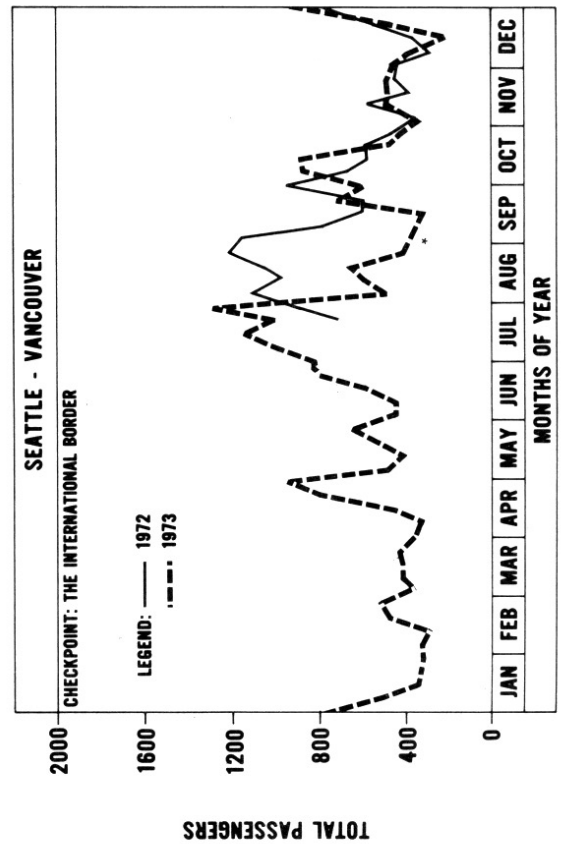


INCLUDES ALL NYC-BUFFALO, ALBANY AND SYRACUSE TRAINS.
+PENN CENTRAL STRIKE (FEBRUARY 8, 1973).

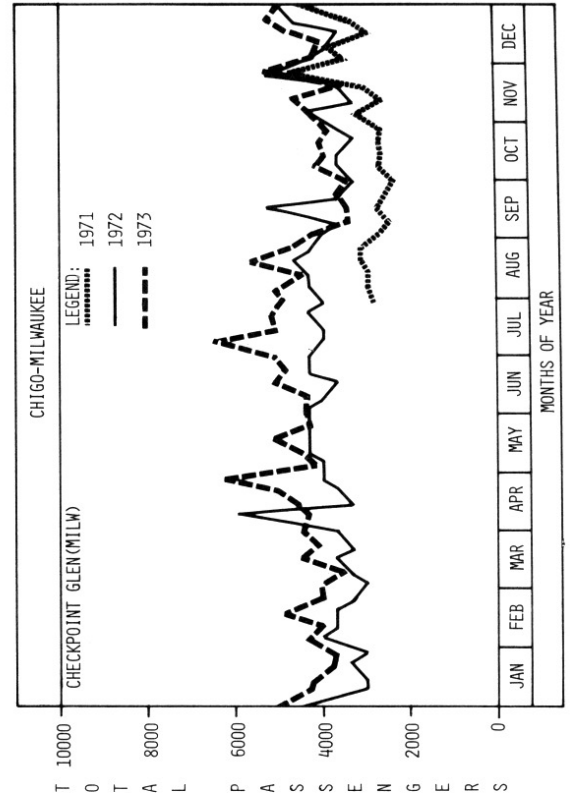
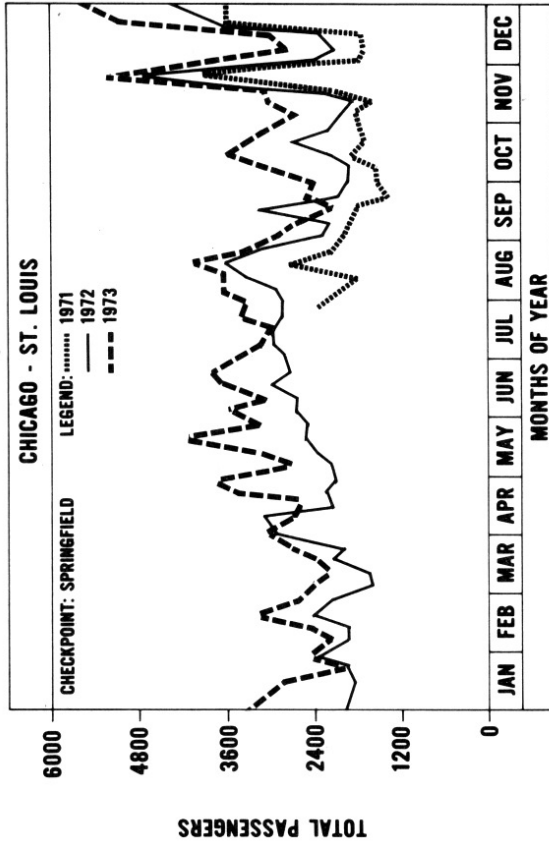
CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



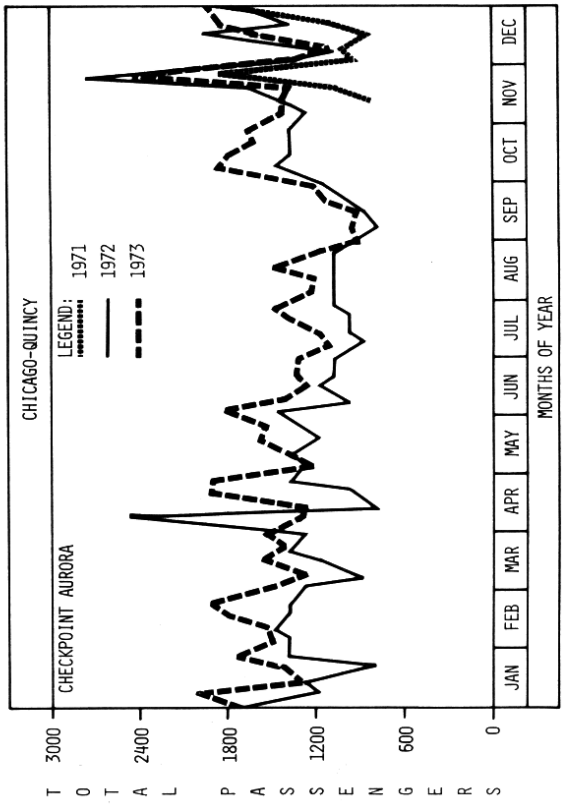
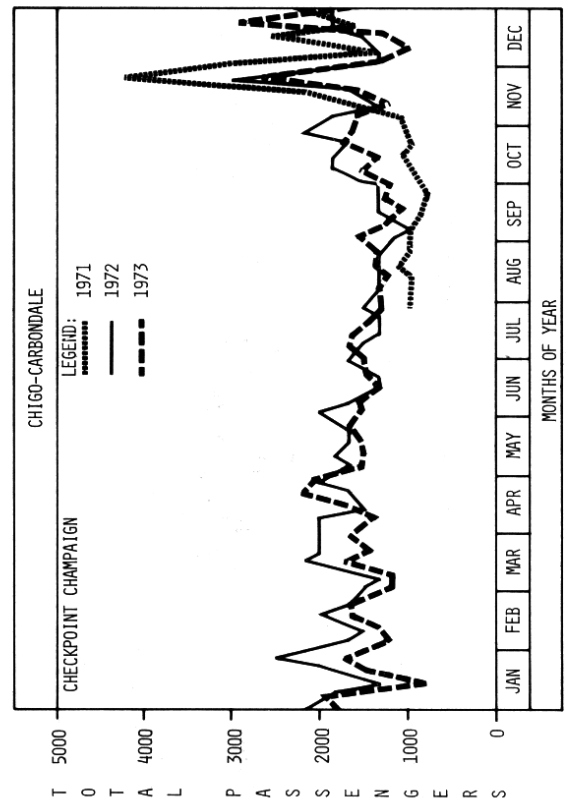
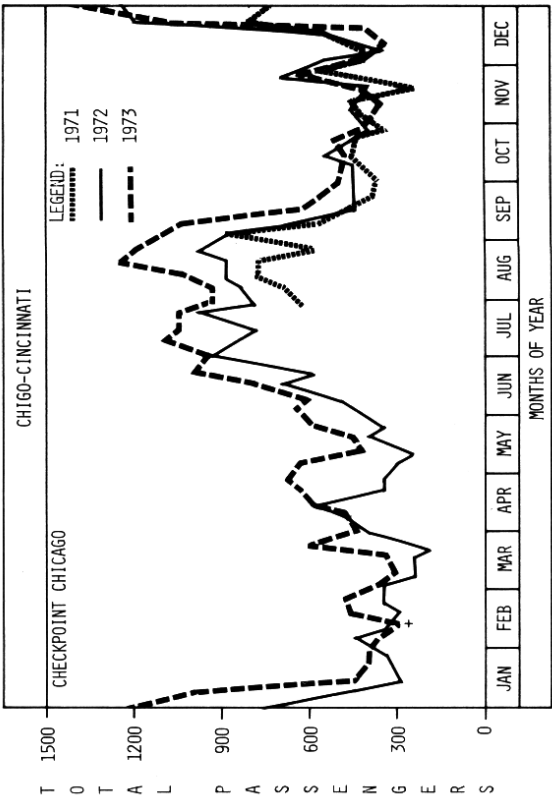
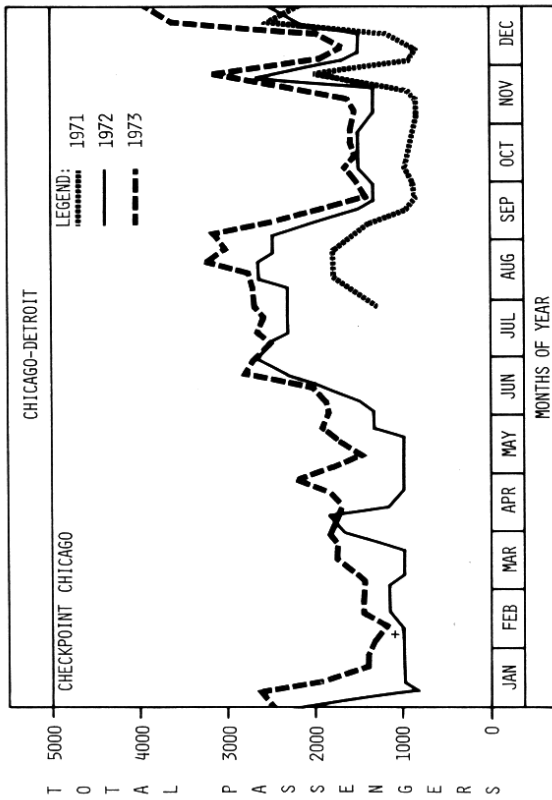
★ HURRICANE AGNES



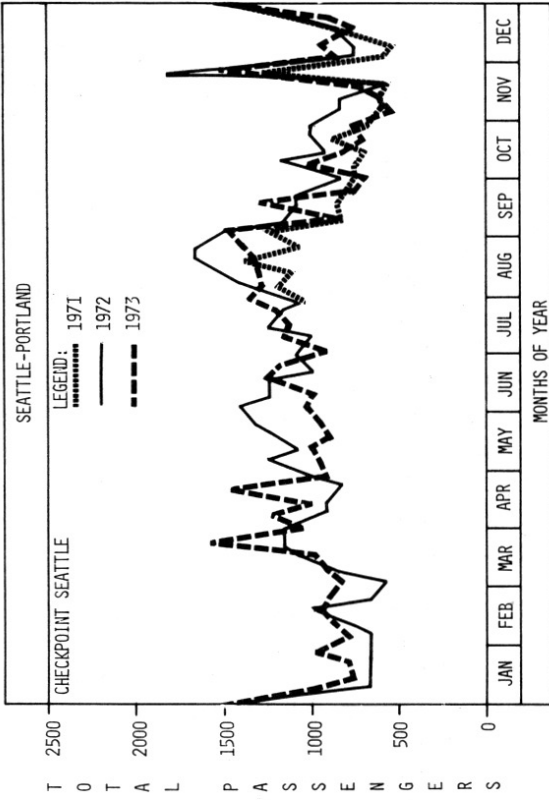
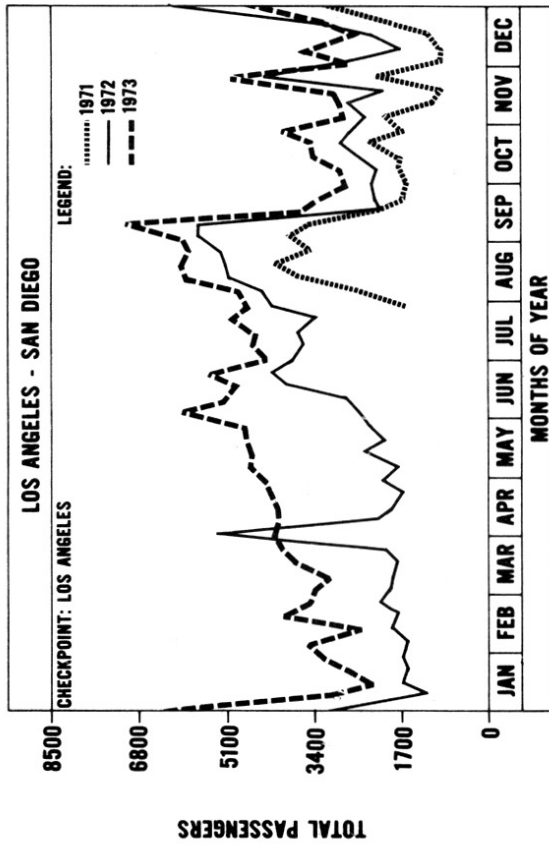
*CANADIAN NATIONAL RAILWAYS' STRIKE, AUGUST-SEPTEMBER 1973.



CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



CONDUCTOR'S CHECKPOINT COUNT OF PASSENGERS THROUGH DECEMBER 31, 1973



Counts of total passengers carried are compiled from actual tickets collected. The figures on total passengers in the first two of the following three tables were provided Amtrak by the railroads. The last was provided by Amtrak's Revenue Accounting Department. Until July of 1973 a trip involving more than one railroad was counted as one passenger for each railroad, following the historic ticketing practice of selling a separate coupon ticket for each railroad, although only one train and one through trip may have been involved. Beginning in July this practice was changed, and with the institution of "single coupon" ticketing this source of double counting has been eliminated. Under the old system, total counts were provided by railroad; under the new system the total counts are by train and route. Because the system has been changed, to allow for the generation of more useful and accurate information, comparability between the periods has been impaired.

The three tables that follow therefore show a comparison between two successive full twelve-month periods (for the years ending April 30, 1972, and 1973); a similar comparison for the remaining two months of 1972 and 1973 before the system was changed, and the total ridership counts -- by route -- for July, August and September 1973. Next year, comparability will be regained beginning in July, on a more useful basis than was previously the case. Meanwhile, for marketing purposes, the checkpoint counts continue to provide general comparability, and the "matrix" system described previously will also begin providing accurately comparable year-to-year data in detail this spring, having been in operation and subject to validation improvements for more than a year.

TABLE IX: SUMMARY OF TOTAL PASSENGERS
For the Twelve Months Ended April 30, 1972 and 1973

	1972			1973			Percent Increase/(Decrease)	
	Coach	Sleeper and Parlor	Total	Coach	Sleeper and Parlor	Total	Coach	Sleeper and Parlor Total
Santa Fe	677,408	83,711	761,119	732,750	86,751	819,501	8.2%	3.6%
Baltimore and Ohio	47,111*	-	47,111*	109,612*	-	109,612*	-	-
Burlington Northern	573,245	92,826	666,071	673,517	105,330	778,847	17.5	13.5
Chesapeake and Ohio	52,894	4,069	56,963	63,270	5,781	69,051	19.6	42.1
Milwaukee Road	381,316	24,953	406,269	494,602	31,133	525,735	29.7	24.8
Illinois Central Gulf	531,250	18,726	549,976	491,335	21,639	512,974	(7.5)	15.6
Louisville & Nashville	35,946	12,291	48,237	44,177	14,306	58,483	22.9	16.4
Missouri Pacific	22,406	1,266	23,672	53,555	8,041	61,596	139.0	535.2
Penn Central	11,357,707	515,827	11,873,534	11,915,075	521,455	12,436,530	4.9	1.1
Richmond, Fredericksburg and Potomac	372,302	53,441	425,743	343,355	63,709	407,064	(7.8)	19.2
Seaboard Coast Line	596,121	101,628	697,749	640,573	112,651	753,224	7.5	10.8
Southern Pacific	209,479	36,617	246,096	310,862	49,925	360,787	48.4	36.3
Union Pacific	33,764	12,023	45,787	46,687	17,965	64,652	38.3	49.4
Total	14,843,838	957,378	15,801,216	15,809,758	1,038,686	16,848,444	6.5	8.5

* Not included in totals because service did not begin on this route until September 7, 1971.

TABLE X: SUMMARY OF TOTAL PASSENGERS
For the Two Months Ended June 30, 1972 and 1973

	1972			1973			Percent Increase/(Decrease)	
	Coach	Sleeper and Parlor	Total	Coach	Sleeper and Parlor	Total	Coach	Sleeper and Parlor Total
Santa Fe	136,912	14,191	151,103	149,556	13,141	162,697	9.2%	(7.4)% 7.7%
Baltimore and Ohio	16,496	-	16,496	18,578	-	18,578	12.6	- 12.6
Burlington Northern	106,642	15,865	122,507	131,186	19,940	151,126	23.0	25.7 23.4
Chesapeake and Ohio	8,554	848	9,402	11,768	1,238	13,006	37.6	46.0 38.3
Milwaukee Road	77,960	5,250	83,210	94,016	6,044	100,060	20.6	15.1 20.2
Illinois Central Gulf	90,227	3,189	93,416	91,452	2,770	94,222	1.4	(13.1) 0.9
Louisville and Nashville	6,366	1,885	8,251	9,640	2,457	12,097	51.4	30.3 46.6
Missouri Pacific	6,842	745	7,587	16,250	1,964	18,214	137.5	163.6 140.1
Penn Central	1,959,105	82,161	2,041,266	2,081,987	83,016	2,165,003	6.3	1.0 6.1
Richmond, Fredericksburg and Potomac	49,963	6,464	56,427	69,028	9,478	78,506	38.2	46.6 39.1
Seaboard Coastline	98,537	13,072	111,609	106,061	15,498	121,559	7.6	18.6 8.9
Southern Pacific	43,826	7,118	50,944	64,615	10,469	75,084	47.4	47.1 47.4
Union Pacific	7,053	2,590	9,643	11,561	3,785	15,346	63.9	46.1 59.1
Total	2,608,483	153,378	2,761,861	2,855,698	169,800	3,025,498	9.5	10.7 9.6

TABLE XI: SUMMARY OF TOTAL PASSENGERS
For the Three Months Ended September 30, 1973

	Coach	Sleeper and Parlor	Total
Boston-Florida	285,179	19,696	304,875
New York/Washington-Chicago	74,407	10,153	84,560
Chicago-Los Angeles	86,425	15,675	102,100
Chicago-New Orleans	59,086	1,751	60,837
Chicago-San Francisco	86,696	15,952	102,648
Chicago-Seattle	102,095	16,302	118,397
Cincinnati-Washington/Newport News	6,122	67	6,189
Los Angeles-New Orleans	28,095	4,920	33,015
Seattle-San Diego	102,846	11,470	114,316
New York/Washington-Kansas City	57,007	5,898	62,905
Chicago-Florida	25,807	4,366	30,173
Chicago-Houston	64,895	5,043	69,938
Washington-Cumberland	23,907	-	23,907
Southern Montana	65,749	6,069	71,818
Vancouver	15,386	-	15,386
Montreal	79,476	4,376	83,852
Mexico-via Ft. Worth	6,037	-	6,037
Seattle-Portland	31,906	-	31,906
Los Angeles-San Diego	104,196	-	104,196
Chicago-St. Louis	55,203	2,497	57,700
Chicago-Quincy	17,701	-	17,701
Chicago-Milwaukee	58,057	482	58,539
Chicago-Detroit	42,035	-	42,035
Chicago-Cincinnati	26,592	1,953	28,545
Chicago-Carbondale	23,353	-	23,353
New York-Buffalo	110,077	-	110,077
Northeast Corridor			
New York-Washington	576,100	47,698	623,798
New York-Philadelphia	783,744	413	784,157
Boston-Philadelphia	99,092	2,855	101,947
Boston-New York	46,743	534	47,277
Springfield-New Haven	17,499	-	17,499
Boston-Washington	546,056	20,032	566,088
Hartford-New Haven	24,317	-	24,317
New Haven-Washington	24,218	2,807	27,025
Boston-Providence	447	-	447
Springfield-Philadelphia	51,217	-	51,217
Philadelphia-Harrisburg	161,859	-	161,859
Boston-New Haven	10,683	-	10,683
New Haven-Philadelphia	24,516	5,423	29,939
	4,004,826	206,432	4,211,258

CHAPTER 4
PUBLIC AFFAIRS

Public Relations/Information Section

The demand for information on Amtrak and intercity train service it provides continued on the upswing during 1973; and at year end, especially with the national focus shifting to energy and the inherent benefits of mass transportation, public and press requests for information were at an all-time corporate high.

Amtrak was a source for headline news throughout the year. Although news coverage of Amtrak has been substantial from the corporation's first days, 1973 saw more column inches on Amtrak in the print media and more time given to Amtrak news on radio and television than in 1971 and 1972 combined.

In an effort to keep the public apprised of Amtrak plans and progress, more than 100 public and press statements on such matters as fares, schedules, equipment and personnel were issued during the year. Monthly statistics on train performance and ridership were also made public. Interviews and background briefings to newspaper, radio and television reporters were substantially increased. On-train assignments by reporters were encouraged to expand the public's knowledge of train travel.

The single largest Amtrak public-information effort of the year involved the arrival and inauguration of the new turbine-powered French trains. Preparations began while the trains were still under test in France. The French trains story was treated as two separate events -- assisting in national coverage as the trains arrived at Newark and as they proceeded across country to Chicago, and then concentrating on local coverage as the trains were put into revenue service in the Middle West. The arrival of these trains in Newark and their trip to Chicago generated more than 750 column inches in 40 U.S. newspapers in addition to numerous television and radio stories.

Other special events during the year included the inauguration of Amtrak's third international route, to Nuevo Laredo, Mexico, with newsmen from the Southwest on board the inaugural run on January 27. The Inter-American was greeted by thousands of well-wishers along the Texas route.

On May 1, second anniversary celebrations were held in Washington, D.C., and Chicago with new concepts in car interior styling on display in both cities.

Newsmen were given the opportunity to inspect the first of 40 new passenger locomotives put into service in the west during the year and were also invited to dedication ceremonies for the newly renovated station at Springfield, Massachusetts.

During late October a group of East Coast transportation and travel writers were taken to Bensalem, Pennsylvania, for a tour of the Northeast Centralized Reservation Office, the first of five such centers that will make up the new nationwide computerized reservation, information and ticketing system.

To expand information services to other public groups, a travel news section was developed. Monthly mailings of information on tours, special travel promotions and general Amtrak news were made to travel editors. A bi-weekly employee newsletter was begun and now goes to 10,000 Amtrak and railroad passenger train personnel.

Consumer Service

Consumer Service is a major link between Amtrak's corporate headquarters and the traveling public. Its responsibilities to the public include handling requests for information; investigating reported service problems, and serving as a conduit for relaying passenger commendations, complaints, and suggestions to the appropriate areas of responsibility within Amtrak. At the end of the year, Consumer Service was receiving approximately 400 letters a week. All mail that bears a return address is answered. In addition, dozens of telephone calls are handled daily, and passengers coming to headquarters are met and their problems discussed. As Amtrak service has expanded and public awareness grown, so too have the number of letters and calls increased. During the past year the consumer office has doubled in size to better handle this growing workload.

Most public mail comes into Consumer Service. These letters are either answered immediately, investigated by the correspondent, or sent to other offices for action or information. When a letter deals with a specific problem, a complaint referral sheet is sent to the appropriate department for corrective action. For instance, a letter complaining that car #8142 had no air conditioning or lights would be referred to the Manager of Quality Control, who will make sure the car has been removed from service and the problems attended to. Each department notifies Consumer Service of the action it has taken and a response is sent to the passenger that his complaint has been acted upon.

During 1973, Consumer Service processed 13,920 letters from the public, including those sent to other departments within Amtrak for direct response. Passenger comments are now being charted by category and by route to better locate problem areas. Table XII lists complaints and compliments by category and route.

With Amtrak ridership growing, correspondence from the public has also increased. Although Consumer Service continues to receive more than twice as many complaints as compliments, some interesting trends have developed during the year. The three major trouble areas for the first eight months of the year were air conditioning/heating, equipment condition, and on-time performance. Since September, however, fewer complaints have been received in these areas, with a number of commendations received on refurbished equipment.

The three brightest areas, in terms of compliments received, are on food and beverages, on-board services, and personnel, with compliments far outnumbering complaints. Trains carrying all-Amtrak crews have received the most praise for personnel and on-board services.

In the last two months of 1973, the number of requests for travel information quadrupled. While some of this increase may be attributed to the holiday season, most requests appeared to be from travelers who turned to Amtrak during the energy crisis. Reacting to the energy crisis, the public is now seeking either new or additional rail service. Letters asking for more trains tripled in the last few weeks of 1973.

In the last few months of 1973, Amtrak's Congressional Correspondence Section merged with Consumer Service to better facilitate the handling of mail and complaints. During the year, 2256 Congressional inquiries were received.

State and Local Government Relations

The State and Local Affairs Office within Amtrak's Public Affairs Department was established to work with all non-federal governmental agencies with regard to Amtrak service, schedules and facilities. Specifically, this office is charged with the implementation of Section 403(b) of the Rail Passenger Service Act of 1970, which permits government agencies to contract with Amtrak for service in addition to that provided in the basic system when these agencies are prepared to underwrite at least two-thirds of any losses associated with such new service.

Table XII
Categories of Consumer Comments*

Criticism	Categories	Praise	Criticism	Routes	Praise
717	Air Conditioning/ Heating	29	846	Florida (East)	288
712	Equipment Condition	313	626	Conventional (N.E. Corridor)	112
692	On-Time Performance	90	504	San Fran. Zephyr	162
525	Personnel	746	331	Empire Builder	145
486	Reservations	35	321	Broadway Limited	135
437	Schedules	159	291	Super Chief	221
296	Food and Beverage	404	265	Coast Daylight/ Starlight	252
266	Consist	37	248	Floridian	111
254	Standees	0	248	Amtrak General	57
230	Station Services	65	175	N. Coast Hiawatha	106
182	Fares and Ticketing	44	175	Metroliners/Turbos (east)	48
173	Other Marketing	34	166	Central Region	31
167	On-Board Services	406	160	Montrealer	109
132	Roadbed	16	158	Eastern Region	50
103	Checked Baggage	15	150	Sunset Limited	88
95	Other General	21	149	National Limited	155
73	Smoking	11	134	Western Region	49
			116	Panama Ltd./Shawnee	26
			108	JWRiley/GWashington	30
			85	Texas Chief	78
			72	Midwest Turbos	32
			51	Empire Service (NY- Buffalo)	36
			47	Chicago-Detroit	36
			34	San Diegan	24
			24	Hiawatha Service (Chi-Milw)	13
			15	Illinois 403(b)**	1
			14	Harrisburg-Philad.	8
			10	Pacific International	15
			6	Cumberland	2
			4	Inter-American	4
			2	Portland-Seattle	1

* August-December 1973

** Trains within Illinois operated with state financial support

During 1973, the Office of State and Local Affairs negotiated extensions of 403(b) contracts with Pennsylvania and Illinois. In Pennsylvania, a 403(b) train operates between Harrisburg and Philadelphia; while in Illinois, the State is underwriting service between Chicago and Quincy. In addition, the Illinois contract calls for three new services, two of which -- from Chicago to Springfield and Chicago to Champaign-Urbana -- began operations in 1973, and the third of which -- between Chicago and East Dubuque -- will begin running in early 1974.

A request for 403(b) service has been received from Michigan (Chicago to Port Huron and Detroit to Jackson). Under discussion at the end of the year were proposals from Wisconsin (Milwaukee to Green Bay), Minnesota (Minneapolis to Duluth), Ohio (Cleveland to Columbus and Cincinnati) and New York (additional service to Albany and Buffalo). Numerous other tentative expressions of interest in obtaining service have come from Maine, Vermont, Massachusetts, Pennsylvania, Virginia, Georgia, Florida, Iowa, Kansas, Louisiana, Idaho, Nevada, California, Oregon and Washington. While these inquiries have yet to culminate in official requests, an increasing number of states appear prepared to allocate funds and sign contracts as soon as equipment becomes available.

In recent months, several states have expressed growing interest in spending substantial amounts on track and facility improvements. While no specific state legislation has yet been introduced, this appears to indicate a growing awareness of and commitment to rails generally and passenger service specifically. Frequent and close contact is being maintained with these states.

During 1973, with a grant of \$50,000 from the State of Vermont, and the assistance of local volunteers, stations at Brattleboro, Bellows Falls, Montpelier, Waterbury, Essex Junction and St. Albans were refurbished and opened.

A liaison program with state and local governments generally was established in 1973 for the purpose of developing joint programs and assisting state and local planning and transportation agencies. The program has resulted in numerous meetings with governors, mayors, state legislative committees and transportation officials, which have been generally educational in content and have helped to establish solid working relationships. Many of these contacts may develop into working programs in the year ahead.

CHAPTER 5
ADMINISTRATION

Amtrak's Assumption of
Direct Control of Services

During 1973, Amtrak accelerated its overall effort to assume responsibility for service functions previously performed by the railroads. Groundwork for assumption of railroad functions had been essentially laid in 1972, but in 1973 Amtrak completed the takeover of almost all major stations and terminals.

Station Assumptions

Stations taken over during 1973 and the number of employed service personnel involved in each are as follows:

<u>Stations</u>	<u>Personnel</u>
Albany, N.Y.	4
Alton, Ill.	3
Altoona, Pa.	3
Ann Arbor, Mich.	3
Ashland, Ky.	3
Austin, Texas	2
Baltimore, Md.	45
Billings, Mont.	5
Birmingham, Ala.	4
Bozeman, Mont.	3
Bloomington, Ill.	3
Buffalo, N.Y.	6
Butte, Mont.	3
Carbondale, Ill.	9
Centralia, Ill.	3
Champaign, Ill.	10
Charleston, S.C.	11
Charleston, W. Va.	3
Charlottesville, Va.	8
Clearwater, Fla.	2
Colonie/Schenectady, N.Y.	4
Deerfield Beach, Fla.	4
Del Ray Beach, Fla.	1
Detroit, Mich.	8
Edwards, Wash.	1

<u>Stations</u>	<u>Personnel</u>
El Paso, Texas	6
Essex Jct., Vt.	4
Everett, Wash.	3
Fargo, N.D.	10
Fayetteville, N.C.	6
Florence, N.C.	7
Ft. Lauderdale, Fla.	7
Ft. Wayne, Ind.	4
Glendive, Mont.	3
Glenview, Ill.	3
Grand Forks, N.D.	7
Hamlet, N.C.	6
Hammond, La.	2
Hastings, Neb.	3
Havre, Mont.	6
Helena, Mont.	2
Hollywood, Fla.	8
Homewood, Ill.	4
Huntington, W. Va.	4
Jackson, Miss.	4
Jacksonville, Fla.	24
Jefferson City, Mo.	4
Johnstown, Pa.	2
Joliet, Ill.	8
Kankakee, Ill.	3
Kansas City, Mo.	25
Kirkwood, Mo.	2
LaCrosse, Wis.	5
Lakeland, Fla.	4
Lancaster, Pa.	7
Lincoln, Neb.	7
Livingston, Mont.	4
Louisville, Ky.	4
Madison, Wis.	3
Mandan, N.D.	3
Mattoon, Ill.	3
McComb, Ill.	2
McCook, Neb.	3
Memphis, Tenn.	11
Miami, Fla.	46
Milwaukee, Wis.	29
Minneapolis, Minn.	45
Minot, N.D.	10
Missoula, Mont.	3
Montgomery, Ala.	4
Nashville, Tenn.	4
New York (Penn Station)	155
Ocala, Fla.	3

<u>Stations</u>	<u>Personnel</u>
Omaha, Neb.	16
Orlando, Fla.	15
Pasco, Wash.	6
Philadelphia, Pa.	72
Phoenix, Ariz.	5
Pittsburgh, Pa.	20
Raleigh, N.C.	13
Rochester, N.Y.	3
Rocky Mt., N.C.	6
St. Albans, Vt.	4
St. Paul, Minn.	3
St. Petersburg, Fla.	11
Savannah, Ga.	17
Sebring, Fla.	1
Spokane, Wash.	24
Springfield, Ill.	6
Springfield, Mass.	4
Syracuse, N.Y.	6
Tacoma, Wash.	12
Tampa, Fla.	14
Utica, N.Y.	4
Vancouver, B.C.	3
Waldo, Fla.	3
Washington, D.C.	93
W. Palm Beach, Fla.	14
White River Junction, Vt.	2
Winona, Minn.	1
Winter Haven, Fla.	4
Winter Park, Fla.	5
<hr/>	
TOTALS FOR 1973:	102
	1,060
<hr/>	

Assumption of Service Personnel on Trains

The following numbers of on-board service personnel were taken over by Amtrak during 1973:

<u>Railroad</u>	<u>Personnel</u>
Burlington Northern and Milwaukee Road	616
Chesapeake & Ohio/Baltimore & Ohio	70
Floridian route (PC, LN and SCL)	138
Illinois Central Gulf	122
<hr/>	
TOTAL:	946
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A major step in assuming direct responsibility for on-board service personnel occurred on June 10, 1973, when all dining car, sleeping car, and steward personnel on the Burlington Northern and Milwaukee Road railroads joined Amtrak (616 employees).

On November 1, all such employees on the Illinois Central Gulf Railroad joined Amtrak (122 employees), and on December 1 on-board service personnel on the Floridian trains operating between Chicago and Florida joined Amtrak (138 employees).

On December 10 the on-board service personnel on the Chesapeake & Ohio and Baltimore & Ohio railroads (The Chessie System) joined Amtrak (70 employees).

The taking of direct control of the on-board service functions on all other railroads will be accomplished in 1974.

Assumption of Reservations and Information Personnel

During 1973, the following reservations and information personnel became Amtrak employees:

<u>Location</u>	<u>Personnel</u>
Bensalem (Cornwells Heights, Pennsylvania)	290
New York City	140
Jacksonville	116
Chicago*	53
West Coast (Seattle, San Francisco, and Los Angeles)**	135
TOTAL:	<u>734</u>

* This number is in addition to the 140 personnel assumed during 1972.

** To be combined in Los Angeles during 1974.

Assumption of Commissary Functions

By December 1, 1973, Amtrak assumed direct responsibility for most of the major commissaries in the United States, where food, beverages and supplies for the trains are stored or prepared. (Exceptions are the two commissaries operated by the Penn Central in New York City and the Seaboard Coast Line commissary in Jacksonville, Florida.)

The major commissaries now operated by Amtrak are located in the following cities:

Seattle
Oakland
Los Angeles
Chicago
Washington, D.C.

Maintenance Employees

In 1973 Amtrak hired a facility staff of 69 at the new Brighton Park, Chicago, facility to perform maintenance work on the two leased French Turboliners and other self-powered equipment based there. Amtrak had previously assumed direct responsibility for the TurboTrain maintenance base at Providence, Rhode Island. With the addition of the Brighton Park maintenance base, Amtrak now performs all maintenance work involving its turbine-powered trains.

In late 1973 Amtrak took steps to employ its first personnel involved with maintenance of regular equipment. Amtrak employees now perform running maintenance work on all trains passing through its new Jacksonville, Florida, passenger station.

While Amtrak has attempted to employ mechanics at other locations (at Los Angeles, Chicago, Hialeah, Florida, and Washington, D.C.), thus far it has been unable to do so. Negotiations are continuing in respect to gaining access to such facilities.

Assumption of Revenue Accounting Functions

On July 1, 1973, Amtrak assumed direct responsibility for all revenue accounting functions. This work had previously been performed on Amtrak's behalf by the railroads. A single centralized office for accomplishing this work was established at Amtrak's headquarters in Washington.

This newly created department of 225 people performs all Amtrak's revenue accounting requirements, including billing, refunds, responding to customer billing inquiries, collections, credit checking, agency balancing, and accounting for ticket sales, food and beverage sales, and train earnings.

A new computer-based system prepares sales reports and journal entries using the revenue information collected from 394 station agents, 5000 independent travel agents with Amtrak contracts, and 75 commercial or other accounts. A separate automated system utilizes data from more than 200,000 documents a month to monitor the distribution and usage of ticket stock. Annually, billings on more than 600,000 items totalling some \$50 million are being processed within this new department.

Working mainly at night, to make most efficient use of computer capacity, a Train Earnings section processes tickets collected from the approximately 1.5 million Amtrak riders a month through a computer system to produce marketing and financial reports.

Already underway is a project to fully integrate revenue accounting with Amtrak's new Advanced Reservation and Ticketing System. This project will provide Amtrak the added benefits of receipt of exact train earnings, full audit of all fares, and detailed financial and marketing reports.

Labor Relations

During 1973, Amtrak recognized the following labor organizations for purposes of representing certain classes and crafts of employees:

The International Brotherhood of Electrical Workers

The International Association of Machinists & Aerospace Workers

The American Railway Supervisors Association

The Hotel and Restaurant Employees and Bartender's International Union

The Brotherhood of Sleeping Car Porters

Subsequent to those recognitions, Amtrak entered into collective bargaining negotiations with a number of the organizations and successfully completed national agreements as follows:

- November 2, 1973 - The International Association of
Machinists & Aerospace Workers
- November 3, 1973 - The Hotel and Restaurant Employees
and Bartender's International
Union
- November 3, 1973 - The Brotherhood of Sleeping Car
Porters
- November 6, 1973 - The International Brotherhood of
Electrical Workers

Negotiations with the United Transportation Union for a collective bargaining agreement covering Dining Car Stewards are currently proceeding. The agreement has not yet been consummated.

On July 5, 1973, Amtrak signed with all major railway labor organizations a document (Appendix C-2 to the National Railroad Passenger Corporation Agreement) establishing protective conditions for Amtrak employees as required by the 1972 Amendments to the Rail Passenger Service Act (Public Law 92-316). The conditions apply when Amtrak employees are adversely affected by a "discontinuance of intercity rail passenger service". The conditions provide for:

- (1) Guaranteed monthly compensation of no less than the average monthly compensation earned by the employee in the 12-month period preceding the discontinuance.
- (2) A protective period equal to the number of months of compensated service for Amtrak, with a maximum of six years.
- (3) Amtrak's right to offset any other protective payments received during the protective period (i.e., payments from the railroads under Appendix C-1).
- (4) The payment of moving expenses and protection against loss on sale of homes for employees required to move their place of residence to obtain another position.

(5) A lump-sum separation allowance (up to 12 months pay) in lieu of all other benefits for employees unable to obtain other comparable employment.

(6) The rapid arbitration of disputes arising under the Appendix.

The protective benefits of Appendix C-2 extend also to Amtrak employees who are not members of a labor organization.

The conditions are substantially the same as those in Appendix C-1, which were imposed by the Secretary of Labor in respect to railroad employees under the provisions of the Rail Passenger Service Act of 1970 (Public Law 91-518). Although Appendix C-1 was handed down by the Secretary of Labor, it should be noted that the terms of Amtrak's parallel document, Appendix C-2, were negotiated with the labor organizations.

The text of Appendix C-1 appeared in Amtrak's 1971 Annual Report. The text of the new Appendix C-2 appears as an appendix of this report.

Training

The Amtrak training effort in 1973 was essentially three-fold and involved: (1) the analysis of training needs, (2) the development of training programs for each of the principal areas of Amtrak effort, and (3) the utilization of those training programs to train Amtrak personnel. All of this effort has been directed from and coordinated by Amtrak's Manpower Development Center in Silver Spring, Maryland.

The Manpower Development Center was established in 1972 with support from the Department of Health, Education and Welfare and the Department of Labor. Its mission was to apply modern manpower development systems and technology to the problem of developing and implementing training programs for newly hired railroad personnel as well as to upgrade the job skills and employability of thousands of current railroad or Amtrak employees.

Analyzing Training Needs

Early in 1973 the Manpower Development Center conducted detailed job analyses of each major craft position employed by Amtrak.

Training Program Development

The center then used those job analyses to design and develop training programs for the following areas:

(a) Reservations and Information. This program was designed to train Amtrak reservations and information personnel in the operation of Amtrak's new computerized national reservations and ticketing system.

(b) On-Board Service. With Amtrak becoming responsible for on-board service personnel, the center had to develop programs to train railroad personnel as well as new personnel. Separate curriculums have been developed for Service Directors, Service Attendants, Food Specialists, and Passenger Service Representatives.

(c) Ticketing. A program to train ticket sellers was also developed during the year. This program also was developed to be used with the new computerized national reservations and ticketing system.

(d) Station Services. The center also designed and developed a two-day program to orient former railroad station-services personnel to Amtrak's goals and expectations.

Prototype classes in each craft were conducted to determine whether the materials developed would, in fact, produce the desired results and also to validate the entry-level requirements that had been set for new employees. A total of nine prototype classes were conducted for the purpose of program validation. Data gathered during the prototype classes will be computerized for statistical analysis.

Conducting Training

Once the training courses were developed and validated, they were then utilized to train the following numbers of people during the year:

(a) Reservations and information personnel	795
(b) On-board service personnel	1,500

(c) Ticketing personnel	2,200
(d) Station services personnel	750

During the past year approximately 500 on-board service personnel were also trained in the new revenue accounting procedures developed when Amtrak took over the responsibility of revenue accounting for the nationwide system.

The Training Department also developed a three-day management development course for Amtrak Service Managers during the past year. This workshop-type course covers basic supervisory techniques and goes into detailed plans for various Marketing Service programs. The course was given to 150 regional and headquarters personnel. This material is also given to all Service Director trainees.

Plans are being developed to train the following numbers of additional personnel -- all by June 1, 1974:

(a) Reservations and information personnel	800
(b) On-board service personnel	1,500
(c) Ticketing personnel	1,600
(d) Station services personnel	2,000

Employment

On December 31, 1972, Amtrak had 1522 employees. On December 31, 1973 -- by virtue of Amtrak assuming direct responsibility for railroad functions -- the work force had grown to 5384. To achieve this substantial growth in employment, Amtrak had to develop its managerial capability as well as staff support. Such support included personnel interviewing and employment processing capability, labor relations administration, benefit plan administration, and timekeeping and payroll staff.

While Amtrak has stretched both its resources and capability at times, the corporation has now reached a position where it can further accelerate its effort to comply with the intent of the Rail Passenger Service Act, as amended, which reads:

"In so far as practicable, the Corporation shall directly operate and control all aspects of its rail passenger service."

Pass Policy Administration

On December 1, 1972, Amtrak established a centralized office at its headquarters for administering its pass program systemwide. This pass program involves an estimated 900,000 families and approximately 2,800,000 railroad personnel and dependents who, by law, are entitled to ride Amtrak trains on a free or reduced-rate basis.

During 1973, Amtrak processed 382,057 pass applications for 382,057 families covering 956,824 railroad personnel and dependents. Also in 1973, Amtrak and the railroads entered into a three-year contract whereby Amtrak is being reimbursed on a sliding-scale basis, effective January 1, 1973, by the railroads for the cost of administering this pass program for railroad personnel. This is a cost that is separate from the costs of actually providing the transportation involved.

Security

During 1973, Amtrak security personnel visited all 140 ticket offices operated by Amtrak employees throughout the United States to audit the security measures at each such station.

Amtrak is currently surveying all facets of its operation to determine where and how additional or increased security measures should be applied to protect the public, its funds, equipment and supplies. The study is scheduled to be completed in the first quarter of 1974.

CHAPTER 6
PURCHASING; REAL ESTATE

Contract Administration

During 1973 the major activity of Amtrak's procurement, material control and contract administration department continued to be the acquisition and repair of passenger cars and locomotives.

Acquisition of New-Design Passenger Cars

Following a nationwide survey of interested firms, contracts were negotiated with two engineering consultants to submit proposals for the design of a new standard passenger car for Amtrak. The best features of these submissions are being included in a final specification for cars on which bids will be invited and purchase contracts executed in 1974.

However, recognizing the long lead time required to obtain cars of new design, a contract was executed in October 1973 for the purchase of 57 new cars to be almost identical to the popular Metroliners, except that these cars will be non-powered. Simultaneously a purchase order was placed for 11 new electric locomotives to power these cars.

In February 1973, contracts were completed with a French railroad equipment manufacturer for the lease of two new turbine-powered trains, and for necessary spare parts, and technical assistance. As a part of its contract with the French, Amtrak has an option to purchase these two trains and eight others.

Under its contract with United Aircraft Company, Amtrak accepted delivery in October 1973 of a TurboTrain originally built by UAC for use in Canada. Early in the year Amtrak also exercised an option obtained from the Department of Transportation for the purchase of two more TurboTrains manufactured by United Aircraft. All three of these United Aircraft TurboTrains have been assigned to the New York-Boston service.

Car Repair Program

The growing needs of Amtrak service accentuated the importance of the careful administration of contracts with various shops for the repair and refurbishment of passenger cars. Seeing

that specifications for work to be done are accurate and clear and determining that specifications are followed is a continuing process. During 1973 a total of 512 of these cars were overhauled under agreements with six railroad and six other companies. The quantity of work done on cars placed in shops increased significantly as Amtrak's specifications were revised to place greater emphasis on operational reliability.

Locomotive Repair Program

A program of rebuilding diesel locomotives was begun in 1973. Under agreements with four railroads and one outside contractor, a total of 57 locomotives were programmed for this type of work. (Amtrak's car- and locomotive-upgrading programs are described in more detail in the chapter of this report on Operations.)

Material Control

During the first quarter of 1973, Amtrak's spare parts inventory control system was successfully converted and transferred from an outside computer system to our own high-capacity computer at Amtrak's Washington, D.C., headquarters. Regularly scheduled reports of inventory transactions are now produced and distributed from Washington. This eliminates the handling costs involved with a subcontracted computer system and utilizes available capacity on our own computers. Amtrak can now produce inventory status and activity reports on a timely and accurate basis as well as output for financial accounting.

New blanket purchase orders were negotiated and awarded for nationwide procurement of additional major spare parts items and services, such as battery repair, window sash, mattresses, carpeting, and various items required for the Car Refurbishment Program. Procedures covering distribution control were developed and implemented with excellent results. Major repair facilities and maintenance yards forward their requirements to Material Control, which processes requests and arranges for deliveries. These records provide Amtrak with the capability of expediting shipments for emergency situations as well as monitoring usage trends. The suppliers involved are maintaining required inventory levels and are making deliveries promptly. Better communications between the shops involved and Amtrak Material Control have reduced material shortages to a minimum.

Turboliners

During the first quarter of 1973, Amtrak took over maintenance operations of United Aircraft TurboTrains at the Fields Point, Providence, Rhode Island, facility. Material on hand and on order, confirmed by a physical inventory, were procured and transferred from United Aircraft Corporation to Amtrak ownership after extensive cost negotiations. Transfer of personnel was arranged with no difficulty, and the transaction was effected smoothly.

The Brighton Park, Chicago, Turboliner facility, while still in the construction stage, was operating effectively even prior to the delivery of the trains from France. Procurement of spare parts and tooling was planned and accomplished. Deliveries were made to temporary warehouse facilities, and systems were developed and implemented to control and account for all inventories. Procurement and Material Control personnel were recruited and hired coinciding with the overall timing schedule planned for these operations.

Procurement Department

Diesel Locomotive Fuel

Most of the fuel required for the operation of the Amtrak trains is purchased directly by the contracting railroads, but Amtrak has assumed responsibility for the fueling function at several locations. Since the inception of the Mandatory Fuel Allocation Program, which became effective on November 1, 1973, Amtrak has been striving to maintain adequate fuel levels at these locations. Detailed schedules for deliveries to our facilities in St. Louis; Chicago; Providence, Rhode Island; Laredo, Texas; and Hamlet, North Carolina, were developed. This has been accomplished with the assistance of the Regional Directors of the Federal Energy Office. While Amtrak has had a high priority and it is expected that most fuel requirements will be fulfilled through 1974, Amtrak is subject to reductions in its supply, which could cause spot problems.

Acquisition of Motive Power

During 1973 Amtrak competitively awarded orders for the procurement of 110 new 3000 horsepower diesel-electric locomotives (from the Electro-Motive Division of General Motors, at La Grange, Illinois) and 26 new 6000 horsepower electric locomotives from

General Electric, at Erie, Pennsylvania. These locomotives are to be delivered in 1974 on the following schedule:

Type	No.	Vendor	Delivery Schedule	Order Placed	Cost
6000 hp Electric	15	GE	2 in June '74 2 in July '74 4 in Aug. '74 4 in Sep. '74 3 in Oct. '74	3/20/73	\$701,398 each; \$10,520,985 total
6000 hp Electric	11	GE	6 in Nov. '74 5 in Dec. '74	10/11/73	\$697,142 each; \$7,668,562 total
3000 hp Diesel Electric	40	EMD	9 in Mar. '74 31 in Apr. '74	8/8/73	\$450,917 each; \$18,035,680 total
3000 hp Diesel Electric	70	EMD	32 in May '74 28 in June '74 10 in July '74	10/11/73	\$461,355 each; \$32,294,850 total

Battery Program

Amtrak's second annual Blanket Purchase Order for car lighting batteries again yielded substantial savings due to a centralized procurement effort.

While government indices rose 4.3 percent for battery prices during the twelve-month period, Amtrak has avoided this increase and has, in fact, achieved cost reductions.

Three battery blanket purchase orders were awarded for an aggregate of \$1,363,488. Lower individual battery costs indicate a cost reduction of \$65,302 total over last years' battery blanket purchase orders. Last year we were buying batteries at 13 percent below the prices paid by the railroads two years ago. Amtrak's battery program can be cited as an example of the efficiencies expected by the Congress as a result of consolidating rail passenger service into a national system.

Real Estate

This year marked the completion of the first full year's activity of Amtrak's Real Estate Department.

Organized within Amtrak's Executive Office, the Real Estate Department provides an independent review of all proposals relating to the acquisition of an interest in real property whether by lease or by purchase. In addition, the Real Estate Department has the responsibility for all of the current negotiations with jointly-owned terminal companies with respect to the utilization of their passenger stations and other facilities.

In keeping with the Congressional mandate that encourages Amtrak to "directly operate and control all aspects of its rail passenger service", the Real Estate Department works toward the identification of properties that can be acquired and developed to meet operating and marketing requirements, including those for stations, maintenance facilities, and offices. For example, in 1973, Amtrak contracted to purchase sites for new stations in Jacksonville and Richmond as well as the new Turboliner maintenance facility in Brighton Park, Chicago.

Efforts have also been undertaken to provide broad competitive opportunities for the investment of private capital and skills in meeting Amtrak requirements through direct contracting, leasing arrangements, or joint undertakings in multiple-use developments.

CHAPTER 7 LEGAL PROCEEDINGS

In calendar year 1973 Amtrak was engaged in a substantial number of significant legal proceedings involving its relationships with the railroads providing service to it under contract. In addition, there were a number of major proceedings with respect to Amtrak's corporate rights and obligations under the Rail Passenger Service Act of 1970 as amended.

Most of Amtrak's legal disputes with the railroads are handled by arbitration as provided in the Basic Agreement, entered into by Amtrak with each railroad participating in the provision of services to it, dated April 16, 1971. With a few exceptions, the Agreement provides for arbitration of all disputes arising between Amtrak and a contracting railroad involving the interpretation, application or implementation of the Basic Agreement. Arbitration is conducted pursuant to a separate arbitration agreement, also dated April 16, 1971, which was signed by Amtrak and all of the contracting railroads. The arbitration agreement provides for the establishment of a three-man National Arbitration Panel composed of one member selected by Amtrak, one member selected by the contracting railroads and a third member, the chairman, selected by the other two members. This arbitration process has been used by Amtrak and the railroads to resolve factual disputes, as well as disputes with respect to the meaning of certain provisions of the contract.

In addition to these arbitration proceedings, Amtrak is engaged in a major proceeding with the Penn Central before Interstate Commerce Commission pursuant to the Basic Agreement and Section 402(a) of the Act, concerning the compensation to be paid by Amtrak for services rendered. Amtrak has also brought two antitrust suits against several railroads with respect to the treatment of Amtrak in joint terminals, which Amtrak alleges adversely affects its ability to efficiently and economically provide transportation services.

The other major legal proceedings in which Amtrak has been involved have generally dealt with the scope of its statutory authority, the rights of public and private groups to sue Amtrak with respect to the adequacy and location of Amtrak's service, and the extent to which Amtrak and its contracting railroads are subject to various provisions of federal, state and local law.

In addition to the proceedings involving particularly significant legal issues, Amtrak is engaged in a substantial amount of personal-injury and property-damage claims litigation

arising in the normal course of its operations. At the end of 1973, there were 1763 liability claims pending against Amtrak involving a total estimated liability of \$1,797,795, and lawsuits have been brought with respect to 63 of these claims.

For the first year of Amtrak operations, Amtrak paid the railroads an additional amount equal to 4 percent of their other reimbursable costs for assuming all risk of liability. Amtrak paid a total of \$10.7 million to the railroads for this liability protection during its first twelve months of operation. Effective in June 1972, the liability provision of the Basic Agreement was renegotiated. Amtrak is now responsible for damage to equipment operating on its trains and for any liability for injury to passengers, to its employees, and to property and persons resulting from grade-crossing accidents. The railroads remain responsible for all other liability, including claims for injury to their own employees, and Amtrak now pays 3.67 cents per train mile to compensate them for this risk of liability. Amtrak has obtained insurance to cover liability between \$1 million and \$25 million, and pays the railroads pursuant to separate agreements for providing services in the investigation and handling of claims.

In the first twelve months under the new liability provisions, Amtrak disposed of 630 claims costing a total of \$185,399. At the end of this period, there were 1081 claims outstanding against Amtrak involving a total estimated amount of \$997,053. During this period, Amtrak also paid \$330,000 for insurance premiums, \$465,500 to the railroads for claims services, and \$973,798 to the railroads under the 3.67 cents-per-train-mile formula. Thus the savings to Amtrak from the new arrangements governing payments for and handling of liability arising out of its operations have been very substantial.

Proceedings Involving Contracting Railroads

1. Basis of Compensation to Penn Central

The Basic Agreement entered into between Amtrak and each of the railroads on April 16, 1971, established the basis of compensation that Amtrak was to pay to each railroad providing service to it. The Agreement specified that this basis of payment was to apply until July 1, 1973, at which time the parties could agree to a new basis of compensation. The Agreement further specified that in the event either party sought a new basis of compensation but an agreement was not reached, the parties would jointly apply to the Interstate Commerce Commission to obtain a determination of a proper new basis of compensation pursuant to Section 402 of the Rail Passenger Service Act of 1970.

On April 4, 1973, the Penn Central reorganization court (the United States District Court for the Eastern District of Pennsylvania) directed the Penn Central to apply to the commission to seek a new basis of compensation from Amtrak. Penn Central unilaterally applied to the commission for such a determination. Amtrak appeared before the reorganization court and the commission to challenge the propriety of this procedure. Amtrak also filed a request for arbitration of certain issues that required resolution before Penn Central could properly compel Amtrak to file the joint application with the commission as provided by the Agreement. Amtrak subsequently withdrew its arbitration request, and on May 10 the Penn Central and Amtrak jointly petitioned the commission as provided in the Agreement seeking a determination of the basis for "just and reasonable" compensation to be paid by Amtrak to Penn Central for services rendered subsequent to July 1, 1973. In June and July verified statements and replies were filed with the ICC by Amtrak, Penn Central, the Penn Central creditors, the Department of Transportation, and other interested parties.

Amtrak asserted that the appropriate compensation should be on the basis of incremental or avoidable costs; that is, costs incurred by Penn Central for providing Amtrak services that are in addition to the costs it would incur anyway in conducting its freight and other operations. Amtrak took the position that any additional payments should be related to the quality of performance provided by Penn Central. Amtrak proposed a specific system of performance incentives and penalties to implement this concept. Penn Central argued that all costs incurred by it that benefited both Amtrak's passenger services and Penn Central's other services should be fully apportioned among the services.

In August the commission issued an interim order requiring Penn Central to continue providing services to Amtrak pending the final resolution of the dispute, but specifically providing that the basis of compensation that it finally determined to be appropriate would be retroactive to July 1, 1973.

The commission issued an order on September 19 requiring Amtrak to pay for services in the northeast corridor between Boston and Washington on the basis of full allocation of common costs, plus a return on investment for facilities used for passenger operations. On non-corridor Penn Central routes, the basis of payment was established as long-term avoidable cost with no provision for return on investment. The commission based the different levels of payment for northeast corridor services and other services on the fact that passenger service within the corridor constitutes a major element of all rail operations on those lines, whereas Amtrak operations are only a small fraction of total train operations on Penn Central lines outside the corridor.

In addition to setting out these general bases of compensation, the commission determined that, in order to improve the quality of service, provision must be made so that payments could be adjusted appropriately up or down depending upon the quality of the performance of Penn Central under the Agreement. To accomplish this purpose, the commission stated that service standards must be developed and that incentive payments and penalty charges related to the attainment of such standards should be incorporated into the compensation provisions under which Penn Central is to provide services to Amtrak. The commission also required the parties to try to reach an agreement on the specific terms and conditions required to implement the compensation and service principles established in the order. If the parties were unable to agree by November 1, 1973, they were to refer all unresolved issues back to the commission for final determination.

Amtrak filed a motion for reconsideration of the portion of the order requiring payment of fully allocated costs in the corridor. Both Penn Central and its creditors filed motions for reconsideration seeking an increased return on investment. On October 26, the commission issued an order suspending the effective date of its prior order, which would have required referral back to the commission by November 1.

In October Congress enacted, and on November 3, 1973, the President signed into law the Amtrak Improvement Act of 1973, which amended Section 402(a) of the 1970 act to specify that in fixing just and reasonable compensation, the commission must consider the quality of the service provided as a major factor in determining the amount (if any) of compensation in excess of incremental costs incurred by the railroads that Amtrak should pay. On the basis of this new statutory requirement, Amtrak filed a motion with the commission to strike the order and dismiss the proceedings. On December 5, the commission denied this motion.

The entire matter is still pending before the commission. No date has been set for modification of the principles and provisions stated in the September 19 order or for their implementation. Amtrak and the Penn Central are continuing negotiations in an effort to work out an improved contractual relationship by mutual agreement.

2. Level of Utility of Rail Lines

Almost all of Amtrak's intercity rail passenger service is provided by the contracting railroads and operated over their rail lines. The Basic Agreement between Amtrak and the railroads

requires each railroad to maintain its rail lines used in Amtrak operations at not less than the level of utility that existed on May 1, 1971, or on the actual date upon which Amtrak first began using the particular rail lines. This obligation binds each contracting railroad until 1996.

Amtrak filed an arbitration proceeding against the Illinois Central Gulf Railroad (ICG) and the Penn Central Railroad (PC) alleging a breach of this contractual obligation with respect to certain of their rail lines. Amtrak maintained that the railroads were obligated to keep their rail lines as useful to Amtrak's operations in terms of speed, comfort and safety as they were upon the date they were first used in Amtrak's service. The railroads, on the other hand, asserted that the contract provision relied upon by Amtrak only required them to keep up the amount of maintenance performed on the lines and that the actual performance of trains over such lines was irrelevant to this particular contractual obligation. They further asserted that they had not unreasonably decreased the amount of maintenance performed on the lines.

An evidentiary hearing was held before the National Arbitration Panel in October. Amtrak offered evidence with respect to the condition of the ICG track between Chicago and New Orleans and the on-time performance of the "Panama Limited", the Amtrak train that is operated over this track by the ICG. The lines of the Penn Central that were dealt with in the case are those running between Kankakee, Illinois, and Cincinnati, over which trains between Chicago and Washington (the "James Whitcomb Riley" and the "George Washington") operate, and those between Chicago and Louisville over which a segment of the "Floridian" operates.

In November the panel issued a decision in favor of Amtrak with respect to the rail lines of the ICG. The decision requires ICG to maintain the rail lines so that contractually agreed-upon schedules can be met with a reasonable degree of regularity and with a reasonable degree of passenger comfort. To assure achievement of this result, the panel has requested the parties to submit detailed information for its use in developing a plan to restore the utility of the line to the level required by the Agreement. The panel will supervise the implementation of the plan it adopts. In the award, the panel also required Amtrak to develop a plan for providing improved motive power to be used in the service operating on the ICG rail lines.

The panel has not yet issued a decision with respect to Amtrak's claims against the Penn Central but has instead requested that the parties present additional information with respect to Penn Central's performance and future plans for use of the track.

3. On-Time Performance

Amtrak owns most of the equipment used on its trains, but the railroads responsible for operating the trains under the Basic Agreement own or control most of the tracks and stations used in their operation as well as the employees who operate them.

Amtrak has filed a case with the National Arbitration Panel, alleging that the Louisville & Nashville Railroad (LN) has failed to do what is required by the Basic Agreement to ensure operation of Amtrak trains over its lines in conformance with the scheduled running times agreed upon by the parties. The case involves the on-time performance of the only train the LN operates for Amtrak, a portion of the "Floridian", covering a distance of 490 miles on the LN's rail lines between Louisville, Kentucky, and Montgomery, Alabama.

Amtrak is seeking an award requiring better performance by the LN in the future, as well as damages to compensate for the allegedly inadequate performance provided in the past. The LN has not yet filed its counterstatement of the case in this proceeding.

4. Kansas City Terminal Costs and Operations

In a 1972 amendment to the Act, Amtrak was specifically instructed by Congress to endeavor to increase its mail revenues. In August Amtrak filed an antitrust suit against the Kansas City Terminal Railway Company and the twelve railroads that own it, alleging a conspiracy to monopolize the transportation of mail. Amtrak has alleged that the defendants have charged Amtrak for 70 percent of the terminal handling costs for mail hauled by the railroads for their own account in Kansas City and have failed to credit Amtrak with any of the revenues received for such mail handling. As a result, Amtrak must pay such high costs for use of the terminal in Kansas City that it is very difficult for Amtrak to compete with the railroads for mail-hauling business or to conduct its passenger operations through the terminal.

Amtrak has alleged the actual damage to it as \$5 million and seeks a \$15 million treble-damage award for violation of the antitrust laws. In addition, Amtrak has requested an injunction to prevent the defendants from conspiring to monopolize the transportation of mail in the future. Six of the thirteen railroads with whom Amtrak has entered into a Basic Agreement for the provision of services are named as defendants in the suit.

The suit is currently pending in the United States District Court for the Western District of Missouri.

5. Washington, D.C., Union Station Costs

In September Amtrak filed a suit against the Washington Terminal Company (WTC) and six railroads that own it or are contractually entitled to use it, alleging that the defendants combined and conspired to allocate an unreasonable portion of the expenses of operating the terminal to Amtrak.

From 1907 until May 1, 1971, a contract between WTC and the operating railroads provided a particular system for allocating the cost of using the terminal among its various users. Effective May 1, 1971, the day when Amtrak commenced operations, this cost-allocation system was changed by agreement of those railroads. Amtrak alleges that this change has forced it to pay approximately \$1 million more for use of the terminal than it would have under the previous arrangement. Amtrak also alleges that a similar change in the way in which revenues from mail handling are credited has damaged Amtrak in excess of \$550,000. Among other further allegations, Amtrak also asserts that the four defendant railroads with whom it has entered into Basic Agreements for services have, as part of a common design, prevented Amtrak from having prompt access to and efficient use of their facilities, resulting in poor operations over their lines.

Amtrak alleges that the acts of defendants violate the antitrust provisions of Sections 1, 2 and 3 of the Sherman Act and have placed Amtrak at a disadvantage when it competes with other railroads for passenger, mail and express business. Amtrak has requested an award of treble damages based on the actual damages, alleged to exceed \$1.5 million, as well as injunctive relief to prevent such conduct by the defendants in the future.

6. Dallas-Houston Service

Effective May 1, 1971, the Basic Agreement obligated the railroads to provide certain scheduled services that were specified in an appendix to the Agreement.

The Basic Agreement also obligates each contracting railroad to provide modified or additional services requested by Amtrak. The Agreement provides, however, that such requested services must give due regard to the railroad's operating restrictions and to applicable safety standards, and should not unreasonably interfere with the railroad's other operations.

In an effort to improve its service to the public, on March 16, 1973, Amtrak requested the Southern Pacific Railroad to begin, on June 10, 1973, train operations over its lines between

Dallas and Houston, Texas. On April 3, Southern Pacific began arbitration proceedings requesting the National Arbitration Panel to declare that it was not obligated by the Basic Agreement to provide such service on the grounds that the service would be unsafe and would unreasonably interfere with Southern Pacific's freight operations.

After mediation proceedings and formal hearings, the panel directed the parties to agree on track improvements necessary to provide safe, six-hour service over this route. The panel decision would require the parties to share equally the cost of such improvements. There was no agreement, however, on the scope of work to be performed. Thus in November, the panel retained L. T. Klauder and Associates, consulting engineers, to determine the work necessary and to provide a plan for its accomplishment. The consultant's report has not yet been submitted.

7. West Coast Auto-Ferry Service

In 1972 Amtrak requested the Southern Pacific Railroad to provide passenger service with special cars that could carry passengers' automobiles placed at the rear of the train. Southern Pacific refused to operate such auto-ferry service, claiming that a California statute made it unlawful to carry freight cars at the end of a passenger train.

In October 1972, Amtrak filed suit in the United States District Court for the Northern District of California to have the pertinent sections of the California Public Utilities Code declared inapplicable to Amtrak's operations under the supremacy clause of the United States Constitution because of a conflict with the provisions of the Rail Passenger Service Act of 1970 and because it imposed an unreasonable burden on interstate commerce. Amtrak also sought an injunction compelling Southern Pacific to provide the requested services.

Before the case was heard, the California Legislature amended the law so that it would be possible to transport the automobile-carrying car within the purview of the statute. The court dismissed the suit for lack of a justiciable controversy. In addition, a provision of the Amtrak Improvement Act of 1973, enacted in October, amended Section 306(h) of the Rail Passenger Service Act of 1970 to exempt auto-ferry service from state regulation in the future.

8. Chicago Terminal Station Costs

The Basic Agreement entered into between Amtrak and each of the contracting railroads provides that Amtrak does not have to pay ownership costs in order to use stations and terminal facilities owned by contracting railroads. The Agreement also requires a contracting railroad to use its best efforts to obtain access to jointly owned terminals for the conduct of Amtrak's passenger operations.

In order to provide more convenient and economical services in Chicago, Amtrak sought to consolidate all operations from three different stations into Chicago Union Station. The three railroads that own the station maintained that Amtrak had no right under the Basic Agreement to use the station for Amtrak trains operated by the Santa Fe Railroad, which had no independent right to use the station.

Amtrak and the owning railroads agreed to begin Santa Fe operations through the station subject to arbitration of the issue of the right under the Basic Agreement to use the station for operations by the Santa Fe. The parties stipulated that if it were determined Amtrak did not have such right, its payment for use of the station by Santa Fe would include ownership costs. In an arbitration proceeding filed by the owning railroads, the National Arbitration Panel in February 1973 determined that Amtrak's right of access to joint terminals under the Basic Agreement did not extend to operations by railroads that do not have an independent right of access.

9. Chicago Terminal Employee Protection Costs

In September 1971, Amtrak decided to consolidate the six separate railroad reservation offices that were operating in Chicago on behalf of Amtrak into one reservation center. As a result, a number of railroad employees became displaced when eight positions were abolished at the sales office and reservation bureau of the Penn Central Railroad. In June 1972, the Penn Central filed an arbitration proceeding claiming that if Amtrak did not employ the displaced employees, Amtrak should be held responsible for any wage and protection payments that were owed by the Penn Central to its employees because their positions had been abolished. Amtrak claimed that the Rail Passenger Service Act of 1970 had clearly placed the responsibility for these labor protection costs on the railroad and that Amtrak had no obligation to reimburse Penn Central's protection costs.

In February 1973 the panel decided that the Basic Agreement incorporated the provision of the Act placing the

obligation on the railroad to protect its employees displaced by a "transaction" as defined in the Act. The panel determined that the Chicago consolidation was such a transaction and that Amtrak therefore was not responsible for the protection costs.

10. Lease of Metroliner Cars

Sixty-one Metroliner cars are used in Amtrak's high-speed service between Washington and New York and New Haven. Amtrak leases twelve of these cars directly from the Budd Company. Penn Central leases the remaining 49 cars from a bank, and Amtrak has been reimbursing Penn Central for the amount of its lease payments. Penn Central contends that Amtrak is obligated to acquire Penn Central's leasehold interest and that Amtrak should pay a greater amount than the current lease payments.

Penn Central has filed an arbitration proceeding seeking to have the National Arbitration Panel determine the value of the forty-nine Metroliner cars and to establish the amount Amtrak should pay to Penn Central for the use of these cars. Penn Central has asserted that the proper approach to determining the value of the cars is to first determine the amount it would cost to reproduce the same cars today.

Amtrak has unsuccessfully contended that the issues raised by Penn Central do not arise under the Basic Agreement and that, therefore, the panel has no jurisdiction of this controversy. Amtrak has requested a mediation of the substantive dispute by the chairman of the panel, and, pending such action, has not yet filed a reply to the Penn Central statement.

11. Risk of Liability at Jointly Owned Terminals

Under an amendment to the Basic Agreement between Amtrak and each of the contracting railroads, the risk of liability for damage to persons or property arising out of the provision of services for Amtrak is carefully allocated between the parties. Amtrak is responsible for certain enumerated categories of injury or damage, and the railroad is responsible for all other liability. Amtrak pays each railroad an amount based on train miles operated, which is designed to compensate each railroad for the risk of liability which it has assumed.

In connection with the use of the Washington Union Terminal, the four contracting railroads that operate through the

terminal have been charging Amtrak for non-enumerated liability costs incurred by the terminal company and charged to the railroads as a part of the cost of using the station for Amtrak operations.

On July 13, 1973, Amtrak filed a case with the National Arbitration Panel alleging that these costs were not properly chargeable to Amtrak. Amtrak claims that even though such costs were billed to and paid by the contracting railroads, the provisions of the Basic Agreement that allocate the risk of liability provide the complete compensation payable by Amtrak to the railroads for the risk of liability in connection with any and all services provided to Amtrak by the railroads.

In September, the Penn Central and the Richmond, Fredericksburg and Potomac railroads filed counter-statements of the case. An oral hearing was held on January 3, 1974, before the panel.

12. Washington Terminal Ownership Costs

The Basic Agreement specifies that a contracting railroad will use its best efforts to permit Amtrak to obtain access to jointly owned terminals used by the railroad, and specifies that Amtrak will reimburse the railroad for the cost it incurs for providing such access, exclusive of ownership costs. The Richmond, Fredericksburg and Potomac Railroad Company (RFP) used the facilities of the Washington Terminal Company as a tenant pursuant to a contract with the railroads that own the terminal and other railroads using it. Under this contract, RFP is billed for certain ownership costs in connection with its use of the terminal and has attempted to charge these costs to Amtrak. RFP asserts that since it is not actually an owner, the costs involved are not really ownership costs within the meaning of the Basic Agreement. Amtrak has taken the position that these disputed costs are not chargeable to it under the terms of the Basic Agreement.

In May, RFP filed an arbitration proceeding requesting the National Arbitration Panel to declare that Amtrak is obligated under the Basic Agreement to reimburse it for all costs, including the alleged ownership costs, incurred in connection with its operations using the facilities of the Washington Terminal for Amtrak service. Amtrak is in the process of preparing its answer in this case.

13. Service to Vancouver, British Columbia, Canada

Pursuant to a Congressional mandate contained in a 1972 amendment to the Rail Passenger Service Act of 1970, Amtrak in the spring and summer of 1972 sought to expand its intercity rail passenger service to points in Mexico and Canada, including service between Vancouver, British Columbia, and Seattle. Amtrak requested the Burlington Northern Railroad to provide the Vancouver service over its rail lines pursuant to the Basic Agreement. Burlington Northern claimed that Amtrak was not even authorized by the Act as originally passed to provide service beyond the boundaries of the United States and that the Basic Agreement could not, therefore, cover international services. Subject to its claim that the service was not covered by the Basic Agreement and that compensation for providing the service was, therefore, not limited by its provisions, Burlington Northern began the service on July 17, 1972.

Burlington Northern brought suit in the Federal District Court in Minnesota seeking a declaration that the service was not governed by the Basic Agreement and a determination of the compensation to be paid for the service. Amtrak sought and obtained a stay of the court proceeding on the grounds that it involved a dispute as to the meaning and scope of the Basic Agreement and was therefore subject to arbitration. Burlington Northern then filed an arbitration proceeding with the National Arbitration Panel. In its reply to the Burlington Northern case, Amtrak requested a determination that the service is covered by the Basic Agreement and that the compensation to be paid for services to Vancouver should be the same as for any other service provided to Amtrak by the Burlington Northern or any other contracting railroad.

An oral hearing in the case was held before the panel in November 1973. In January 1974 the panel issued an award in favor of the Burlington Northern. It ruled that the Agreement was only intended to cover services originally authorized by the Act and that, prior to its amendment, the Act did not authorize Amtrak to engage in international service.

14. Boston Terminal Costs

Under the Basic Agreement, most costs of a contracting railroad cannot be billed to Amtrak unless they are incurred solely for the benefit of Amtrak's services. This precludes charges for costs of many activities that benefit both Amtrak's passenger operations and the contracting railroad's freight operations. However, a railroad can bill Amtrak for a portion of otherwise prohibited common costs billed to the railroad by a joint terminal company providing services to the railroad.

On April 4, 1973, Amtrak filed an arbitration proceeding against Penn Central claiming that the railroad was improperly billing Amtrak for common costs flowing from the use of Boston South Station. Amtrak's position was that since the owning companies of Boston South Station were all part of the Penn Central Transportation Company, there was really only one owner and Boston South Station was therefore not a joint terminal.

The National Arbitration Panel sustained the Amtrak position with respect to the status of Boston South Station and held the challenged billing of common costs to be improper.

Other Major Legal Proceedings

15. Standing to Sue Amtrak and the Railroads

Section 307(a) of the Rail Passenger Service Act of 1970 specifically grants to the Attorney General of the United States and to certain adversely affected railroad employees the right to sue Amtrak and its contracting railroads to obtain injunctive relief for violations of the policies and provisions of the Act. Amtrak has contended that Congress intended by this provision to preclude other persons from suing Amtrak to attempt to prevent conduct that they might allege is prohibited by the Act.

Various private citizens' groups and governmental entities have nevertheless sued Amtrak or individual railroads, primarily to prevent the discontinuance or compel the restoration of specific passenger trains. Such suits have been filed with respect to trains in Illinois, Connecticut, Maryland, Georgia, Pennsylvania and New York. Several of these cases have been resolved on the merits with decisions finding that there has been no violation of the Act. Action is still pending in several other suits.

The most significant case in this area was a suit by the National Association of Railroad Passengers (NARP) against Amtrak, the Central of Georgia Railroad and the Southern Railway. This was a suit to enjoin the discontinuance of a train by the Central of Georgia on the grounds that only a contract between Amtrak and the Southern Railway pursuant to Section 401(a) of the Act could relieve the Central of Georgia, a wholly owned subsidiary of the Southern Railway, from the legal obligation to provide intercity rail passenger service. Without deciding on the merits of this claim, the United States District Court for the District of Columbia dismissed the suit on the grounds that the plaintiff lacked standing because of the provisions of

Section 307(a). On appeal, the U.S. Court of Appeals for the District of Columbia ruled that NARP did have standing to bring the suit. With support from the Attorney General, Amtrak petitioned the United States Supreme Court for a writ of certiorari to review the decision of the Appeals Court. The writ was granted and the standing issue was argued before the Supreme Court in November.

On January 9, 1974, the Supreme Court issued a decision upholding Amtrak's position with respect to the meaning of the pertinent provisions of the Act. The Court held that, except in cases involving labor agreements, the Attorney General has the exclusive authority to enforce duties and obligations imposed on Amtrak by the Act, and that no additional private cause of action exists to bring such suits.

16. Right to Serve Alcoholic Beverages on Trains

Amtrak has been involved in two Federal court cases contesting the right of States to regulate the sale of liquor to passengers on Amtrak trains. On July 18, 1972, officials of the States of Oklahoma and Kansas boarded Amtrak trains, arrested on-board employees, and seized supplies of alcoholic beverages for alleged violation of the "open saloon" laws of the two States. Amtrak brought suits against the officials of the States to prevent further interference with its on-board alcoholic beverage service.

In National Railroad Passenger Corporation v. Curtis P. Harris, et al., a United States District Court in Oklahoma sustained the Amtrak position that the 21st Amendment to the Constitution, which grants the States broad discretion in regulating the sale and use of alcoholic beverages, does not permit Oklahoma to interfere with Amtrak's operations. The District Court enjoined further prosecution by the State. The State of Oklahoma appealed this decision. In January 1974 the Court of Appeals for the Tenth Circuit at Denver ruled that, because of the 21st Amendment, Amtrak is not exempt from Oklahoma's liquor laws. Amtrak's claim for injunctive relief on the ground that the State's laws were being discriminatorily applied was also rejected by the Appeals Court.

In National Railroad Passenger Corporation v. Verne Miller, Attorney General of the State of Kansas, et al., a three-judge Federal District Court in Kansas held that the power granted to a State by the 21st Amendment permits the State of Kansas to regulate and prohibit the possession, use and sale of intoxicating liquors on Amtrak trains. On appeal by Amtrak, the Supreme

Court of the United States without opinion or argument summarily affirmed the District Court decision, upholding the regulation by the State of Kansas of the sale of liquor on Amtrak trains.

17. Discontinuance Cases

In July 1973, Amtrak posted public notices of its intent to discontinue three of its Basic System trains pursuant to the provisions of Section 404 of the Rail Passenger Service Act of 1970. Amtrak asserted that the existing patronage of the trains involved was not large enough to warrant their continued operation at a very substantial deficit. The three trains proposed for discontinuance were the "Floridian" between Chicago and Florida, the "National Limited" between Kansas City and New York with a section serving Washington, and the train operating between Richmond and Newport News, Virginia.

The Interstate Commerce Commission scheduled public hearings to be held in September in the cities along the routes served by these trains to receive the views of local governments and citizens who would be affected by the discontinuance of the trains. On the basis of improved ridership, which occurred on the routes involved during the summer, Amtrak in late August withdrew its requests to discontinue the Floridian and the National Limited. A provision of the Amtrak Improvement Act of 1973 amended Section 404 of the 1970 Act to prevent Amtrak from discontinuing any trains on its Basic System until July 1, 1974. In November, Amtrak also withdrew its petition to discontinue service between Richmond and Newport News.

18. Adequacy of Service

In December 1971, the Interstate Commerce Commission instituted proceedings pursuant to Section 801 of the Rail Passenger Service Act of 1970 to determine the desirability of prescribing regulations with respect to the quality of intercity passenger train service. The Commission issued proposed regulations and requested comments thereon in the proceeding designated Ex Parte 277 (Sub. No. 1), Adequacy of Intercity Rail Passenger Service. In the spring of 1972, Amtrak commented on the proposed rules, saying that while it generally agreed with the goals sought by the proposals, implementation of many of the specific provisions would actually hinder Amtrak in its efforts to provide improved passenger service. The record in this proceeding was concluded in May 1972.

The Amtrak Improvement Act of 1973, signed into law on November 3, 1973, amended Section 801 of the 1970 Act to require the commission to promulgate regulations designed to ensure the provision of quality intercity rail passenger service. Amtrak filed a petition requesting that the record be reopened.

Without receiving further submissions, the commission, on December 27, 1973, issued regulations establishing detailed requirements with respect to reservations, scheduling, operations, availability of equipment and facilities, and other amenities of rail passenger transportation. The requirements established by the regulations will become effective April 1, 1974.

[The Interstate Commerce Commission's Report and Order on Ex Parte 277 (Sub. No. 1), "Adequacy of Intercity Rail Passenger Service", is reprinted as an appendix of this report.]

A P P E N D I C E S

ARTHUR ANDERSEN & CO.

WASHINGTON, D. C.

To the Board of Directors of

National Railroad Passenger Corporation:

We have examined the balance sheet of NATIONAL RAILROAD PASSENGER CORPORATION (incorporated pursuant to the Rail Passenger Service Act of 1970, as amended, and the laws of the District of Columbia) as of December 31, 1973 and 1972, and the related statements of operations and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the effect of such adjustments, if any, as may be required as a result of the matters referred to in Notes 1, 2 and 4 to the financial statements, the accompanying balance sheet and statements of operations and changes in financial position present fairly the financial position of National Railroad Passenger Corporation as of December 31, 1973 and 1972, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

Arthur Andersen & Co.

Washington, D. C.,

January 31, 1974.

NATIONAL RAILROAD PASSENGER CORPORATION

BALANCE SHEET

A S S E T S

DECEMBER 31, 1973 AND 1972

	<u>1973</u>	<u>1972</u>
	(Thousands of Dollars)	
CURRENT ASSETS:		
Cash	\$ 5,386	\$ 1,450
Temporary cash investments, at cost	3,000	5,300
Accounts receivable -		
Railroad capital payments (Note 2)	21,046	64,731
Railroad operations, net (Note 4)	21,981	4,467
Customers and other	15,560	1,712
Federal grants	2,000	9,600
Materials and supplies	6,250	2,018
Prepayments and deposits	539	422
	-----	-----
Total current assets	75,762	89,700
	-----	-----
PROPERTY AND EQUIPMENT (Note 5):		
Passenger cars and locomotives (Note 3)	125,144	42,088
Other	8,257	1,307
	-----	-----
	133,401	43,395
Less- Accumulated depreciation and amortization	6,191	1,532
	-----	-----
Net property and equipment	127,210	41,863
OTHER ASSETS:		
Railroad capital payments, due January through April, 1974 (Note 2)	-	21,898
Miscellaneous	2,769	-
	-----	-----
Total assets	\$205,741	\$153,461
	=====	=====

The accompanying notes are an integral part
of this balance sheet.

NATIONAL RAILROAD PASSENGER CORPORATION

BALANCE SHEET

LIABILITIES AND CAPITALIZATION

DECEMBER 31, 1973 AND 1972

	<u>1973</u>	<u>1972</u>
	(Thousands of Dollars)	
CURRENT LIABILITIES:		
Accounts payable	\$ 6,594	\$ 3,513
Amounts due on purchases of property	2,123	7,129
Accrued expenses	7,108	1,669
Deferred ticket revenues	4,474	7,532
	-----	-----
Total current liabilities	20,299	19,843
	-----	-----
LONG-TERM DEBT:		
Notes payable, due December 31, 1975, interest at approximately 1/2% above Federal funds rate (Note 3)	78,600	-
Capitalized lease obligations (Note 5)	28,751	-
	-----	-----
	107,351	-
	-----	-----
CAPITALIZATION (Notes 1 and 2):		
Preferred stock, par value \$100 per share, 1,000,000 shares authorized	-	-
Common stock, par value \$10 per share, 40,000,000 shares authorized -		
Issued and outstanding	83,429	52,143
Subscribed	10,428	41,714
	-----	-----
	93,857	93,857
	-----	-----
Capital surplus -		
Railroad capital payments	103,238	103,238
Federal grants	278,712	175,612
	-----	-----
	381,950	278,850
	-----	-----
Accumulated deficit (Note 4)	(397,716)	(239,089)
	-----	-----
Total capitalization	78,091	133,618
	-----	-----
Total liabilities and capitalization	\$ 205,741	\$ 153,461
	=====	=====

The accompanying notes are an integral part
of this balance sheet.

NATIONAL RAILROAD PASSENGER CORPORATION

STATEMENT OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 1973 AND 1972

	<u>1973</u> (Thousands of Dollars)	<u>1972</u> Dollars)
Operating revenues	\$202,093 -----	\$162,576 -----
Operating expenses:		
Maintenance of way and structures	4,495	4,958
Maintenance of equipment (Note 5)	65,515	60,001
Traffic	26,517	20,142
Transportation	158,244	129,403
Dining and buffet service	33,285	28,030
General	30,456	37,038
Taxes on payroll and property	21,604	15,727
Equipment rents	5,194 -----	5,798 -----
Total operating expenses	345,310 -----	301,097 -----
Operating deficit (Note 4)	143,217	138,521
General and administrative expense	10,759	7,462
Interest expense	4,651 -----	1,528 -----
Net deficit	158,627	147,511
Accumulated deficit, beginning of year	239,089	91,578
Accumulated deficit, end of year	\$397,716 =====	\$239,089 =====

The accompanying notes are an integral
part of this statement.

NATIONAL RAILROAD PASSENGER CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 1973 AND 1972

	<u>1973</u>	<u>1972</u>
	(Thousands of Dollars)	(Thousands of Dollars)
USES OF FUNDS:		
Net deficit	\$158,627	\$147,511
Depreciation	(4,850)	(1,427)
	-----	-----
Total cash used for operations	153,777	146,084
Increases in accounts receivable from operations	31,362	4,467
Purchases and refurbishments of property	59,268	28,309
Other changes in working capital	8,840	12,321
	-----	-----
Total uses of funds	253,247	191,181
	-----	-----
SOURCES OF FUNDS:		
Railroad capital payments received	65,583	65,529
Borrowings of long-term debt	78,600	-
Federal grant funds received	110,700	129,300
	-----	-----
Total sources of funds	254,883	194,829
	-----	-----
INCREASE IN CASH AND TEMPORARY CASH INVESTMENTS	\$ 1,636	\$ 3,648
	=====	=====

The accompanying notes are an integral part of this statement.

NATIONAL RAILROAD PASSENGER CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1973 AND 1972

(1) CAPITAL AND FEDERAL FUNDING

National Railroad Passenger Corporation (the Corporation) is incorporated as a for profit corporation pursuant to the Rail Passenger Service Act of 1970, as amended (the Act), and the laws of the District of Columbia.

The Corporation is required by the Act to provide intercity rail passenger service within a basic system until July 1, 1974, after which service may be reduced. This service is being provided by the Corporation directly and through contracts with certain railroads for train and other operations. See Note 4.

Funds have been provided, as specified by the Act, through capital payments and capital stock purchases by railroads, and by Federal grants. Federal grants are reflected in the financial statements as they are made available. As of December 31, 1973, Federal grant funds appropriated, but not requisitioned are \$30,100,000.

The continuation of service and the extent of operations is dependent upon the future availability and amount of funds to provide such service and operations.

(2) RAILROAD CAPITAL PAYMENTS

Railroad capital payments totaling \$197,095,000 (\$93,857,000 common stock and \$103,238,000 capital surplus) are subject to possible reductions based on elections by the railroads as provided by the Act, and the reductions, if any, are not presently determinable.

(3) CAPITAL EXPENDITURE PROGRAM AND GUARANTY OF DEBT

The Corporation is authorized by the Act to borrow for equipment and other capital purposes up to \$500,000,000 with such debt to be guaranteed in whole or in part by the Federal Railroad Administrator. Based upon this authorization, substantial commitments have been made for capital equipment. The Corporation's interest in rolling stock has been assigned under a security agreement with the Administrator in connection with the guaranty of debt.

(4) ADJUSTMENTS OF RAILROAD REIMBURSEMENTS

Payments to the contracting railroads are based on reported and estimated revenues and expenses which are subject to audit and adjustments including possible changes, currently under discussion, in the reimbursement terms subsequent to June 30, 1973. The Corporation has a continuing program for auditing monthly reports which has resulted in numerous adjustments proposed and settled or under current negotiation. The recovery of approximately \$13,500,000 in settled adjustments in 1972 established a basis for estimating recoveries in 1973 which amount to approximately \$35,000,000 in both collected and accrued adjustments. In each year a significant portion of the adjustments related to prior periods.

(5) PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives. Depreciation expense for the years ended December 31, 1973 and 1972 was \$4,850,000 and \$1,427,000, respectively. Lease agreements which are substantially installment purchases of property have been recorded as assets which are being depreciated over their estimated useful lives. Included in property and equipment as of December 31, 1973, are \$33,000,000 of such capitalized leases.

Served December 27, 1973

30707

INTERSTATE COMMERCE COMMISSION

EX PARTE NO. 277 (SUB-NO. 1)

ADEQUACY OF INTERCITY RAIL PASSENGER SERVICE

EX PARTE NO. 277 (SUB-NO. 1)

ADEQUACY OF INTERCITY RAIL PASSENGER SERVICE

Decided December 7, 1973

Part 1124 of Title 49 of the Code of Federal Regulations modified by the addition of regulations for the adequacy of intercity passenger train service.

John W. Barnum, Jerome E. Sharfman, Rufus S. Watson, Jr., and Robert S. Steiner, for the United States Department of Transportation; Alfred C. Langley for the Montana Public Service Commission; Martin D. Zell and Clifford Elkins for the New York Department of Transportation; Lionel V. Topaz for the Public Utility Commissioner of Oregon; J. Shane Creamer, Gordon P. MacDougal, Philip P. Kalodner, and Edward Munce, for the Commonwealth of Pennsylvania and the Pennsylvania Public Utility Commission; Paul Rodgers and Bruce Hamill, for the National Association of Regulatory Utility Commissioners; Robert Ricker, for the New England Council; Martin Weinberg, John Mattioni, and Herbert Smolen, for the City of Philadelphia, Pa.; Edward T. Brick, for the Buffalo Area Chamber of Commerce; and Bernard A. Gould, John H. O'Brien, and Daniel M. O'Donoghue, for the Bureau of Enforcement, Interstate Commerce Commission.

Robert S. Medvecky and William C. Clarke, for the National Railroad Passenger Corporation; William M. Moloney, for the Association of American Railroads; Richard J. Flynn, Ernest Porter, John S. Walker, Jr., C. E. Martin, James A. Bistline, Earl E. Eisenhart, Jr., and W. P. Stallsmith, Jr., for certain railroads; and Andrew P. Goldstein, Redfield Finlay, Jr., Richard R. Reynolds, James F. Jones, Thomas C. Pearson, and Rolland Graham for various private rail car owners.

James L. Highsaw and William G. Mahoney, for the Congress of Railway Unions.

Harold Russell for the President's Committee on Employment for the Handicapped; Harold Rosenthal, Harry A. Schweikert, Jr., and

Barney F. Stanton, Jr., for organizations representing handicapped persons; *John F. Banzhaf III*, for Action on Smoking and Health; *Anthony Haswell* and *Andrew P. Goldstein*, for the National Association of Railroad Passengers and the Rail Foundation; *Charles A. Webb* and *Robert J. Corber*, for the National Association of Motor Bus Owners; and *Paul Rayton* and *Larry C. Seeley*, for themselves.

REPORT OF THE COMMISSION

BY THE COMMISSION:

Introduction.—The Railroad Passenger Service Act of 1970¹ authorized the Commission to prescribe regulations for the adequacy of intercity passenger train service. Pursuant to that authority, the Commission initiated an investigation in April of 1971. On December 6, 1971, the results of that investigation were published in the Federal Register in the form of proposed regulations. That publication also invited active participation by the public, setting forth procedures therefor, and 30 persons, as listed in appendix A, entered the proceeding. In addition, the National Association of Regulatory Utility Commissioners and Larry C. Seeley, both filing late, were likewise made parties for good cause shown.

This report contains summaries of the major arguments made by the parties, the conclusions of fact and law made thereupon by the Commission, and an explanation for each of the regulations now being promulgated (hereinafter referred to as "final regulations"). Appendix B contains the original version of the regulations; appendix C contains the final version of the regulations. Appendix C contains the final version of the regulations as adopted herein, including (as an attachment) a sample of the complaint form required by Regulation 24c.

Due to the thoroughness of the statements and replies received, the Commission is of the opinion that it has an adequate record with which to decide the issues, and that an oral hearing is not necessary. Consequently, all petitions for oral hearing are hereby denied.

The decade preceding passage of the RPSA of 1970 saw a deterioration in the quality of passenger train service. Hundreds of complaints were received by the Commission telling of dirty wash-rooms, late trains, attendants unwilling to give aid or information,

¹PL 91-518, enacted October 30, 1970, and amended in PL 92-316, June 22, 1972, hereinafter referred to as RPSA.

unattended and dingy stations, and mechanical malfunctions. In 1968, the Commission instituted an investigation into certain of these complaints in *Adequacies—Passenger Service—Southern Pac. Co.*, 335 I.C.C. 415.² We noted therein that in a number of prior passenger train proceedings we had found evidence of downgrading of services. We further found that our jurisdiction under the Interstate Commerce Act, notably sections 1(4), 12(1), and 13a, was of limited scope and did not include jurisdiction to pass upon the adequacy of passenger train service. It was determined therein that a request should be made of Congress that this Commission be given jurisdiction to determine the adequacy of intercity rail passenger service. The request was made, and section 801 of the RPSA was the result.

On November 2, 1973, the President signed into law the Amtrak Improvement Act of 1973, Public Law 93-587 (AIA). The number of the provisions of the RPSA are changed by the new statute, including several that affect this Commission's responsibilities in the adequacy-of-service area. The RPSA now includes specific reference to the problems of the physically handicapped traveler. The Commission's jurisdiction is extended, for the first time, to matters involving the adequacy of tracks over which intercity rail passenger service is provided. Of immediate significance is the requirement that adequacy-of-service regulations be issued within 60 days of the date of enactment of the AIA—that is, on or before January 2, 1974.

The notice of proposed rulemaking pursuant to which the instant proceeding was instituted did not foresee that this Commission would later be given jurisdiction over track quality, and the parties have had no opportunity to consider, or comment on, possible rules in this area. For that reason, we cannot now conclude that track quality standards regulations are necessary in view of existing FRA track standards. We recognize, however, that it will be necessary to supplement our adequacy-of-service regulations in this respect as soon as possible.

In our subsequent discussion of regulation 7, we have addressed the question of the respective jurisdiction of this Commission and the Secretary of Transportation over sidetracking. Section 10 of the AIA in amending section 402(e)(1) of the RPSA, has vested jurisdiction in the Secretary to grant exemptions allowing particular freight trains to take precedence over Amtrak passenger trains. A

²Hereinafter called *Adequacies*.

question arises, however, as to whether this Commission also has jurisdiction to assign priorities between such freight trains and Amtrak trains as we can with respect to freight trains and non-Amtrak passenger trains. Whether or not this jurisdiction has vested in the Commission, the situation could become awkward, and the more limited interpretation may not reflect the intention of the Congress. On the other hand, there is no clear legislative history supporting an interpretation that a residual jurisdiction in this Commission (with reference to priorities between freight trains and Amtrak trains, arising under the 1970 act) was intended. We would welcome the comments of the parties, and especially of the Secretary, on this issue.

The need for regulations.—Contrary to the contentions of the Association of American Railroads (AAR), The National Railroad Passenger Corp. (Amtrak), and the Southern Railway System (Southern), we conclude that there is a definite need for regulations governing the adequacy of intercity rail passenger service.

On May 1, 1971, Amtrak (created by the RPSA) assumed the operation of a majority of the intercity passenger trains in the United States. Only four passenger carriers did not join Amtrak: Denver & Rio Grande Western Railroad Company, Georgia Railroad and Banking Company, Chicago, Rock Island and Pacific Railroad Company, and Southern.³ These railroads are committed by law to operate their trains until 1975, unless they join the National Railroad Passenger Corporation (Amtrak) in 1973.

Approximately 50 percent of the intercity passenger train mileage was discontinued on April 30, 1971, pursuant to the statutory plan and the basic system design for which the RPSA provided. When Amtrak took over the surviving passenger train system on May 1, 1971, service and the attendant conditions improved somewhat. Nevertheless, complaints have continued to be filed with the Commission reporting that unsatisfactory pre-Amtrak conditions have persisted.

The Commission's Bureau of Operations thereupon set up a system of surveillance to test whether these complaints were accurate. Twenty agents and 120 man-days per month were devoted to the inspection of passenger train equipment, performance, and facilities including stations.⁴ The product of this surveillance forms

³Canadian Pacific joined Amtrak but still operates two passenger trains across Maine for operational convenience in conjunction with its Trans-Canada service. A number of other railroads still operate commuter trains, or other short-haul trains, which are not subject to the RPSA, nor to the Commission's adequacy regulations issued in this proceeding.

⁴See the Interstate Commerce Commission's *Report to the President and the Congress: Amtrak—State of Rail Passenger Service—Effectiveness of the Act*, page 54 (October 30, 1971).

the basis of the information filed in this proceeding by our Bureau of Enforcement which is a party herein. The conclusion drawn from the representations filed in this proceeding and from the RPSA and its legislative history³ is that standards of service adequacy in the form of regulations as promulgated in appendix C hereto are necessary to achieve the goals of the RPSA.

Jurisdiction.—The Commission's jurisdiction to promulgate these regulations is based on section 801 of the Rail Passenger Service Act, as amended, which provides that the Commission shall promulgate, and from time to time revise as it considers necessary, regulations for the adequacy and safety of intercity passenger train service. Yet parties such as Amtrak, the Department of Transportation (USDOT), and the (AAR) have challenged the Commission's jurisdiction, contending that the Commission is precluded from promulgating regulations in the form herein by sections 306 and 201 of RPSA and by case precedents involving constructions of various sections of the Interstate Commerce Act.

Section 306 provides that Amtrak "shall be deemed a common carrier by railroad within the meaning of section 1(3) of the Interstate Commerce Act and shall be subject to all provisions of the Interstate Commerce Act other than those pertaining to "(1) regulation of rates, fares, and charges; (2) abandonment or extension of operation over such lines of railroads, whether by trackage rights or otherwise; (3) regulation of routes and service and, except as otherwise provided in this Act, the discontinuance or change of passenger train service operations." Amtrak and the USDOT have argued that this section precludes the Commission from promulgating any regulation which would affect, or would tend to regulate rates, fares, and charges.

This argument is legally unsound and logically untenable. The exemptive language of section 306 applies on its face only to provisions of the Interstate Commerce Act. But these regulations are not based on provisions found in the Interstate Commerce Act, as the Commission found expressly that it had no jurisdiction over the adequacy of passenger service under the Interstate Commerce Act

³This testimony is that referred to in the legislative history of P.L. 92-316, which in certain respects, amends the RPSA of 1970. On page 744 of part 2 of *Review and Refunding of Rail Passenger Service Act*, it is said that: "We have got to make these trains connect and we have to make them run on time, and we have to see to it that the railroads throughout the Nation are not putting them behind freight cars or putting them on sidings and so on." *** "we had given sufficient power to the I.C.C. to make this thing work ***" Report of the House Subcommittee on Transportation and Aeronautics. House Rep. No. 92-54, 92d Cong., 1st Sess., p. 744 (December 7, 1971).

in the "Adequacies Case," *supra*; and Congress made it clear that section 801, as amended, is intended to provide the very jurisdiction the Commission said was lacking.⁶ The authority for the promulgation of these regulations springs solely from section 801 which as originally enacted stated without equivocation, condition, or exception, that "the Commission is authorized to prescribe such regulations as it considers necessary to provide safe and adequate service, equipment and facilities for intercity rail passenger service." Thus, legally, section 306 is inapplicable to these regulations.

Logically, if the argument of Amtrak and DOT were correct, then section 306 would be an effective muzzle on section 801 making the latter virtually meaningless, applicable only to non-Amtrak intercity passenger trains. But section 801 does not support this limitation. It is made applicable to "intercity rail passenger service" without exception or exclusion.⁷ It is clear from the legislative history of the RPSA that Congress thought out with care the provisions of the section dealing with adequacy of service. In the words of the Senate Committee, it was to be a "complete and comprehensive jurisdiction over all aspects of standards of service on and with relations to railroad passenger trains".⁸ It is also clear that the RPSA, on its face, contemplates the possibility of a single entity—Amtrak—performing the total intercity passenger function, with none of the private carriers remaining in that business. If that were to eventuate, Amtrak would be the only carrier to which section 801 would be applicable. Thus, the twofold conclusion that section 306 is inapplicable to these regulations and that these regulations apply to all carriers, including Amtrak, is inescapable.

Section 201 does not limit the Commission's authority to promulgate regulations pursuant to section 801; for section 801 provides a plenary power. USDOT argues that section 201 is exclusive when it states that the Secretary of the USDOT shall establish service standards for basic system trains. Due to this exclusivity, USDOT contends, the Commission cannot promulgate

⁶Report of the Senate Committee on Commerce on the Rail Passenger Service Act of 1970. Sen. Rep. No. 91-765, 91st Cong., 2d Sess. (April 9, 1970) page 17; "Conference Report on Amtrak Improvement Act of 1973, Hse. Rep. No. 93-587, 93rd Cong., 1st Sess. (October 12, 1973) p. 22."

⁷Since "intercity rail passenger service" is an unqualified and unconditional term, the conclusion is inescapable that section 801 is comprehensive and that these regulations are applicable to all carriers providing such service, namely, Amtrak, carriers operating for Amtrak, non-Amtrak carriers operating their own intercity passenger trains including auto-ferry service, and any other entity engaged in the production of intercity rail passenger service.

⁸Report of the Senate Committee on Commerce on the Rail Passenger Service Act of 1970. Sen. Rep. No. 91-765, 91st Cong., 2d Sess. (April 9, 1970) page 17.

regulations differing from its standards for any routes on which they are applicable. All the Commission could do is to mold these standards into regulations.

The language of section 801, as amended, leaves no room for such interpretation. In providing that "the Commission is authorized to prescribe *such regulations as it considers necessary* to provide safe and adequate service, equipment, and facilities for intercity rail passenger service," section 801 makes clear that the Commission is not restricted to a mere codification of the Secretary's standards, nor bound by any limitations in promulgating adequacy regulations dealing with service, equipment, tracks, and other facilities (emphasis supplied). The unequivocal language of the section is bolstered by the legislative history already referred to. Both the language and the history point to section 801, as amended, as providing a plenary power. As such, it is not limited by (nor does it limit) section 201. Instead, as argued by the Commission's Bureau of Enforcement, the two sections are to compliment each other. In this vein, the revised regulations include substantially all the service standards established by the Secretary. In some instances where they were sufficiently definite to be adaptable to the form of regulations without change, they have been codified; in others they have been particularized. This accommodation, we conclude, is what Congress intended; the Secretary drafting broad standards; the Commission drafting precise regulations.

The Commission has power to prescribe both ameliorative and compensatory remedies when aimed at improving service. As formulated in appendix C pursuant to section 801, they do not constitute punitive measures or rebates.

The non-Amtrak passenger carriers and carriers operating trains under contract for Amtrak, represented by the AAR, and Southern on its own behalf, contest all those regulations which would give monetary or service compensation to a passenger adversely affected by a violation of these regulations. They allege that such action would constitute a rebate forbidden by the Interstate Commerce Act. The AAR indeed offers a wealth of citations to support its position. While the AAR is correct in its position that the Interstate Commerce Act is still applicable to many of the passenger operations of non-Amtrak passenger carrying railroads, and that under such act refunds could be considered, under certain circumstances, potential "rebates" likely to run afoul of the Act, the AAR is incorrect when it attempts to analogize remedial regulations promulgated under section 801 to such illegal rebates. For example,

the providing of full meals when trains are delayed for long periods of time is aimed at making a bad situation more bearable for the traveler while at the same time saving the carrier from being charged with a regulation violation, which could mean a \$500 fine. It is not a rebate because the traveler does not get more than he bargained for. He gets a substituted amenity to make up for what he did not get but paid for. In this vein, the provision of food and better service have not been considered rebates in the airline industry. There, when a flight occurs during a meal period, a meal is served even though the tariff charged is the same as that of a flight where no meals are served. There, when coach class is overbooked, persons holding coach tickets are placed in available first-class seats.

In reviewing the statements and replies presented in this proceeding, the Commission was faced with the argument that if the regulations were vigilantly enforced in their original form, they could force non-Amtrak carriers to join Amtrak and drive Amtrak into bankruptcy. Since the regulations were meant to improve train service, not to subvert it, the Commission has added ameliorative and compensatory provisions, which if followed would save the carrier from being charged with a regulation violation. Thus, if baggage is delivered to customers more than 30 minutes after the train's arrival, instead of having the carrier charged with a \$500 fine, we have added a back-up regulation which requires that baggage be delivered at carrier expense to the customer. This will lessen the hardship to both the customer and the carriers. It does not constitute a rebate, since it gives nothing more to the customer than he was entitled to—ones' baggage. Moreover, as a regulation it becomes an integral part of the service contract requiring that the passenger be furnished his baggage at the station within 30 minutes of the train arrival, or at his home or hotel thereafter. It is ameliorative in that it relieves the customer from wasting time at the station awaiting late delivery of baggage. At the same time it is compensatory in that it gives the passenger the freedom to leave the train station knowing the baggage will be delivered. It is not punitive, since it does not extract more from the carrier than reasonably adequate service.

The regulations adopted are based on the original version in format, scope, and goals. They still encompass the entire train trip from the time reservations are made to the time of final detraining of a passenger at his destination, and all potential trouble areas the Commission has discovered during its years of dealing with the problems of passenger train service.

The regulations have been changed mainly as to remedies. The emphasis is on making the trip a pleasant one for travelers even when things go wrong. Passenger comfort, for example, is the prime concern in a late-arrival situation, not exacting from the carrier a penalty which may not necessarily induce service improvement. The ultimate goal of these regulations is improvement in the quality of passenger train service. Its achievement requires that the concept of passenger comfort be engrained into the industry upon which the public is entitled to rely for good service. Thus, rather than threatening a carrier with a \$500 fine should baggage not be available in 30 minutes, a remedy aimed at alleviating passenger discomfort has been added. If the carrier will deliver the baggage to the address specified by the passenger, as soon as it arrives, then it fulfills the duty under the regulation and is not subjected to a possible \$500 penalty. More important, the traveler—potentially disgruntled—is afforded a special courtesy not normally expected, constituting a fair “quid pro quo” for the inconvenience caused by the delay. When the carrier, having strayed from the goal of comfort of the passenger, fails to make up for the deviation from the service standard, then it is guilty of a violation of the regulations and subject to a penalty up to \$500.

Certain carriers state that, while they earnestly desire to give good service, their procedure differs from that prescribed in the regulations and they are concerned lest the difference would itself become a violation. For example, some carriers indicate that *leg* rests are the “best” means of providing comfort to overnight coach riders; others say their passengers were satisfied with *foot* rests when used in conjunction with center arm rests. The regulations have been modified to assure that no violation will arise out of merely an abstract situation, i.e., a technical violation where no one is injured thereby.

We could not, however, go the route requested by some parties, of scrapping regulations for “standards”. First, as discussed under “Jurisdiction”, section 801 of the RPSA gives the Commission the authority to prescribe “regulations”, while section 201 delegated the task of establishing “standards” to the Secretary of Transportation. Where those “standards” could be developed and codified into regulations, we have done so. For us merely to prescribe “standards” would be a redundant exercise of dubious legality.

Second, nowhere does section 801 of the RPSA tell the Commission that it can delegate to the carriers the task of prescribing for themselves regulations they deem adequate. To allow the carriers

now to sit in judgment of their own actions would be violative of the very spirit of the RPSA.

Third, "standards" alone would fall short of the definitiveness we believe necessary for regulation of the subject matter. Despite some carrier protests to the contrary, there is virtue to definitiveness. Running a giant passenger network requires much advance planning and capital outlay. With definitive regulations a carrier can be assured that it will not be found to be outside a vague "standard" and forced to scrap costly projects or be delayed in seeking amendment of regulations.

ANALYSIS OF THE FINAL REGULATIONS

In this analysis the regulations will be discussed in numerical order as set forth in appendix C.

I. Definitions, applicability, and exemptions

1124.1 Regulation 1.—Definitions.

The definitions of "Amtrak", "Train", "Amtrak Train", and "Non-Amtrak Train", were included in the original version of the regulations and remain unchanged. The definition of "Station" in subsection 5 has been made more precise than in the proposed regulations. Definitions of the terms "carrier" as requested by the AAR, and "customer", have been added to avoid an apparent ambiguity raised by the statement of participants. The definition of "customer" was narrowed because of the different usage the terms "customer" and "passenger" have in these regulations. "Passenger" as used therein is a generic term referring to any traveler on a train subject to the regulations. Thus the businessman who pays full fare, the military on standby, the clergy on divinity discount, the employee riding on a "free" pass, all are passengers. All the service guarantees are applicable to them as passengers. These include such things as clean restrooms, safe stations, and standards of care for health and safety. Customers are passengers. As such, they receive all the service guarantees, but in addition, customers also receive performance guarantees such as those dealing with reservations, time of arrival, delivery of baggage, et cetera. The fare paid is not the sole determinative factor. Whether a passenger is also a customer is determined by the nature of the travel from the standpoint of conditional or definite. Without the distinction between the two, the standby passenger willing to accept any available space, might, for example

have recourse in damages based upon a violation of the "reservation" provision, a thing for which he never bargained.

1124.2 Regulation 2—Applicability, exemptions and effective date.

a. Subsection a has been amended to provide that these regulations are binding upon every entity performing functions or providing services or facilities in intercity rail passenger service where such entity has control of the function, service, or facility. This amendment clarifies the points raised by the AAR and others as to whether railroads contracting with Amtrak to provide service are covered by the regulations. Under the definitions the contracting railroads are "carriers" and this regulation makes them subject to these regulations. As to the contracting carriers the proviso limits applicability of the regulations to situations where the particular carrier controls the performance which is the subject of a regulation. Thus, a carrier which provides service only under contract for Amtrak is not bound by the reservation regulations since such are not applicable to it. But regulations dealing with on-time performance are applicable to such a carrier since it operates the trains.

The AAR argues that these regulations cannot apply to carriers who joined Amtrak even if they operate trains for Amtrak because the RPSA has absolved them of all responsibility to perform passenger train service. Section 401 of the RPSA does not absolve them from the regulations as it does not necessarily follow that a carrier which voluntarily contracts to operate passenger trains should be immunized from a responsibility for the comfort and safety of the passengers who will be riding the trains. A carrier who enters into such a contract thereupon assumes a concomitant obligation to provide adequate service. To hold otherwise would be in utter disregard of passenger train travelers, and give a tortured meaning to the RPSA. If we were to accept the AAR's reasoning, then so long as carriers operated trains for Amtrak, these regulations could not effectively protect passengers from operating deficiencies. Such a theory would render the rail passenger a helpless victim in the middle of controversies between Amtrak and its contracting railroads over performance quality. The Commission is of the opinion that in order to achieve adequacy of passenger train service, on a realistic and practical basis, adequacy regulations should apply to carriers operating passenger service for Amtrak to the extent those operations affect passenger train service.

b. Subsection b provides for the applicability of these regulations to all trains but emphasizes the fact that specific exemption is possible in the appropriate case.

c. Many participants including Amtrak and the AAR requested that special trains such as charter trains be automatically exempted from these regulations. Likewise, the Georgia Railroad and Canadian Pacific filed briefs requesting exemption. The New England Council desired automatic exemption for routes not heavily traveled. Since none of the above trains form an integral part of the interstate passenger train system, the regulations provide for their automatic exemption. This automatic exemption will render unnecessary the filing of exemption petitions in many instances. It will not detract from the "adequacy" of intercity passenger service and will save small carriers and the taxpayers a good deal of money.

d. Subsection d has been added and pertains to a possible total exemption from all the regulations. Such exemption may be requested for a carrier, a station, or a train. Because it can involve a blanket exemption, contrasted with the limited exemptive provisions elsewhere in the regulations, summary disposition may not be appropriate. Thus, due process safeguards, such as notice upon the governors of all States affected, have been added. This regulation envisions a hearing procedure whereby all pertinent views of interested parties will be considered by the Commission, under the Commission's modified procedure, unless the Commission determines that an oral hearing is necessary or that special procedures are warranted in the public interest.

e. Carried over unchanged from the regulations as originally proposed, this provision guards against any interpretation under which a passenger could be subjected to a penalty for violation of a regulation.

f. It is our conclusion from the pleadings, that the carriers are within a range of substantial compliance with these regulations. However, since an immediate effective date could well cause disruption of ongoing operations plans, a 90-day period has been given for carriers to make the modifications needed to come wholly within the regulations. Where the evidence indicates that a longer or shorter period of time is needed, appropriate modifications have been made.

II. *Reservations*

1224.3 Regulation 3—Reservations—General.

a. A number of comments were received on the original wording of this regulation, both for and against. The concept of accessibility of reservation and information services remains the same; required is a system whereby one can dial a toll-free number and secure

confirmed reservations on trains just as easily as rooms can be reserved in leading hotel and motel chains. It has been rephrased slightly. Emphasis is on accessibility, uniformity, and cohesiveness—not centralization—as the goals. Thus sufficient operators are now required to expeditiously answer calls. The redraft is to make clear that an integrated national system is visualized, and that the regulations do not require each carrier to have its own system, as was the apprehension of the Denver & Rio Grande and Southern. This regulation should now give non-Amtrak carriers an incentive to subscribe to the Amtrak reservation system now being installed. This Southern has already, in its brief in this proceeding, expressed its willingness to do.

Carriers like Amtrak have contested the reservation regulation. These protests were not reasonably grounded. We were not requiring the impossible, or for something untried, as indicated by the steps Amtrak is already taking with respect to a nationwide reservation system.

Nationwide toll-free reservation systems have been selected because, when properly operated, they are superior to other forms of reservation systems. The size of the United States network of passenger trains does not detract from the value or usefulness of such a reservation system. Instead, it makes such a system a practical necessity. Nor is it something revolutionary to the passenger train field. For years, Great Northern, later Burlington Northern, provided for a single reservation office which controlled all-train space from United States origins in its trains. It used wide area telephone service (WATS) by which reservations could be made from anywhere in the United States toll-free. The Canadian National (CN) has had extensive experience with nationwide reservation systems for years. At first, a system similar to Great Northern's was employed. All space was monitored by central reservations in Montreal, with certain amounts of space being allocated to "enroute" stations to sell to passengers boarding at those points. These allocations were approximations based on previous demand at those stations. Excess space available from the allocation to that station was sold to on-board passengers or to passengers waiting in the station on a "standby" basis. More recently, CN has converted to a completely computerized and controlled nationwide reservation system. All space is held in computer banks in Montreal and none can be sold without first contacting the central reservations bureau. Contact is made by teletype. Reservations are made and, if space is available, confirmed in a matter of seconds.

Such a computerization set-up takes much time to plan and install and the initial price tag is quite high. However, P.L. 92-316, which amends the RPSA of 1970, mandates Amtrak to improve its reservation system. Moreover, it has come to our attention that Amtrak is in the process of establishing such a 24-hour nationwide toll-free reservation and information system⁹ to be fully operative in early 1974.¹⁰

(b) This provision requires the carriers to provide the type of accommodations on the train and departure date reserved, and confirmed to the customer, and for which the customer paid. All reference to the term "quality," in this and subsequent regulations under this heading, has been deleted because as used in the proposed regulations that term was subject to being misunderstood.

c. The remedies provided for in the event of a failure to honor confirmed reservations have been changed to reflect the emphasis on reducing traveler discomfort. These new remedies should provide more traveler satisfaction without being punitive to the carrier. The references to cash refunds have been eliminated. There is some merit to the argument of the Bureau of Enforcement that cash refunds may be exacted when there is a failure to give adequate service under section 801 and as such are not prohibited by section 306 (which prohibits I.C.C. control over Amtrak rates), and that cash refunds pursuant to section 801 of the RPSA would not be illegal rebates under the Interstate Commerce Act. In our considered opinion, however, improved service would go further than a cash refund toward fulfilling the goals of the RPSA and in producing traveler satisfaction.

Finally, in keeping with the flexibility that parties have requested, a provision is made in general terms for a third form of relief which a carrier may propose as being responsive to particular

⁹The following news item appeared in the August 7, 1973, issue of Traffic World and was based on a press release from Amtrak dated July 28, 1972:

Amtrak Reservation System—Amtrak has started installing a \$7 million advanced reservation and information system. Key elements are regional reservation centers in the northeast, southeast, midwest and on the west coast, a central computer processing facility, and advanced communication facilities to provide toll free public access to the reservation centers as well as connecting the centers to the central processing facility and to each other. The system, operating 24 hours a day, will be able to handle reservations for some 400 trains a day.

¹⁰We reject the suggestion of the USDOT and the New York Department of Transportation that we delete the 24-hour requirement, not only because Amtrak has decided to implement a 24-hour system even before these regulations would have required it, but also because accessibility demands such a system.

circumstances. If relief proposed by a carrier for a particular situation is fair and reasonable, and acceptable to the traveler, it will be acceptable to the Commission.

However, we could not dilute this regulation to the level requested by some parties notably the AAR, merely to require a refund of the ticket price, or of the difference between the accommodations confirmed and the accommodations actually used. That would be a next to meaningless regulation in that passengers are entitled to a refund in such circumstances under basic contract law, and carriers have no right to keep money for services not rendered.

d. Revenue sleeping-car and parlor-car space traditionally has been sold on a reserved space basis for the benefit of both the traveler and the carrier. Porters are usually assigned to sleeping cars and parlor cars, and a reservation system enables the carrier to know how many cars and how many porters to assign to a consist. It aids the traveler immeasurably by eliminating the confusion in finding space while on the train. While this regulation requires all sleeping-car and parlor-car space be subject to prior reservation, the words "shall be made available" were purposely used so as not to preclude sale of vacant space to on-board or boarding passengers who had not previously made reservations.

We must reject the argument of the USDOT that differences in configurations of cars would play havoc with specific assignments in the event of last minute substitutions. In the event there were a substitution of a car with 20 parlor-car seats for one with 28 seats and all 28 seats were sold out in advance, the "havoc" would be no less, and the 8 people "bumped" should be protected. If the substitution would really cause trouble, *e.g.*, because of changes in the number of seats or listing thereof, Amtrak and the other carriers should unify the cars into one consistent numbering system.

e. The reasons given for a reservation requirement for sleeping cars and parlor cars apply equally to coach service so that coach riders might be afforded the same convenience. The proposed regulations required coach reservations only for trips of 3 hours or more. However, Amtrak alleged that limiting reservations to trips of 3 hours or more would provide no more economies than would requiring reserved seat service for trips of all lengths. We have, therefore, modified the proposed regulations to require reserved-seat service for trips of all lengths. At the same time, we have added a provision which will permit the operation of unreserved coach equipment, provided it is in addition to reserved-seat trains.

1124.4 Regulation 4.—Reservation-making process.

a. This regulation formerly used the terminology “confirmed within one hour.” Carriers took issue with this on the specious interpretation which would construe every failure to confirm as a violation of these regulations. This regulation is not meant to exact the impossible, to create vacancies where there are none, or to require that an entire train car be added for one person over the capacity of the train. It is intended to insure that prospective customers receive information with reasonable dispatch so that they may, with a relative degree of certainty, make travel plans. Airlines can and do confirm space, when space is available, instantaneously, even when the routing entails more than one carrier. If trains are to give adequate service, they must be able to do the same, as the traveler of the 1970’s cannot afford to wait hours or days for confirmation of space. However, since at the present time the train reservations systems lack the sophistication of airline systems, the regulation has been rephrased to allow an hour’s grace period. The 1-hour rule applies only to telephone requests;¹¹ nonetheless, requests by mail should be answered as quickly as possible.

The proposal that reservations be made at least 2 hours in advance has been deleted in favor of the more flexible language employed herein due to the persuasive argument of the AAR in regard to the problems of “no-shows” and the reselling of no shows’ space en route. Once a competent reservation system becomes operable, such problems should be remediable by conductors reporting no-shows’ space at the earliest opportunity, which may be less than 2 hours prior to departure of a train from an up-route station, and in such case the earlier regulation would have been more hindrance than help.

b. This regulation requires the carrier to explain its reservation policy to the caller, including the process of “confirmation” and availability of the reservation being held (on request) for a customer’s late arrival, and to explain any differences between its system and the procedures established by these regulations.

c. In the Commission’s experience with passenger trains, we have found that some railroads had unreasonable restrictions in their reservations policy. One carrier would not hold reservations unless confirmed by procurement of tickets at least 21 hours in advance of departure. Any cancellation within 14 hours of departure was subject to a 50 percent cancellation charge regardless of whether the

¹¹For the purposes of these regulations, teletype communications shall be given the same treatment as telephonic communications.

space was resold. No refund was given if cancellation was less than 4 hours prior to departure regardless of whether space was resold.¹²

At the other end of the spectrum, a major western carrier held reservations (without requiring confirmation by procurement of tickets) until 10 minutes prior to departure. A Canadian railroad used a 2-hour limit. Many airlines use a 30-minute limit. We have adopted the 30-minute rule because it has been used successfully by the world's largest airlines and further because due to provisions for an "extended time" reservation, *infra*, a shorter time limit such as the 10-minute rule was deemed unnecessary.

Much comment was generated on this regulation. Amtrak argued in effect that the mandatory 30-minute rule would create hardship upon carrier and passenger alike, especially when space is at a premium and reservation shoppers abound, as during holidays. The argument, stated another way is that, because reservations reserve space, they are undesirable when space is at a premium. But the fact is to the contrary. Reservation of space is desirable especially when space is at a premium. The public does not need a reservations system that fails when needed most. Our conclusion is that, while the 30-minute rule is fair in almost all instances, there may be a difficulty when there is obviously going to be reservation shopping as in holiday periods. Therefore, provisions have been added which permit reasonable alternatives to the 30-minute rule. To make certain that the alternate plan is reasonable, we have required that the Commission shall be notified of any such alternative plan together with supporting statements which explain the plan and the reason for its temporary implementation during the periods specified by the carrier.

1124.5 Regulation 5. Confirming a reservation.

a. A reservation is "confirmed" under these regulations by the carrier's receipt of the applicable payment for the appropriate tickets covering such reservation, and a traveler need not have physical possession of the tickets he purchased. The tickets can be held for him at the station of departure. The payment may be in cash or by credit cards acceptable to the carrier. Carriers may have their own credit cards. However, it is anticipated that carriers will honor the most widely used credit cards so as to be competitive with airlines which honor virtually all major travel credit cards. Payment by

¹²Rules of that kind are not equitable, and to prevent their recurrence, we feel that adequate service demands a regulation setting limits to the reservation process. The 30-minute rule is based on Commission analysis of the various reservations procedures.

credit card shall be treated just as a cash payment in these regulations.

A traveler who pays for tickets in advance should have a certainty that the space he requested will not be resold, since he has wagered the price of a ticket for a number of days as a pledge of his sincerity about traveling. Thus, the regulations protect him by making mandatory the holding of pre-paid reservations at least until 30 minutes prior to scheduled departure (the carrier may choose a more liberal rule, holding all space, for example, up to departure). No holiday exceptions would be permitted. In such a case, if the traveler fails to claim his space at the time and place of departure, his reservation will lapse. The carrier, then, would be permitted to assess a service charge to cover its administrative costs.

"b. Because of many comments to the effect that the terms "confirmed" and "guaranteed" as used in the proposed rules caused confusion, the two-tier reservation system proposed has been discarded and replaced by a simpler system centered around the term "confirmed." As modified, the rule adopted provides that confirmed reservations (that is, pre-paid reservations) must be held beyond 30 minutes before departure upon specific request of the customer."

When a customer requests that this confirmed reservation be held for an "extended time" the carrier is obligated to hold the space for the time requested by the customer. Because we require this, fundamental fairness demands that we permit the carrier to retain a service charge for space held for the customer when, in the end, the customer does not use the space or cancels belatedly. This service charge may be sufficient to compensate the carrier within the limits provided for in the regulations; and this will not constitute a "penalty" as it is more akin to a "*quid pro quo*", a service charge the passenger incurs for the privilege of having reservations held for an extended time.¹³

c. While the Commission envisions that every station will be a full-service manned station as soon as possible, it also realizes that certain stations, such as flag stops, or others exempted by the Commission due to sparse use at the present time, may not have ticket facilities, or if they do, these facilities may be closed at the time of a passenger's boarding. At these places, it may be impossible for a traveler to obtain tickets unless the traveler has begun making travel

¹³The Department of Transportation cautioned that such a provision—they recommended a 10-percent service charge—was verging on rate regulation. We think not. We are not imposing a service charge, but merely protecting the traveler against penalties for failure to cancel, over and above what fairness demands. As such, we merely protect the adequacy of service. This issue was discussed under "Jurisdiction," *supra*.

plans for a week or more in advance of departure which would give the carrier ample time to mail the tickets. Not all travelers make plans a week or more in advance. Therefore we have required that at such stations all reservations be treated as confirmed reservations and held until time of departure from that station.

III.—*Performance of trains*

1124.6 Regulation 6.—Arrival and departure times.

a. This regulation, which prohibits a train from leaving prior to its posted departure time, has been changed from the proposed rule in several respects. Flag stops have been excluded from its coverage as arrival and departure times are often not posted for them. In order for a violation to occur, a **traveler** must have been inconvenienced. Usually, this will take the form of a traveler's missing the train because it departed early without adequate notice. If no one misses the train, there is no violation in the abstract. The proposal to set a penalty for late departures has been deleted. Amtrak and Southern, among others, painted bleak pictures of trains departing seconds before late connecting trains arrive. The primary purpose of such a regulation was to prevent undue lateness at intermediate stations and on shorter runs. However, we feel that shorter runs will sufficiently be protected from undue lateness by the amendment, *infra*, which computes lateness in smaller mileage increments.

b. "Where safe operation permits" has been added to make it clear that neither this Commission nor the public can expect the impossible, but that our concern is with the safety and comfort of the passenger. The public should be able to rely on the established train schedule so that plans can be made with a modicum of certainty and trains may once again be attractive to travelers for whom on-time performance is imperative. Yet due deference must be given the old adage: "better late than never." Bad weather, for example, may make an on-time arrival incompatible with a safe arrival. In such cases a safe but late arrival would not be penalized. Moreover, where trains are late repeatedly, either operational efficiency is lacking, or the timetable needs revision.

This regulation was amended in another respect. The city of Philadelphia suggested that instead of 15 minutes per 500 miles, the regulation read 3 minutes per 100 miles. We believe carriers should establish realistic schedules and make a determined effort to meet them. This will require that, in the formulation process, allowances be made for all foreseeable factors which affect adherence to a fixed schedule. In addition, the carriers should continuously and urgently

undertake to develop in their staffs and personnel the will to be on time. Nevertheless, candor requires us to acknowledge the present imperfections in the physical plant, the equipment, the attitudes and habits of the people involved (passengers, employees, public officials etc.), none of which can be expected to change enough overnight to produce the ideal immediately. Under present conditions, and until fares and other financial input provide for improved technology and plant, a "fall-short" rate of 3 minutes per 100 miles would be impractical. We believe 5 minutes per 100 miles with an outside limit of one-half hour may better fit today's circumstances, and even at that, provide a real challenge to the operators.

We have rejected the percentage of on-time arrival system advocated by Amtrak. If the present situation is all that can be achieved under the percentage system, it is unacceptable.¹⁴ The results of investigations by the Bureau of Operations have disclosed numerous examples of late trains, far too many to attribute to the weather or other unforeseen extenuating conditions. We have also rejected the percentage system, because travelers for whom time is of the essence cannot be on time only 75 percent of the time. If they make a time commitment or have regular meetings to attend, they are expected to be there on time 100 percent of the time. A carrier should not make promises it cannot keep. If it cannot, for example, complete a scheduled 230-mile, 3-hour trip within 10 minutes of the posted time (barring some unforeseen safety hazard which requires slow operation on a one-time basis), it should not publish such a schedule. Realistic scheduling is more than a mere nicety, inasmuch as the passenger and persons meeting them rely on the published schedules in making their arrangements.

c. Southern Railway persuasively protested that its train, the "Southern Crescent," is part of a through service and that sometimes the southbound train is delivered to it late at Washington, D.C. It criticized the original version of this regulation for penalizing lateness regardless of fault, contending that if a train were delivered to it late, and it could not within safe operation make up the time, it would nonetheless be the carrier fined as it delivered the train to the final terminus late. Amtrak argues that when it contracts with carriers for service it should not be liable for their lack of on-time performance, as it has contractually bound them to provide on-time service. The regulations adopted assigns liability jointly and

¹⁴In testimony before Congress in early 1972, on amendments to the RPSA of 1970, a chief complaint of testifying travelers was Amtrak's poor on-time performance.

severally to Amtrak and the carrier or carriers responsible for the lateness. If the train were delivered late, but arrived later still, due to the fault of both first and subsequent carriers, then all, including Amtrak, would be responsible for the relief. The cost of providing the immediate relief to the customers has been assigned to the carriers which caused the delay.

As we read the RPSA, Amtrak is responsible to the public for the provision of safe and adequate service. While it may contract with railroads and others for the "provision of services," the statute contains nothing permitting Amtrak to delegate all of its responsibility or contract out all of its liability to the public. In its contract with a railroad, Amtrak might well incorporate incentive provisions including penalties and rewards, respectively, for violations of the regulations and sustained adherence thereto. Yet, the public, we believe, should have recourse to Amtrak, as well as to the contracting carriers, for the assurance of safe and adequate service.

Despite the need for on-time arrivals, the rule has been modified to eliminate violations in the abstract. If none of the customers are inconvenienced or their travel plans disrupted, there is no violation. However, for every customer inconvenienced by the delay, Amtrak and the carrier are required to provide relief in mitigation of the harm or inconvenience. For example, if the customer has intermodal travel plans by train from Clifton Forge, Va., to Charleston, W. Va., then via plane to Columbus, Ohio, and a late train causes the customer to miss that connecting plane at Charleston, Amtrak and the carrier now have the obligation under the regulations to provide food and shelter at Charleston until the next available plane or bus, or to provide service to a point where the customer may resume his journey, such as Huntington, W. Va., or Cincinnati and to make the necessary reservations to get the customer to Columbus, Ohio. If Amtrak and the carrier chose to do nothing, they would be subject to fines of up to \$500 for violation of the regulations.

1124.7 Regulation 7.—Expeditious service.

Schedules shall be designed for expeditious service. This regulation will require that schedules shall be designed to provide for expeditious service. The record indicates that carriers today are scheduling services to take more time than was the case prior to the enactment of the RPSA. Unfortunately, this may reflect many years of deferred maintenance, particularly on the lines of the railroads in reorganization in the northeast, which necessitates slower speeds than were possible several years ago. In our view, it would not be

practical to set comprehensive guidelines as to what constitutes expeditious service, and complaints that this regulation is not being followed will necessarily have to be determined on a case-by-case basis, with all factors, including safety of operation, taken into account.

To monitor scheduling, insure compliance with this regulation, and promote improved schedules whenever possible, and to make this regulation more specific, the Commission will give weight to old timetables in any proceeding or inquiry involving this regulation; it being understood, however, that due consideration will also be accorded the Federal Railroad Administrator's track safety standards applicable to the line and service in question, and such other factors as are deemed pertinent.

A cause of slow schedules and poor on-time performance is the failure of carriers in recent years to give passenger trains priority over freight trains. "Side-tracking" is built into a schedule, yet it seems to be done more often than really necessary. Even where a passenger train is initially given priority, if it is at all late, it may lose this priority and be side-tracked time and again for freight trains. In this way, late passenger trains get later and disgruntled travelers arrive too late after scheduled arrival time, having had to "follow a freight in." The proposed rule contained a prohibition against any sidetracking. Various parties urged that sidetracking be permitted where it could be integrated into a schedule without disruptive affect upon intercity passenger service. In this respect, section 10(e) of the Amtrak Improvement Act of 1973, P.L. 93-587, and the underlying conference report, clearly accords intercity passenger trains operated by or on behalf of Amtrak preference over freight trains in the use of any given line of track, junction, or crossing except in emergency situations or unless an exemption has been made by the Secretary of Transportation upon a finding that such preference would materially lessen the quality of freight service provided to shippers. Section 801(a) of this statute which requires the Commission within 60 days of its enactment, to promulgate regulations such as those herein for adequate intercity passenger service, when read in *pari materia* with the specific provisions governing procedures for sidetracking of Amtrak trains would appear to indicate that this Commission has jurisdiction to promulgate similar regulations as regards intercity passenger service other than that operated by or on behalf of Amtrak. Regulation 7 as adopted herein reflects a similar procedure.

1124.8 Regulation 8.—Cancellation of scheduled trains—general.

The Commission has had reports of cancellations of service. While the original Amtrak contract with carriers carried sanctions for improper operation of passenger trains, there were no penalties for failure to operate. This regulation plugs that loophole for the protection of the traveler's right to adequate service.

1124.9 Regulation 9.—Cancellation of scheduled trains—en route.

Due to weather conditions or operational difficulties, train runs have been canceled. Passengers on board and waiting to board have faced inconvenience. For example, a situation such as this could easily occur: substitute bus service is provided at 11 a.m. to a train already 2 hours late, because a wreck-damaged track made train travel impossible, but no provision is made for feeding the on-board passengers who had nothing to eat or drink since 9 p.m. the night before when the food car was deleted from the consist due to an equipment malfunction. In a situation like that refreshment should be made available, if possible. The meals need not be elaborate, but must be wholesome. Tea, milk, or coffee and a sandwich or other meal will suffice and must be *gratis*. Often, travelers do not anticipate and cannot afford the cost of extra meals necessitated by such delays.

People waiting for the train should be notified as soon as possible so as not to be left waiting for a train that will not arrive. The effort should be to notify them before they embark for the stations, but for those already at the stations assistance should be available.

We cannot accept Amtrak's arguments that those who ride the train invariably live within easy distances from the station. They may be hundreds of miles from home waiting for a connecting train. They may be waiting at a rural station 50 miles from home or a similar distance from the nearest alternate means of transportation. Airlines provide shelter for such stranded travelers, and the rails must likewise take on an attitude of real concern for the traveler in time of trouble.

1124.10 Regulation 10.—Through-car service and reasonable connections.

This regulation on through-car service and reasonable connections seeks to implement both the congressional purpose (as stated in the RPSA) of providing "fast and comfortable transportation between crowded urban areas and in other areas of the country," and the basic system plan for intercity rail passenger serv-

ice promulgated by the Secretary of Transportation pursuant to the RPSA. The basic system, under its present prescription, is the mix of inputs by members of Congress, Secretary of Transportation, this Commission, States, railroads, labor organizations, Amtrak and others. It has been the subject of review under section 202 of the RPSA and subsequently, on several occasions, before Congress when appropriations and statutory amendments were sought, and before this Commission in train-discontinuance cases. Now, three years after enactment of the RPSA, the public is entitled to substantial compliance with the basic system service requirements.

This regulation permits exemptions upon a showing of the impossibility of immediate compliance or of a lack of patronage sufficient to warrant continuance of the connection. An example of the immediate impossibility of compliance is a situation where the connection would be between Amtrak and a non-Amtrak intercity passenger carrying railroad rather than on lines of the same carrier, and where before a connection could be made, a connecting track would have to be built or an interline agreement for the through car service would have to be negotiated. In such instances, the Commission may grant exemption for a reasonable time to enable such agreement to be entered into.

The Congress of Railway Unions and the Commonwealth of Pennsylvania argued that 6 hours is not a reasonable connection time, especially on short runs. A shorter layover period would certainly be preferable, *e.g.*, the 3-hour period suggested; but such a requirement could unduly burden the system and perhaps even force the deletion of schedules with proven market demand as Amtrak contends. Our goal is not to encourage the deletion of schedules for which there is an established market demand. Hence to provide flexibility within this rule, we have set 4 hours as the maximum layover time, but have provided for exemptions based upon public demand for a particular through service.

Also added is the service standard established by the Secretary of Transportation for all basic system trains. This was necessitated by carriers' failure to abide by that standard. For example, the Official Guide had shown for some time the Seattle-San Diego route where passengers have had to transfer at Los Angeles in violation of the service standard.

IV. *Stations*

1124.11 Regulation 11.—Hours of operation.

We have adopted a rule requiring open stations because our investigative proceedings were replete with accounts of passengers attempting to board at closed stations and encountering safety hazards, lack of information, and the inability to buy tickets. There had even been instances where stations were scheduled to be closed at the time of a train's departure. Although the RPSA has fostered improvement, the Commission still receives complaints of people who have had problems with closed stations. The regulation as proposed was criticized for lack of flexibility and it has been rephrased to allow some variation as to hours of operation. Despite our first inclinations to the contrary, Southern and others have persuaded us that there may be some stations left in this country from which a train may be boarded with relative safety even when the station is closed. Moreover, it is conceivable that with slight innovation, such as toll-free information or closed-circuit televised schedules, up-to-the minute train information can be had at closed stations. Even checked baggage service is possible, using the containerized principle whereby passengers place their baggage in mobile containers which are loaded onto the baggage car by appropriate members of the traincrew. With all this mind, the proposition of an exemption from the station regulations for an appropriate station, as requested by Amtrak, becomes tenable.

Therefore, we have provided for an exemption as to stations which could not support full services but are maintained solely as a convenience for the people living nearby. This is especially true of "satellite" stations near larger full-service stations. As an alternative to conversion to "flag stop" the closed station is preferable, and it is hoped that local authorities, mindful of this, would cooperate in the matter of passenger security at closed stations.

1124.12 Regulation 12.—Consist of stations.

a. Poor lighting in stations is often complained of as a safety hazard. Though recognizing the carriers' effort to correct the lighting deficiency, we consider adequate lighting so basic a necessity as to require installation with haste at all stations—open as well as those exempted from being "open".

b. Another complaint was lack of information services. There is no reason why every station cannot have schedules of trains and consists posted, and operable telephone service.

c. As first proposed, this regulation required operating ticket facilities at stations. It was met with carrier opposition, even though ticket vending machines would satisfy the requirement of unmanned stations. However, the regulations will require that, where not available at the station, tickets be available on the train and reservations be held until departure; and on that basis the requirement for operating ticket facilities will not be necessary.

d. There is no reason why open, manned stations should not have functioning toilet facilities. We have, however, stopped short of requiring toilet facilities in unmanned or unopened stations in light of the requirement that they be provided on trains.

1124.12 Regulation 13.—Facilities for checked baggage in stations.

a. A concomitant of travel is the ability to travel with one's baggage. But travel can be made truly cumbersome when neither checked-baggage service nor baggage assistance is available. Instances have been reported where baggage service on passenger trains has been totally eliminated. The elderly and physically handicapped are hard put to tote luggage on board a train. So too, the family with armloads of baggage trying to entrain or detrain while tending the children and being buffeted by other travelers. In crowded trains aisles can become clogged with baggage when luggage racks are filled or because the traveler is incapable of lifting the bags into the overhead luggage racks. Clogged aisles are a danger in case rapid exit is necessary. Overhead racks are dangerous too, since unsecured luggage can be sent flying by a lurch or swerve of the train at high speed. A solution would be the return of checked-baggage service. Carriers have complained about the cost of such service. But buses and planes check baggage at no extra cost. And modification of overhead luggage racks to insure that no baggage will fall out can be very costly.

Amtrak and other carriers say there is little demand for checked-baggage service. A reason could be the inaccessability and inconvenience of the checked-baggage service in the recent past. For example, although 34 trains daily travel between New York and Washington, only 4 have checked-baggage service. Prior to the RPSA, that service was even more scarce. A passenger leaving New York City at 8 a.m. for Washington, D.C., with scheduled arrival at noon the same day had to wait until 8 a.m. the following day to claim his baggage unless he brought it to the New York City terminal prior to 8 p.m. the night before departure. The delay was due to baggage rooms being closed until after departure of a train with baggage

service in New York City. People who need to check bags may be diverted from trains which do not have baggage service to planes and buses that do.

Based on evidence of record and our experience with passenger train matters, we find that there is a need for efficient baggage assistance, and that this baggage assistance is an integral part of an adequate passenger train service.

b. The carriers contend that some stations have never had a need for in-station checked-baggage service. There are stations served by trains with coach and sleeping car porters who take baggage from travelers at trainside. Where passengers are assisted with baggage upon both entraining and detraining, in-station checking of baggage may not be necessary. The same may be said for situations where an on-board train baggageman collects baggage from checking containers at stations with no in-station baggage facilities. If the carrier can substantiate that it has such a baggage assistance program or one similar which satisfies the criteria of adequate service as hereinabove described, such stations may be exempted.

c. Thirty minutes was selected as a reasonable time limit for baggage to be carted from baggage check-in to trainside. Rather than make a carrier which for some reason to comply with this regulation subject to a \$500 penalty, it was thought more appropriate to require acceptance of the baggage for forwarding by an alternate means calculated at reaching passenger's destination within the allotted period of time. This should prove less costly than the statutory penalty and be better for the traveler.

d. The delays in passengers' retrieving their baggage often occur because baggage does not travel with a passenger's train but on another train. If it does travel on the same train, it may be delayed due to archaic or otherwise inefficient baggage practices. When a passenger takes the time to pack and check baggage, it is reasonable to assume that (1) he may need the contents therein and (2) that his schedule may preclude him from waiting more than a reasonable time such as 30 minutes for baggage.

e. Here again, as in c, rather than subject the carrier to a \$500 fine, we have required the carrier to forward late or misrouted baggage to the customer at no charge as expeditiously as possible. This will eliminate much of the inconvenience caused the traveler by the delayed baggage and should prove less costly than \$500 penalty.

f. This regulation broadly summarizes the applicable law in section 20(11) of the Interstate Commerce Act which as pertinent here makes all railroad passenger carriers, including Amtrak, liable for the full actual loss, damage or injury to baggage tendered to it for transportation. It should be noted, however, that section 20(11) also allows a carrier to lawfully limit its liability with respect to baggage to a declared or released value. If Amtrak were subject to this Commission's rate regulation it could be accomplished through the proper issuance of an appropriate tariff as can the other intercity passenger carriers independently providing baggage service.

The Commission is prepared to entertain requests that Regulation 13f be amended to permit a reasonable limitation of liability upon a showing that such a limitation is justified and to allow amendment of affected rail tariffs where applicable. Notice is taken of the airline industry practice of a \$500 liability limitation per item. Any request for limitation would have to be accompanied by a commitment on the carrier's part to provide adequate posting. This includes adequate notice to the traveller of the terms of the limitation at the time of the proposal; if approved, before coming effective; and on a continuing basis thereafter.

1124.14 Regulation 14.—Equipment requirements.

The original wording of this regulation prompted misunderstanding in two respects not intended by the Commission; (1) that every schedule operate with a consist geared to peakload demand. But there may be a sizable number of privately owned rail and (2) that every train operate with all the equipment listed, regardless of need. The regulation has therefore been rephrased to emphasize the requirement that schedules have sufficient numbers of the types of equipment required for that particular train to meet normal demands. Normal is a flexible term. On a weekday daytime schedule, on a train operating for 8 hours, one reserved coach, one unreserved coach with dining area and a dome-lounge car may be all that is required by normal traffic demands. However, the same run on weekends or during summer travel months may require 4 reserved coaches, 2 unreserved coaches, and a full dining car, a snack bar car, a dome car and a lounge car. If this train traverses scenic areas and is patronized for that reason, it may need a greater proportion of dome-coaches to meet normal demands.

a. This provision in part requires carriers to provide additional numbers of the above-mentioned equipment during periods of predictable peak demands, such as holidays, to meet such demands.

This language is taken from the *Adequacies Case*, 335 I.C.C. 435, and clarifies any ambiguity as to the required extent of carrier preparedness. Heavy weekend traffic is to be considered a part of normal demand, as it occurs frequently and regularly enough to warrant sufficient equipment to meet such needs. Item *i* of this regulation pertains to the less frequent but nonetheless predictable period where demand is at a peak—such as the Thanksgiving and Christmas holidays. Since the flow of traffic then is greater than at any other time of year, carriers cannot be expected to maintain fleets aimed at this capacity on a year-round basis. But they should try to meet the peak needs by pooling and leasing private cars. While it is not now a violation of this regulation to have available equipment reserves so low as to be unable to meet peak demands when required, should it become evident to the Commission that carriers are reducing equipment reserves below a reasonable number, this regulation may become subject to revision.

Many private rail car owners associations as well as travel bureaus petitioned the Commission to impose a regulation requiring carriers to carry private rail cars on their trains under reasonable terms and conditions. The AAR cites cases standing for the proposition that carriers cannot be coerced into hauling private rail cars. If it cannot be done under the Interstate Commerce Act, it cannot be required by the Commission's adequacy regulations, the argument goes. This argument is untenable, grounded as it is in the Interstate Commerce Act. As has been discussed under the heading of jurisdiction, Section 801, is a plenary power springing from the RPSA and prohibitions based on the Interstate Commerce Act are not necessarily applicable.

Most carriers do not have enough equipment that measures up to these regulations or their own standards of quality to meet peak demand. But there may be a sizable number of privately owned rail cars which satisfy these regulations and the quality standards of the carriers. Some private-car owners have indicated they would lease cars to carriers during times of peak demand. There is no reason why an equipment-short carrier should not use these cars, if they are in fact fit (as an alternative to purchasing sufficient reserve cars), to help meet the peak demands of the traveling public. Moreover, where a private-car owner is willing to allow his car to be used to meet the peak demands so that adequate service may be provided to the public, we deem it only reasonable that private rail cars be tendered for use in such service should not be refused carriage during nonpeak periods provided adequate notice is given and

reasonable terms proposed. This regulation should reduce costs to carriers (permitting them to maintain a lesser reserve fleet of cars than would have been required under the original version of the regulations) and satisfy the needs of private-rail car owners at the same time.

For example, a carrier may have insufficient coaches, sleeping cars and dining cars to meet the needs of the traveling public during holiday periods such as Thanksgiving and Christmas, two of the heaviest travel periods of the year. Where a tour company tenders cars meeting adequacy and safety regulations to the carrier on reasonable terms and conditions for use during holiday periods including Thanksgiving and Christmas, such tender qualifies that tour company to seek and receive carriage of its cars upon reasonable terms and conditions from all carriers¹⁵ during nonpeak periods, such as the summer months (which, except for holiday weekends therein are considered a period of normal, i.e. nonpeak demand) when the tour company is likely to make the most use of its cars and need carriage.

This regulation should not be construed to prohibit the carriage of private cars that either have not been tendered or have not been used in public carriage if they meet the applicable adequacy and safety regulations. This regulation does, however, require a carrier to elect either to have sufficient reserve of cars to meet predictable peak demands, or to seek outside sources of equipment. Under the latter election, it is required to give carriage to such outside equipment upon reasonable request.

b. Many parties, some of which are dedicated to the enrichment of life for the handicapped, have urged that these regulations make provision for the needs of the handicapped. Carriers have informed us of their continued efforts to aid the handicapped. We are also informed of plans to purchase new equipment and to build and refurbish stations. This regulation provides that all such plans include wherever possible the ultimate elimination of architectural and design barriers.

1124.15 Regulation 15.—Service requirements.

Just as Regulation 14 requires sufficient equipment to meet the needs of the public, this Regulation 15 requires carriers to provide sufficient services on board trains such as baggage assistance,

¹⁵I.e., all carriers which have elected not to maintain sufficient equipment reserves to meet peak demands.

sleeping car room assistance, meal service, and train schedule information.

a. This list is not all inclusive. It is merely exemplary of services which should be provided for the convenience of the traveling public on most trains. Among other things, baggage assistance should be made available to travelers who desire it for placing the baggage in racks and retrieving it; travelers should have assistance in setting up the beds in sleeping cars; they should have an on-board source of train information including current readings of estimated time of arrival of their trains as well as connecting trains.

b. Although we cannot expect to see all stations and all equipment immediately refurbished to eliminate architectural barriers, nor dining cars to carry food for every need on a regular basis, we will require carriers to provide assistance to those travelers who need special help if reasonable notice of the nature of the help to be needed is given whether it be a special meal, a wheelchair, or special help with room equipment, provided, however, that the cost to the carrier of providing the special service is not prohibitive.

1124.16 Regulation 16.—Baggage service on trains.

a. As first proposed the baggage requirement was covered by one regulation. Parties informed us, however, that such regulation lacked flexibility. As noted above, it is possible to have checked-baggage service on trains without having a functioning baggage office in the station. Yet, as the carriers contend, not every train needs checked-baggage service. Our objective is that the baggage service be sufficient to meet the needs of the traveling public; and having checked-baggage service on long-distance trains at as many stations as possible would be the best way of approaching that objective. It is feasible, therefore, to exempt short-distance trains (traveling less than 200 miles) from the checked-baggage requirement.

Additional exemption is warranted under certain circumstances, namely, where the chief transportation functions of a train do not include the carrying of large amounts of baggage, and where there is adequate assistance and on-board storage room for the baggage normally carried on such a train. We have provided an exemption process for such trains and others for which the carriers can show that a complete checked-baggage service is not needed. For example, certain trains in the New York City-Washington, D.C. corridor may, for the most part, serve business people who travel

and return the same day or the next day and thus carry little or no baggage. Other trains in that corridor are substantially involved in through service. Southern, on brief, contends that a substantial amount of its traffic on the southbound Southern Crescent, between Washington and New Orleans, originates in the Boston-New York-Washington corridor. (Southern operates baggage service on the Crescent between Washington and New Orleans). Unlike the businessmen referred to above, the Southern Crescent passengers, because of the length of their journeys in time and distance correspondingly will need more baggage, and hence need baggage service.

Likewise, passengers from Montreal, Springfield, and Boston traveling through the New York-Washington corridor to Washington or points within the corridor or as a bridge segment in a longer trip can be expected to carry baggage.

Baggage service in the Boston-Washington corridor today leaves much to be desired. According to the September 1972 *Official Railway Guide*, the Southern Crescent, which has baggage service when operated by Southern, a non-Amtrak railroad, does not have baggage service between Boston and Washington while being operated by Amtrak. Only 4 trains daily carry baggage between Boston, New York, and Washington. A through passenger traveling from Boston to Washington has only one train to take if he wishes to have checked-baggage service, an overnight train, the Night Owl. Another train, the Bunker Hill, has baggage service between Boston and New York. It leaves Boston at 8:30 a.m. arriving New York at 1 p.m. It does not continue to Washington, however, connecting instead with a Metroliner which has no baggage service.

1124.17 Regulation 17.—Food and beverage service.

a. The public considers food service to be an integral part of an adequate train service. We have made the food service requirement applicable to all trains en route for 2 hours or more, which corresponds to the requirement set forth by the Secretary of Transportation for meal service on basic system trains. Long distance trains running through meal periods are likely candidates for full service dining facilities. If there are a number of economy-accommodation cars in the train, a snack-bar car may also be in order. The Burlington Northern operated its Empire Builder between Seattle and Chicago with a full-dining car and an economy light-meal car, the Ranch. On trains that do not run through meal periods, perhaps no dining car is required. For example, a train

running between 8 p.m. and 11:30 p.m. could fulfill this regulation by having sandwiches available in the lounge car, or if market studies show a lounge is not needed, a vending machine or other means of having food available would be sufficient. This regulation aims at averting the isolation of travelers from sources of food for long periods of time. In keeping with this, it is not sufficient to have a dining car if no food or beverage is provided after normal dining hours. Traveling people—on the go—are often off-schedule and need refreshment at odd hours. They do not expect “full-dress” service all the time, having become accustomed to such things as styrofoam cups and plastic spoons; but they are entitled to reasonably good, clean service on a continuously available basis. Pursuant to a suggestion made by NARP we have changed the time requirement from 3 to 2 hours, which is the time requirement set forth by the Secretary of Transportation for meal service on basic system trains.

b. This regulation encompasses health standards established by the Surgeon General.

c. This regulation has been amended to permit experimentation and flexibility in fulfilling the food service requirement on trains traveling for longer periods of time. Its rationale is that travelers riding trains for 12 hours or longer are likely to need full meals, while those using the trains for shuttle purposes probably do not. The emphasis is on full service dining, i.e., quantity and variety of meals, rather than on the design of the car or the procedure by which such food will be served. A dining car is not specifically required; a full course meal is required.

1124.18 Regulation 18.—Temperature control.

a. Despite arguments to the contrary, we are convinced that adequate service demands that temperatures vary no more than 20 degrees, from 60 to 80 degrees Fahrenheit. Failures of air conditioning equipment are legendary and as the pleadings indicate, still occur. Today, heat and air conditioning are not luxury items. For years equipment has been constructed with sealed windows, reflecting the general recognition and creating a physical condition in which properly function temperature control systems are a necessity. Amtrak says its equipment can cool the temperature by 20 degrees, and where outside temperature exceeds 100 degrees, these regulations cannot be met. With today's technology, this position is untenable. Carriers should have a sufficient number of cars equipped with heavy duty air conditioning to serve areas where

anticipated high temperatures will be 100 degrees or more. Although it has been suggested that acceptable humidity limits should be established, the record does not disclose any wide-spread view that rail passengers find either too-high or too-low humidity to be a significant cause of discomfort. Thus we are not prepared at this time to adopt a regulation governing humidity levels.

b. When the air conditioning or heating equipment fails, passengers should not have to stay in cars when they exceed the limits of toleration. Often there are other cars to which passengers can be moved until the malfunction is corrected. If the situation cannot be corrected substitute cars should be pressed into service or alternate transportation provided. If heat and air conditioning systems are properly checked and serviced prior to being put into a consist (and not en route as the Montana Public Service Commission contends), on-the-road breakdowns should decrease.

1124.19 Regulation 19.—Sleeping Cars.

a. This regulation providing for private-room standard sleeping-car service is substantially the same as the standard established by the Secretary of Transportation. The time periods have been aligned to those set by the Secretary to eliminate any possibility of ambiguity for the carriers. The need for private functioning restroom facilities has been emphasized as this is of substantial concern to the traveler who pays a premium for sleeping-car service. Carriers have commented that such emphasis rules out the possibility of use of private sleeping accommodations which do not have private restrooms. We think otherwise, and for economy-minded passengers, have provided for the familiar berth car with public restroom. See Regulation 19*b* discussed below. However, we reject the notion of Amtrak that requiring private restrooms facilities stifles innovation. We do not believe that eliminating a private restroom in favor of a communal one down the hall is innovative any more than are commodes which are detached from the rest of the house.

b. This recognizes that even travelers of limited means have need of a bed in overnight travel. It is based on the premise that it is practical to have available, in addition to full service sleeping cars, cars with berths or smaller rooms so that more travelers can be accommodated, thereby reducing costs.

The carriers say that providing such cars on every overnight run would not be possible because there are insufficient numbers of such cars. On the basis of the record before us, we are prepared to accept the validity of their argument, and we will interpret the

proposed rule to require that such service is required only to the extent that the specialized equipment referred to is actually available. We think, too, that it would not be in the best interests of improving passenger train service to adopt a rule which would require that a particular type of railroad car which happened to have proved useful and attractive to passengers in the past must continue to be included in train manifests forever. This could have the effect of stifling innovation, and locking the carriers into a pattern requiring the utilization of an outdated or no longer attractive piece of equipment. We note, however, that two classes of sleeping car accommodations are standard practice on railroads in other countries, and we will expect Amtrak to make a **genuine** attempt to develop, provide, and promote an economy type sleeper service. If action on Amtrak's part is not evident within a reasonable period of time, we will give consideration to amending these rules to require that economy sleeping car service must be instituted on or before a date certain.

This regulation has also been revised to exempt trains from this requirement if a daytime service over the same route is provided. For example, no slumbercoach or berth car would be required on the overnight train between Boston and Washington, nor between Washington and New Orleans. (There is a daytime service between Washington and Atlanta where a budget traveler could stay overnight for less than the cost of a train room and there is a daylight service between Atlanta and New Orleans). It would be required between Washington and Chicago because while there is day service between Washington and Pittsburgh, there is only overnight service between Pittsburgh and Chicago.

This regulation is not a rate regulation as contended by some parties. It does not presume to establish charges. It merely describes facilities of a lesser type than the first-class sleeping car, a "tourist class" sleeping car.¹⁶ And of course, while it is basic fairness that demands that price should be commensurate with value, the Commission leaves to those with the authority the task of deciding the tariff of such "tourist class" accommodations.

c. Clean, sanitary, sleeping cars and berth cars are a must. We reject Amtrak's contention that this is an unreasonable regulation. It goes to the very foundations of these regulations, and since it is in the nature of a health and safety regulation, it is not subject to exemption.

¹⁶ The Milwaukee Road referred to them as "Touralux" cars. See 317 I.C.C. 761, at 764, for their description.

1124.20 Regulation 20.—Coaches

All coaches shall have functioning restroom facilities and drinking water available.

a. Although this regulation is rudimentary, the Commission continually receives complaints of ill-functioning restrooms. Drinking water, with either fountain type faucet or sufficient drinking cups is likewise required. This is a health regulation from which there is no exception.

b. Much comment was generated from Southern by the term of art "leg rest" used in the proposed regulations which when technically applied describes a specific type of support instrument. The goal of this regulation is not so much a specific design of support but that the overnight passenger receive comfort for feet and legs. Any support instrument which does this is adequate. This regulation originally required blankets in winter. That requirement has been deleted since the regulation covering temperature control should eliminate any need for protective covering over and above that brought with the passenger. However, good service demands that a carrier provide for emergency situations, and blankets are a basic commodity in any emergency.

c. Clean, sanitary coach cars and restrooms are a must, and this regulation goes to the heart of these regulations. It is also a health and safety regulation and therefore not subject to exemption. We reject the argument of the AAR that carriers should not be coerced into cleanliness as dirt is caused by passengers and not immediately remediable. No one expects a porter to follow each person with a candy wrapper waiting to catch it should it be discarded on the floor. This regulation aims at correcting unsanitary and offensive conditions which result from non-attention or neglect, as when coaches are not cleaned periodically en route.

1124.21 Regulation 21.—Nonrevenue space.

a. This requirement for the carriers to provide nonrevenue lounge space is substantially the same as the standard established by the Secretary of Transportation. It was added at USDOT's suggestion that the Secretary's service standards be codified in these regulations. A dome car contains sufficient nonrevenue lounge space to satisfy this regulation.

b. This regulation pertaining to dome cars was added because of the query of some carriers as to whether dome cars were required on

all routes on all trains. Southern commented that clearances sometimes prohibit the use of such cars.¹⁷

Dome cars enhance the potential of rail service on long distance runs. The ability to travel through and see scenic areas without obstruction is limited to glass-top or open top vehicles such as the dome car. Dome cars lessen the confinement of long distance travel. Some dome cars are double-decker cars, and may serve a dual purpose with the lower levels serving as coaches, sleepers, lounges, or dining cars. Thus, where clearances permit, they may be included in the consist of trains with special efficiency. On a trip of 16 hours or more where clearances prevent the use of dome cars, flat-top glass roof observation cars, such as those which were employed on the Milwaukee Road's Afternoon Hiawatha between Chicago and St. Paul-Minneapolis, may be used. These likewise satisfy the nonrevenue lounge car requirement. On trains traveling for 16 hours or more with a portion of the route traversing areas with low clearances precluding the use of dome cars, operated by carriers who do not have flat-top observation cars, dome cars should be used on those portions of the trip where clearances permit to the extent reasonable considering time of day and operational ability.

1124.22 Regulation 22.—Allocation of space for nonsmokers and smokers.

a. This regulation prohibits smoking on trains except in areas equipped with ventilation systems adequate to exchange air completely in reasonably short periods of time. The emphasis is on safety and health and consequently there can be no exception.

b. The emphasis of this regulation has been changed to make nonsmoking the norm, as suggested by many participants, such as ASH, with exceptions permitted as indicated. Amtrak requested that any smoking regulation correspond to its policies, but those policies lack the flexibility necessary to meet the various needs of the many trains of many functions. The present formulation allows a carrier to allocate up to 50 percent of the car space for smoking and the rest, for nonsmoking. It may do so by setting aside for smokers certain cars or certain seats in a particular car. The carrier may prohibit smoking altogether in certain types of cars and in overnight operation in otherwise smoking coaches, except in lounge sections of those coaches. For example, a carrier may have one smoking dining car and one nonsmoking dining car, two unreserved coaches

¹⁷There is also congressional support for the addition of dome cars, see *Hearings before the Subcommittee on Transportation and Aeronautics*, et certra. Serial No. 92-54, p. 470.

where smoking is permitted in one-half of each car, three reserved coaches, one of which permits smoking, the second one nonsmoking, and the third one divided into one-half smoking and one-half nonsmoking.

For several reasons we have rejected the request of National Association Motor Bus Owners that the same rules apply to trains as will be applied to buses. Specifically, however, the fact that trains are more flexible than buses in consist, allowing more discretion to the operators, was the single most compelling reason for this decision.

ENFORCEMENT AND PENALTIES

1124.23 Regulation 23.—Penalties for carriers found in violation.

The Bureau of Enforcement recommended that the final version of the regulations provide for an enforcement procedure. While Section 801 of the RPSA does not literally use the terminology "enforcement jurisdiction" in its text, the Senate Committee in commenting in general on the direct predecessor bill of the Rail Passenger Service Act and in particular on section 401(e), (the present section 801 is substantially the same), made it clear that the section conferred enforcement jurisdiction on the Commission. It stated in applicable part:

"The object of subsection 401(e) is to reverse the recent ruling of the Interstate Commerce Commission in the Southern Pacific Sunset 'adequacies' case that the I.C.C. has no power to require adequate standards of service in passenger trains and that enforcement of the obligations of Section 1(4) is exclusively the province of the courts. The subsection would make clear that the Commission's power to *execute and enforce* the provisions of the act includes all obligations and duties imposed thereunder." (Emphasis added) U.S. Congress, Senate, Committee on Commerce. *Rail Passenger Service Act of 1970*: Report No. 91-765. 91st Congress 2a. Session, 1970, p. 17.

This regulation provides for a period of grace between an action which is deemed a violation and imposition of the statutory penalty. If the carrier complies with Commission orders and (1) in the case of traveler complaints, remedies the situation to the satisfaction of the customer or (2) in the case of Commission complaints, remedies the situation to the satisfaction of the Commission, no statutory violation will be found and the statutory penalty will not be imposed.

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1124.24 Regulation 24.—Complaint Procedure

a. To facilitate the handling of complaints, this regulation sets forth the basic form and substance of a complaint. Aside from the customarily needed information, this regulation requires complaints to show why the relief was unsatisfactory and to suggest a more appropriate relief. It is hoped that the information gained from the answers to these questions will aid both the carrier and the Commission to improve rail passenger service by (1) finding methods of avoiding the circumstances that led to the violation and by (2) formulating better methods of amelioration when a violation does occur.

a. Duplicate form filing by the traveler is required to give adequate notice to both the carrier and the Commission and to eliminate the delays caused by forwarding complaint letters between carrier and the Commission. While a traveler who fails to perform the double mailing is not subject to penalty for violating this regulation, such failure may cause delay in resolving the difficulty. Self-duplicating forms should be used to avoid unnecessary paper work for the traveler.

b. To insure that violations do not go unreported because of lack of information as to the complaint procedure, this regulation requires the placing of complaint forms in places accessible to the passenger. While the forms themselves need not be placed in a self-service pamphlet rack, they should be available in adequate numbers on all trains and in all stations and notices of from whom or where a form can be obtained must be posted in places in each car and station calculated to attract the passenger's attention. If for some reason a passenger is unable to obtain an official complaint form, subsection c (2) permits informal filing, provided the complaint contains all the necessary information as set forth in the regulations.

c. Upon receipt of a complaint, a carrier must make response within the allotted time or be deemed in default which could be construed as an admission of a violation by silence. The response may take the form of remedying the situation by improving the condition of the traveler if such is possible after the fact and of changing procedures to preclude recurrence of the incident.

The carrier may instead choose to explain why it contends that its actions are in compliance with the regulations. A change in operating procedure by itself shall not be construed as admission of a violation.

e. When a passenger rejects the carriers' offer of relief, or reply stating no violation has occurred, the Commission will make a finding as to whether there has been a violation of these regulations. If no passenger contests the response of the carrier, the Commission may dismiss the matter unless in its own right, it believes a violation has occurred, in which event, it may make a finding on the matter.

f. The Commission is charged with the balancing of interest, the passengers' interest in receiving adequate service, the public's need to have the carrier remain viable so as to be able to continue to provide passenger service. Section 801 provides a statutory penalty of up to \$500 per violation. Such fines would be contrary to the Commission's goal of seeking improvement in rail passenger service. It is to be kept in mind that Amtrak is being substantially subsidized by the Federal government, and from a fiscal point of view, fines levied against Amtrak may, in effect, merely increase the subsidy requirements. Thus, this regulation makes clear that the Commission has the discretion in dealing with complaints. For example, it may view a violation such as an air conditioning failure collectively, as one failure, hence one, violation, and at the same time, a more unique violation, such as the failure to assist handicapped who had given adequate notice of his arrival, individually, as again, one failure, one violation. The complaints are, in effect, notices to the Commission of conduct which may constitute violations of these regulations, and the number of passengers affected is not necessarily determinative of the number of violations incurred.

1124.25 Regulation 25.—Initiation of proceedings by the Commission.

It is anticipated that this Commission will maintain a close surveillance over the adequacy of rail passenger service. Personnel knowledgeable in the field of passenger train service and laws applicable thereto, such as inspectors and other field agents, would conduct continual on-the-spot inspection of passenger train stations and other facilities to check for compliance with these regulations. As part of their functions, they would note service deficiencies, and through responsible Amtrak or railroad officials, seek to have them expeditiously corrected. They would also be expected to recommend additions, modifications and deletions to these regulations. On the basis of their observations and upon complaints

from passengers or others, the Commission would determine when and if formal complaint proceedings on its own motion are warranted.

1124.26 Regulation 26.—Execution of penalties.

Once the Commission determines that a violation has occurred, it may refer the matter directly to the Department of Justice, or first seek appropriate remedies from the carrier. This flexibility allows the Commission to pursue the positive goal of improving passenger service by the means it deems best calculated to do the job, and is in keeping with Federal policies favoring voluntary settlement of civil controversy.

VII. *Amendability*

From time to time, the Commission may wish to add, delete, or modify these regulations. It hereby specifically reserves the right to do so.

Environmental Impact

It should be noted that these regulations are constructive in nature, their goal being the improvement of passenger train service. As trains improve in quality, it is logical to assume that they will attract people who might otherwise travel by private automobile. By attracting people away from their cars, pollution caused by automobiles may be reduced. Only in this way could these regulations have an impact on the environment, and any such impact would tend to improve environmental quality.

FINDINGS

Based on the discussion hereinabove, the Commission finds that:

1. It has the jurisdiction to promulgate the attached regulations;
2. It has the duty to promulgate the attached regulations;
3. There is a need for the attached regulations;
4. The attached regulations will promote adequate passenger train service, thereby aiding the effectiveness of the Rail Passenger Service Act of 1970;
5. This decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the Environmental Policy Act of 1969;
6. Other issues raised by the parties were considered although not specifically discussed herein.

An appropriate order will be entered promulgating the regulations in appendix C attached hereto, effective 30 days from the service of the order unless otherwise specified in the attached appendix C, or in orders disposing of petitions made by parties herein.

COMMISSIONER MACFARLAND concurring:

I believe that the regulations adopted herein are essentially sound except as regards regulation 6b in the following respects. The one-half hour maximum limitation, in my view, is too drastic particularly insofar as concerns those trains which operate more than 1,000 miles (three daily trains of more than 2,000 miles, three daily trains approximately 1,500 miles, and two tri-weekly trains approximately 2,000 miles). A more reasonable limitation as to such trains in my opinion would be one that permits a five minute maximum delay per 100 miles with a maximum of 50 minutes in overall transit time where permitted by safe operation. Thus, for example, a 2,000-mile train would be able to traverse roughly two-and-one-half times the distance of a 600 mile train in less than double the time required under regulation 6b. Additionally, by phrasing the limitation in the manner I have suggested, i.e. 5 minutes per 100 miles with a maximum delay of 50 minutes, passengers boarding at intermediate points would be equitably treated insofar as scheduling in that any delay could not be made up at their expense as appears to be the case under regulation 6b.

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APPENDIX A

Participants in this proceeding

A. Public Entities

Buffalo Area Chamber of Commerce
Bureau of Enforcement (ICC)
Montana Public Service Commission
NARUC
New England Council
New York Department of Transportation
Oregon Public Utility Commission
Pennsylvania
Pennsylvania PUC
Philadelphia, Pennsylvania
U.S. Department of Transportation

B. Carriers

Amtrak
Association of American Railroads
CP Rail
Denver and Rio Grande Western
Georgia Railroad
Southern Railway

C. Private Individuals and Associations

Action on Smoking and Health
Architectural Barriers Committee of Nassau County
National Association of the Physically Handicapped
Paralyzed Veterans of America
President's Committee on Employment of the Handicapped
Association of Private Rail-Car Owners and Individual Rail-Car Owners
Finlay Fun Time Tours
Great Western Enterprises, Inc.
Jones Properties, Inc.
Overland Rail Travel Corp.
Pacific Railroad Society
Congress of Railway Unions
National Association of Motor Bus Owners
National Association of Railway Passengers
Paul Rayton
Larry C. Seeley

APPENDIX B

[49 CFR 1124]

Adequacy of Intercity Rail Passenger Service:

Proposed regulations of Intercity Rail Passenger Service (Revised October 1971)

I. *Definitions, applicability, and exemptions*A. *Definitions.*

1. "Amtrak" means the National Railroad Passenger Corporation.
2. "Train" means an intercity passenger train subject to these regulations and to the Rail Passenger Service Act of 1970.
3. "Amtrak train" means an intercity passenger train operated by Amtrak.
4. "Non-Amtrak train" means an intercity passenger train operated other than by Amtrak.
5. "Station" means any point at which passengers may board or leave a passenger train. Stations not listed as regularly scheduled stops, but at which trains will stop to entrain or detrain passengers only on signal or advance notice are referred to as flag stops.

B. *Applicability and exemptions*

1. All intercity passenger trains, Amtrak and non-Amtrak, are subject to these regulations.
2. The Commission may exempt particular trains, such as charter and excursion trains, trains operated by tour companies for tour members rather than for the general public, and regularly scheduled intercity trains for good cause shown by petition.
3. These regulations are promulgated as an aid to the rail passenger and shall not be so construed as to subject a passenger to a civil penalty for failure to comply therewith.

II. *Reservations*A. *General*

1. Reservation and information services shall be readily available at any time of day or night to customers wherever located in the continental United States for the reservation of space on trains and for the dissemination of general train information. A nationwide toll-free telephone reservation and information service will meet this requirement.
2. Every carrier shall provide the type and quality of accommodations on the train and departure date it confirmed to the customer and for which the customer paid.
3. If a carrier cannot supply a customer with the type and quality of accommodations on the train and departure date for which the customer paid, it shall fulfill its obligation under this regulation if it:
 - a. tenders to the customer accommodations of better type and quality on the train and departure date in question; or
 - b. tenders a full refund of the ticket price coupled with free of charge accommodations of a lesser type and quality on the train and departure date in question; or
 - c. tenders equal or better type and quality of accommodations on a train scheduled to arrive within 4 hours of the train in question plus \$25 liquidated damages per customer; or
 - d. tenders a full refund on the ticket price coupled with liquidated damages of \$25 or 50 percent of the ticket price whichever is greater.

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4. All revenue sleeping-car space and all revenue parlor-car space shall be made available for specific assignment. For trips of 3 hours or more, all revenue seat space in coaches shall be made available for specific assignment.

5. Every carrier shall permit a customer to make advance reservations for revenue sleeping-car space, revenue parlor-car space, and, for trips of 3 hours or more, revenue coach-seat space.

B. Confirmation of Reservations

1. Carriers shall confirm each advance reservation within 1 hour from the time a request is made for it by the customer, provided the request is made at least 2 hours prior to the scheduled departure of the train from that customer's point of boarding.

2. Reservations, once confirmed, shall be held by the carrier for the customer at least until 30 minutes prior to the scheduled departure of the train from the customer's boarding point without requiring the customer to prepay the tickets in full.

a. The carrier may require a deposit, not to exceed 25 percent of the total ticket cost, to hold a confirmed reservation.

b. If a deposit is required, the carrier shall allow the customer a reasonable time in which to tender such deposit during which time his reservations will not be canceled without his authority.

c. The deposit shall be refundable.

C. Guaranteeing a Confirmed Reservation

1. A carrier shall guarantee a confirmed reservation upon a customer's procurement of tickets or the prepayment of tickets in full.

2. A carrier shall hold a guaranteed reservation for 1 hour after actual train departure from the scheduled boarding point unless the customer notifies the carrier to hold such space for a longer period of time, in which case, the carrier shall hold the space for the period specified by the customer.

3. In event of nonuse of a guaranteed reservation:

a. If a guaranteed reservation is canceled at least 30 minutes prior to scheduled departure of the train from customer's boarding point, the carrier must refund the ticket price and must not impose a service charge.

b. When a guaranteed reservation is not canceled at least 30 minutes prior to scheduled departure of the train from the customer's boarding point, the carrier must refund the ticket price and must not assess a service charge exceeding 25 percent of the ticket price, the actual cost of the unsold portion of ticket, or \$25, whichever of these is the least. No service charge can be imposed if the space held for the customer is entirely resold, or if the carrier failed to actually hold such space for the customer.

c. If a customer notifies the carrier to hold guaranteed space for more than 1 hour after scheduled departure, and then fails to claim his space, the carrier must refund the ticket price and must not assess a service charge exceeding \$25 plus the actual cost of the space for the length of time the customer requested it to be held. No service charge can be imposed if the carrier failed to hold the space for the customer for at least that period of time.

4. At points where tickets are available only on train carrier shall consider confirmed reservations guaranteed and shall hold them until the departure time of the train from the point where the customer was to board, unless the customer cancels the reservations.

III. *Performance of trains*

A. Arrival and Departure Times

1. Insofar as the scheduling and operation of any train is within a carrier's control, trains shall not depart earlier than their scheduled departure time, from stations where passengers are permitted to board.

2. Insofar as the scheduling and operation of any train is within a carrier's control, the train shall depart its origin terminal no later than 15 minutes after scheduled departure time.

3. Insofar as the scheduling and operation of any train is within a carrier's control, the train shall arrive at its final terminus no later than 15 minutes after scheduled arrival time per 500 miles of operation.

B. Schedules shall be designed so as to provide expeditious service and the side-tracking of passenger trains for freight trains shall not be permitted except in emergency.

C. Except in emergency, individual runs of scheduled trains shall not be canceled.

1. When a run is terminated en route, the carrier must:

a. provide or procure alternate service to its onboard customers and shelter them until it does so;

b. notify all stations en route ahead of such cancellation;

c. provide or procure alternate service for all customers scheduled to board such train within 2 hours of cancellation and shelter them until it does so.

2. When a train is canceled to avoid operation of these regulations, the carrier shall be deemed to violate regulation II-A-2 against each and every customer scheduled to ride said train unless it complies with regulation II-A-3.

D. At points where passenger lines meet so as to form a reasonably direct rail route between points on one line and points on the other line, reasonable connections for the interchange of passengers must be provided, as follows:

1. If the connection is made during the hours of 12 midnight to 6 a.m. it is deemed reasonable if through cars are provided.

2. If the connection is made at any other time of the day, it is deemed reasonable if the layover does not exceed 6 hours.

3. For good cause shown by petition, a carrier may be excused from the through-car rule and the 6-hour rule.

IV. *Stations:*

A. Hour of operation

1. Stations at which a train originates shall be open to the public from at least 2 hours before the scheduled departure to at least 1 hour after the actual departure of the train from that station.

2. Stations at which a train terminates shall be open to the public from at least 1 hour before the scheduled arrival to at least 1 hour after the actual arrival of the train at that station.

3. All other stations listed as scheduled stops shall be open to the public from at least 2 hours before the scheduled arrival to at least 1 hour after the actual departure of the train from that station.

B. Consist of Stations

1. All stations and their adjoining service and parking areas shall be lighted well enough for passengers and carrier to function safely and efficiently therein.

2. All stations shall be equipped with telephone service and train information service.

3. Stations other than flag stops shall be equipped with operating ticket sales facilities, telegraph or wire services, and clean, serviceable restroom facilities with adequate toilet supplies.

C. Facilities for checked baggage

1. Stations other than flag stops shall have facilities for the checking of baggage available up to 20 minutes prior to a train's departure from that station.

2. All checked baggage must be made available to the passenger within a reasonable time not to exceed 20 minutes after the passenger's arrival at his destination.

V. *Consist for trains:*

A. Carriers shall provide sleeping cars, coaches, dining cars, lounge cars, parlor cars, and dome cars in sufficient numbers to meet the travel demands of the public, including periods of predictable peak demands.

B. Carriers shall provide and maintain services on trains sufficient to assist all passengers with baggage, train rooms, meals, and general train information.

C. Food and beverage service.

1. Trains traveling for 3 hours or more shall provide food and beverages. These may range from complete servings at the customary dining hours to light snacks during off hours.

2. Food and beverages and the surroundings in which they are made available must comply with the health regulations of the Public Health Service as set forth in parts 12.21 through 12.47 of title 42 of the Code of Federal Regulations.

3. A train traveling for 12 hours or more must have at least one full-service dining car unless it meets all the following criteria:

- a. it travels for 16 hours or less;
- b. it travels at least 8 hours between 10 p.m. and 8 a.m.;
- c. it has a lounge car or dome car;
- d. it has dining service available in the lounge car or dome car or has room service available to sleeping car rooms and at coach seats, serving complete meals and beverages.

D. **Temperature Control:** All regularly scheduled train cars must be equipped with operable climate conditioning equipment and maintained at a room temperature of at least 60 degrees above zero Fahrenheit and no higher than 80 degrees above zero Fahrenheit.

E. **Sleeping Cars**

1. Private-room standard sleeping car service which includes private restroom facilities shall be provided for all trains having a journey of at least 6 hours during the time period from 10 p.m. to 8 a.m.

2. In addition to private-room standard sleeping car service, each train traveling at least 6 hours during the time period from 10 p.m. to 8 a.m., shall have at least one slumber-coach car (i.e., private rooms with private restroom facilities but usually smaller than standard sleeping car rooms and always rented at a budget price) or at least one berth car (open section cars with beds enclosed behind draperies but without private bath always rented at a budget price).

3. Sleeping rooms and their restrooms, and berth cars, shall be sanitary free of debris and objectionable odors, and water tight.

F. Coaches

1. All coaches shall have restroom facilities and drinking water available.
2. Leg rests, reclining seats, and clean pillows shall be provided in all coaches on all trains having a journey of at least 4 hours during the time period from 10 p.m. to 8 a.m. Blankets shall be available during the winter months.
3. Coaches, including restrooms, shall be sanitary, water tight, and free of debris and objectionable odors.

G. Allocation of space for nonsmokers

1. A portion of coach space on each train shall be allocated to the seating of nonsmokers.
2. A portion of dome-car space on trains with dome cars shall be allocated to the seating of nonsmokers.
3. A portion of dining-car space on trains with dining cars shall be allocated to the seating of nonsmokers.
4. A portion of parlor-car space on trains with parlor cars shall be allocated to the seating of nonsmokers.

APPENDIX C

*Final Regulations*SECTION 1124 REGULATIONS GOVERNING THE ADEQUACY OF INTERCITY
RAILROAD PASSENGER SERVICE

DEFINITIONS, APPLICABILITY, AND EXEMPTIONS

1124.1 (Regulation 1) *Definitions.*

- a. "Amtrak" means the National Railroad Passenger Corporation.
- b. "Train" means an intercity passenger train subject to these regulations and to the Rail Passenger Service Act of 1970 (RPSA).
- c. "Amtrak train" means an intercity passenger train operated by Amtrak.
- d. "Non-Amtrak train" means an intercity passenger train operated other than Amtrak.
- e. "Station" means any point at which passengers may board or leave a passenger train and the facilities, such as buildings and platforms, associated therewith. Stations not listed as regularly scheduled stops, but at which trains will stop to entrain or detrain passengers only on signal or advance notice are referred to as "flag stops."
- f. "Carrier" means Amtrak and any common carrier by railroad which provides intercity rail passenger service on its own behalf or by contract for Amtrak.
- g. "Passenger" means anyone not including working crew members, who travels on a train the service of which is governed by these regulations.
- h. "Customer" means any passenger who pays: (1) full fare, (2) a reduced fare where such fare has been traditionally provided for by law, as in the case of the reduced fares for the blind; or (3) an incentive fare, when such fare has been traditionally used in the travel industry to increase ridership in periods of low demand, such as midweek fares. For the purposes of these regulations it excludes passengers whose fare status is on a conditional (space-available) basis, such as standby and pass riders. For the purpose of the regulations regarding reservations the term "customer" includes the delegate of the customer.
- i. "RPSA" means Railroad Passenger Service Act of 1970, as amended.

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- g. "Passenger" means anyone, except working crew members, who travels on a train the service of which is governed by these regulations.
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- i. "RPSA" means Railroad Passenger Service Act of 1970, as amended.

1124.2 (Regulation 2) *Regulations regarding applicability, exemptions, and effective date.*

- a. These regulations are binding on Amtrak and any carrier or agency providing intercity rail passenger service. Every carrier or other agency providing intercity passenger train service under agreement with Amtrak pursuant to the RPSA is bound, individually and jointly with Amtrak by these regulations, except to the extent that Amtrak or such other carrier or agency has control over the provision of the services, facilities or functions covered by these regulations, in which event sole responsibility for compliance with these regulations will be with the one controlling the service.
- b. All intercity passenger trains, Amtrak and non-Amtrak are subject to these regulations, unless specifically exempted as provided for in these regulations.
- c. Charter and excursion trains (whether operated by private parties or by a carrier), trains operated by tour companies for tour members rather than for the general public, and regularly scheduled intercity passenger trains operated by carriers whose aggregate regularly scheduled intercity passenger train-miles do not exceed 500 miles in any calendar day are hereby exempted from all the regulations except those pertaining to health and safety.

d. Exemption may be obtained from all these regulations for reasonable periods of time, as to carriers, specific stations, and regularly scheduled intercity passenger trains for good cause shown upon petition to the Commission. Before any such petition for general exemption shall be considered, the carrier shall give notice to the Governor of each affected State (by mail) and to the public (by posting in every station, depot or other facility served by the train, trains, or carrier, as the case may be), at least 30 days in advance of the proposed action, unless, for good cause stated in the petition, the period should be shorter. The carrier shall certify to the Commission that the said notice has been given. Representations of the petitioning carrier and protestants will be considered before decision is reached on exemption.

e. These regulations are promulgated as an aid to the rail passenger and shall not be so construed as to subject a passenger to a civil penalty for failure to comply herewith.

f. Except where otherwise noted, these regulations shall take effect on April 1, 1974.

Reservations

1124.3 (Regulation 3) *Reservations—General.*

a. A nationwide reservation and information system which includes all carriers providing intercity rail passenger service shall be readily available at any time of day or night to anyone located in the continental United States for the reservation of space on trains and for the dissemination of general train information. Each carrier may have its own reservation system provided it can be coordinated with the national system.

b. The carriers shall provide the type of accommodations on the train and departure date confirmed to the customer and for which the customer paid.

c. If a carrier cannot supply a customer with the type of accommodations on the train and departure date it confirmed to the customer and for which the customer paid, it shall fulfill its obligation under this regulation if it:

(1) tenders to the customer without additional charge accommodations of a better type on the "confirmed" train and departure date or on a train scheduled to arrive within 4 hours of the "confirmed" train; or

(2) tenders to the customer without additional charge accommodations of equal or better type on the next available train and provides food and shelter for the customer during the interim; or

(3) employs other fair and reasonable means of relief to the customer, and the customer is satisfied with the relief given.

d. All revenue sleeping-car and parlor-car space shall be available for specific assignment, and all carriers shall make provision for its advance reservation by customers.

e. Sufficient revenue seats in coaches shall be made available to meet the normal demands of customers requesting reservations, and all carriers shall make provision for advance reservation of coach-seat space by customers.

(1) The provisions of this subsection does not preclude, when warranted by the public demand, the operation of unreserved coach-seat trains in addition to "reserved-space" trains on routes capable of sustaining more than one train daily in each direction, provided that no more than 50 percent of the trains on any given route are unreserved coach-seat trains.

(2) The provisions of this subsection does not preclude, when warranted by the public demand, the operation of unreserved coach-seat cars on "reserved-space" trains in addition to reserved coach and other reserved cars.

1124.4 (Regulation 4) *Reservation-making process.*

a. Upon receiving telephonic request for a reservation, the carrier shall determine space availability and shall inform the prospective customer of its findings promptly, or, if necessary to call back the prospective customer with such findings, to do so within an hour. For the purposes of these regulations, "telephonic" communications shall be considered to embrace teletype communications.

b. If the prospective customer accepts the space the carrier has available, the carrier shall reserve such space in the customer's name and state to the customer the terms and conditions under which the reservation will be held.

c. The terms and conditions under which reservations will be held must be just and reasonable under the circumstances.

(1) Under ordinary circumstances, it shall be deemed just and reasonable that reservations, once made, shall be held by the carrier for the customer at least until 30 minutes prior to the scheduled departure of the train from the customer's boarding point without requiring the customer to prepay the tickets.

(2) Under extraordinary circumstances, such as in holiday periods, carriers need not follow the 30-minute rule of regulation 4c(1). However, alternate terms and conditions, to be considered just and reasonable, (A) must permit the holding of reservations for a sufficient period of time to enable a customer to pay for and thereby confirm the reservations, and (B) shall be filed with the Commission immediately upon implementation together with supporting statements, and be subject to modification from time to time upon order of the Commission.

1124.5 (Regulation 5) *Confirming a reservation.*

a. Upon receipt of a customer's payment for tickets in full, through major credit card or cash, the reservation shall be confirmed by the carrier by telephone or, upon reasonable request in writing, and shall be held for the customer at least until 30 minutes prior to the scheduled departure of the train from the customer's boarding point, unless canceled by the customer.

(1) Payment by means other than major credit card or cash may be accepted at the option of the carrier.

(2) The carrier shall impose no penalty upon a holder of a confirmed (paid) reservation who does not use and who fails to cancel a reservation, but the carrier may retain a service charge not in excess of 5 percent of the ticket price for failure to cancel such reservation.

b. A customer who has paid for his tickets may request that confirmed space be held for an extended period of time. In such event, the carrier shall hold the space for the time requested unless canceled by the customer.

(1) If the customer cancels such reservation at least 30 minutes prior to departure, no penalty or service charge shall be imposed.

(2) If the customer, after requesting the carrier to hold his ticket for an extended period as described in regulation 5b above, thereafter fails to cancel such reservation at least 30 minutes prior to departure, the carrier must refund the ticket price but may retain a service charge in an amount not exceeding 20 percent of the ticket price or the difference between the fare assessed the original customer and that which would be assessed a standby user, whichever is less. No service charge in excess of 5 percent

of the ticket price can be imposed if the space held for the original customer is entirely resold at the price quoted the original customer, or if the carrier failed to hold the space for the customer.

c. At points where tickets are available only on the train, carriers shall consider reservations confirmed and shall hold them until the departure time of the train from the point where the customer was to board, unless the customer cancels the reservation.

Performance of trains

1124.6 (Regulation 6) *Arrival and departure times.*

a. Under normal circumstances, a train shall not depart from any passenger-boarding station, except flag stops, earlier than its scheduled departure time. Where a customer misses the train because of carrier's failure to give adequate notice of a departure earlier than scheduled, the carrier shall, to the extent reasonably possible, mitigate inconvenience thereby caused the customer. This mitigation may take the form of providing food and shelter until the customer is boarded on the next available train or providing other reasonable means of transportation.

b. Insofar as the scheduling and operation of any train is within a carrier's control, and where safe operation permits, the train shall arrive at its final terminus no later than 5 minutes after scheduled arrival time per 100 miles of operation, or 30 minutes after scheduled arrival time, whichever is the less.

c. If a train arrives late at any scheduled destination by an amount of time greater than the permissible allowances set forth in subsection b, where safe operation would have permitted an earlier arrival, the delivering carrier and Amtrak, jointly and severally, shall be obligated to mitigate, to the extent reasonable possible, the inconvenience to customers whose travel plans are disrupted thereby. This mitigation may take the form of bridging a missed connection and providing food and shelter until such is accomplished, or other relief appropriate to the needs of and acceptable to, the customer; and the cost shall be borne by the carrier or carriers responsible for the delay.

1124.7 (Regulation 7) *Expeditious service: Schedules shall be designed as to provide expeditious service.*

a. In order to facilitate expeditious service, all intercity passenger trains without the benefit of an exception are to be accorded priority over freight trains except in emergencies or unless the Commission has issued an order to the contrary in accordance with subparagraph b.

b. Any railroad whose rights with regard to freight train operation are affected thereby may petition the Commission for an exemption to side-track intercity passenger trains other than those operated by or on behalf of Amtrak. Such petition may be granted upon a showing that non-exemption will materially lessen the quality of freight service provided to shippers, and subject to just and reasonable conditions.

c. Schedules shall be designed so as to provide expeditious service, and in determining whether a schedule meets this requirement, consideration may be given (among other things) to the schedules of similar runs in prior timetables, and to any applicable Federal safety standards.

1124.8 (Regulation 8) *Cancellation of scheduled trains—general.*

Except for reason of health, or safety, or beyond the carriers' control, individual runs of scheduled trains shall not be canceled.

1124.9 (Regulation 9) *Cancellation of scheduled trains—en route.*

When a run is terminated en route, the carrier must;

a. Make reasonable attempts to provide or procure alternate service to its on-board passengers and to provide food and shelter for them until they are able to resume their journey.

b. Immediately notify all up-route stations of such cancellation.

c. Make reasonable attempts to provide or procure alternate service for all passengers who were waiting at stations to board the train at the time of its cancellation and shelter them until it does so.

1124.10 (Regulation 10) *Through car service and reasonable connections.*

Through car service shall be provided between points designated as "points between which intercity passenger train shall be operated" in the service standards established in the *Final Report on the Basic National Rail Passenger System*, submitted by the Secretary of Transportation January 28, 1971, as amended by Act of Congress or by Commission decisions in discontinuance proceedings; and, at points where rail passenger lines meet so as to form a reasonably direct rail route between points on one line and points on the other line. Reasonable connections shall be provided as indicated in paragraphs a and b of this regulation 10.

a. A connection between 12 p.m. and 6 a.m., is deemed reasonable if through car service is provided. If a carrier can demonstrate either (1) that immediate compliance is impossible, or (2) that after no less than 6 months' trial, market demand does not justify a connection, the carrier may upon petition, be exempted from this regulation by the Commission for such time as the Commission may deem appropriate in the circumstances. For the purposes of this regulation, impossibility of immediate compliance means any situation where facilitating a connection would require completion of a substantial undertaking such as, but not limited to, the construction of a track connection, or the negotiation of an interline contract between two or more carriers.

b. A connection after 6 a.m. but before 12 p.m. is deemed reasonable if through car service is provided or if the layover does not exceed 4 hours. If a carrier can demonstrate that adherence to this rule would necessitate extra cars or trains not justified by market demand, it may, upon petition, be exempted from this regulation by the Commission for reasonable periods of time.

Station**1124.11 (Regulation 11) *Hours of operation.***

a. All stations other than flag stops shall be open to passengers and their attendants and be adequately patrolled for safety and security purposes for a sufficient period of time before departure of the train to enable passengers and their attendants to purchase tickets, check baggage, and perform other transportation related tasks, and for a sufficient time after arrival of a train to enable passengers and their attendants to retrieve checked baggage and obtain safe passage from the station.

(1) If a station has so little traffic that compliance with this regulation would impose a severe financial burden on the carrier, and if the provision of safe and adequate service at that location does not require an open station, the carrier may petition the Commission for relief from this regulation, giving timely notice to the community affected.

(2) If the Commission is satisfied that a station of the type described in *a* above when operated as an unopened station will not involve undue risk to the safety or

comfort of the passenger, but will constitute reasonably safe and adequate service at that location, it may exempt such station from this regulation for reasonable periods of time.

1124.12 (Regulation 12) *Consist of stations.*

- a. All stations, and their adjoining service and parking areas, shall be provided with lighting adequate to permit their safe utilization by passengers.
- b. All stations shall be equipped with 24-hour telephone service and shall have adequate train information available.
- c. All stations shall have operating ticket sales facilities unless tickets are available on the train and sold without penalty for boarding without a ticket.
- d. Stations other than those operated as flag stops and those operated as unopened stations pursuant to Commission exemption shall have clean, serviceable restroom facilities with adequate toilet supplies, and the restroom areas shall be patrolled for safety while the station is open.

1124.13 (Regulation 13) *Facilities for checked baggage in stations.*

- a. All stations at which trains providing checked baggage service make scheduled stops; shall have facilities for the checking of passengers' baggage available up to 20 minutes prior to the departure from that station.
- b. A carrier may seek exemption from regulation 13a for stations other than those located in cities designated as "end points" by the Secretary of Transportation in his *Final Report on the Basic National Rail Passenger System*, submitted January 28, 1971, or as may be designated as "end points", provided the carrier, on petition to the Commission, can show:

- (1) That in-station facilities for the checking of baggage at a particular location is not required by passenger usage of that station, and
- (2) That it has adequate baggage assistance on board trains stopping at the station in question to enable the passengers at that station to have their baggage placed on the train, and, if possible on trains with checked-baggage service, to have their baggage checked if they so desire.

- c. If a carrier refuses to accept baggage after a point in time more than 20 minutes prior to the scheduled departure of a train with checked-baggage service, the carrier shall forward the baggage by such means that the baggage will arrive at passenger's destination within 30 minutes of passenger's arrival at that destination.
- d. All checked baggage must be made available to the passenger within a reasonable time not to exceed 30 minutes after the passenger's arrival at his destination station.
- e. If a carrier fails to make checked baggage available within 30 minutes after arrival of the train with checked-baggage service on which the passenger was riding, it shall forward the baggage to the passenger at the carrier's expense.
- f. The carrier shall be responsible for the actual value of all checked baggage.

Consist for trains

1124.14 (Regulation 14) *Equipment required to meet public demand.*

Carriers shall provide coaches, and where required by these regulations or by the standards established by the Secretary of Transportation in his *Final Report on the 344 I.C.C.*

Basic National Rail Passenger System, dining cars, lounge cars, dome cars, and parlor cars in sufficient numbers to meet the normal travel demands of the customers, including ordinary weekend demand and usual seasonal travel demand.

a. Carriers shall also provide, to the extent equipment availability permits, additional units of the above-mentioned equipment during periods of predictable peak demands, such as holidays and special weekends, to meet the peak demands of its customers.

(1) If a carrier does not have sufficient equipment reserves to meet these predictable peak demands, it shall seek out from other reasonable sources, including noncarriers, railway cars which meet these regulations and the quality standards of the carrier, and shall use such cars to meet the obligation under regulation 14a.

(2) A private rail car tendered to a carrier for its use in meeting its obligation under regulation 14a shall not be denied carriage by any carrier during nonpeak travel periods when request upon reasonable terms is made for that carriage by the car's owner at least 30 days prior to anticipated movement provided such car meets the regulatory standards of safety and adequacy. This regulation shall not be construed to prohibit the carriage of noncarrier-owned rail cars that have not been tendered or used by a carrier, if they meet the applicable adequacy and safety regulations.

b. Carriers shall facilitate railroad travel by elderly and handicapped persons, and to that end shall, to the extent financial resources permit, acquire or design and construct special facilities and equipment, eliminate architectural and other barriers in present equipment and facilities, and provide appropriate assistance to, from, and on trains and in terminals.

1124.15 (Regulation 15) *Services required to meet public demand.*

Carriers shall provide and maintain services on trains sufficient to assist all passengers with their train travel needs:

a. These services shall include such things as baggage assistance, sleeping car room assistance, meal service, and train schedule information.

b. Carriers shall, upon reasonable advance notice, provide to the extent reasonably possible, the necessary assistance to customers who, because of age, physical condition, or dietary restrictions need special assistance in their travels.

1124.16 (Regulation 16) *Baggage service on trains.*

a. All trains on trips scheduled for 200 miles or more shall have checked-baggage service en route. Trains on trips of less than 200 miles need not have checked-baggage service provided another train with checked-baggage service traverses the same route at least once daily in each direction.

b. A carrier may seek exemption by petition from regulation 16 for a particular train or series of trains if:

(1) The train is of a design or function to which a conventional checked-baggage service is incompatible, and

(2) The carrier provides sufficient baggage assistance on board so that customers will not be burdened with self-handling of baggage, and

(3) There is adequate room on board the train so that the carry-on baggage is not a hindrance to the safety or comfort of passengers.

c. An exemption petition under regulation 16b shall be accompanied by an affidavit that timely notice has been given to all carriers with which the train in question connects to form a through service.

1124.17 (Regulation 17) *Food and beverage service.*

a. Carriers operating trains which travel for 2 hours or more shall make food and beverage service available at all times to all passengers on those trains. Complete meals shall be made available during customary dining hours.

b. Food and beverages and the surroundings in which they are made available must comply with the health regulations of the Public Health Service as set forth in parts 12.21 through 12.47 of title 42 of the Code of Federal Regulations.

c. A train traveling for 12 hours or more must have at least one full-service dining area where sit-down, complete meals are served, unless it has dining service available in the dome-lounge car, lounge car, or dome car, or has meal service available to sleeping car rooms, and at coach seats, serving complete meals and beverages.

1124.18 (Regulation 18) *Temperature control.*

a. All regularly scheduled train cars must be equipped with operable climate conditioning equipment and be maintained at a room temperature of at least 60 degrees above zero Fahrenheit and no higher than 80 degrees above zero Fahrenheit.

b. Should air conditioning or heat fail so that temperatures go beyond the range specified in regulation 18a, carriers shall offer the passengers affected alternate accommodations of similar or better type at no extra charge, or other appropriate relief.

1124.19 (Regulation 19) *Sleeping cars.*

a. Private-room standard sleeping car service which includes private functioning restroom facilities shall be provided for all trains having a journey of 6 hours or more during the time period from midnight to 8 a.m.

b. To the extent that such equipment is available, in addition to private-room standard sleeping car service, each train traveling 6 hours or more during the time period from midnight to 8 a.m. shall have at least one sleeping car, which because of its design or appointments, may be offered at a lower price, unless the carrier provides, in addition to overnight service, a daytime service over the same route. These may include slumber coach or berth car, or other type of private economy sleeping accommodations.

(1) A slumber coach is a car containing private rooms with private restroom facilities, but usually smaller than standard sleeping car rooms allowing more rooms per car and hence usually able to be rented at a lower price.

(2) A berth car is an open section car with beds enclosed behind draperies but without individual sink and toilet facilities thus allowing more passengers per car and hence usually able to be rented at a lower price.

c. Sleeping car rooms and their restrooms, and berth cars shall be sanitary, free of debris and objectionable odors, and water tight. This regulation is one related to health, and no exemption can be made hereto.

1124.20 (Regulation 20) *Coaches.*

a. All coaches shall have functioning restroom facilities and drinking water available.

b. Apparatus for support of legs or feet, reclining seats, and clean pillow shall be provided in all coaches on all trains having a journey of 4 hours or more during the time period from 10 p.m. to 8 a.m.

c. Coaches, including restrooms, shall be sanitary, water tight, and free of debris and objectionable odors. This regulation is one related to health, and no exemption can be made hereto.

1124.21 (Regulation 21) *Nonrevenue space.*

a. On trains traveling for 6 hours or more, nonrevenue lounge space shall be provided. Dome or flat-top observation car may be used to fulfill a carrier's obligation under this regulation.

b. To the extent that such equipment is available, on trains traveling for 16 hours or more, at least one dome car shall be provided where railroad clearances permit the use of such cars. If railroad clearances prevent the use of such cars, flat-top observation cars shall be substituted to the extent such cars are available.

1124.22 (Regulation 22) *Allocation of space for nonsmokers and smokers.*

a. Smoking shall not be permitted on trains except in appointed areas with fire-resistant materials and equipped with ventilation systems adequate to exchange air completely in reasonably short periods of time.

b. In train cars meeting the above requirements, smoking may be permitted as follows:

(1) Smoking may be permitted in private-room sleeping cars.

(2) Smoking may be permitted in up to one-half of the space in a car which is the sole one of its type in the consist, or if there is more than one car of this type in the consist, smoking may be permitted in a ratio of up to one smoking car for every nonsmoking car of its type in the consist. Unreserved coach, reserved coach, parlor car, dining car, dome car, and lounge car shall each be considered a separate "type" of car.

(3) Carriers may prohibit smoking altogether in nonrevenue lounge and dome cars, in dining cars, and between midnight and 8 a.m., in coaches except their lounge sections.

Penalties and enforcement

1124.23 (Regulation 23) *Prescription of penalties for carriers in violation.*

Any carrier which the Commission finds to be in violation of any of these regulations shall be subject to the penalties prescribed in section 801 of the Rail Passenger Service Act of 1970, unless such carrier takes corrective action as prescribed by the Commission (in the manner set forth elsewhere in these regulations), or, in a manner acceptable to the Commission and passenger, provides satisfaction to passengers injured as a result of the violation.

1124.24 (Regulation 24) *Complaint procedure.*

a. This complaint procedure shall be initiated upon receipt by the Commission of two copies of a complaint stating the following:

- (1) Train name (if any) and number, or location of station.
- (2) Date of alleged violation.

- (3) Location of entraining point.
- (4) Location of detraining point.
- (5) Description of alleged violation.
- (6) Relief offered by carrier, if any, and reasons why relief was unacceptable.
- (7) Requested relief.
- (8) Name and address of complainant.

b. A copy of the complaint shall be served by the complainant on the carrier or carriers against whom a violation is alleged.

c. Carriers shall make complaint forms similar to the one attached hereto readily available on all trains and in all stations to facilitate their use by passengers.

(1) Notices as to where passengers may obtain such forms shall be conspicuously posted in each train car and in each station.

(2) Failure to use a complaint form shall not preclude a passenger from filing a complaint, provided that it is in accordance with regulation 24a.

d. The carrier, within 15 days after receipt of the complaint, shall notify the Commission and the complainant of the action it will take to correct the matter that led to the complaint, or of the reasons why it does not believe the matter complained of constitutes a violation of these regulations.

e. If the complainant notifies the carrier and the Commission that the carrier's reply or proposed remedy is not acceptable, the Commission will take such steps as it deems appropriate in the circumstances, including, but not limited to, further efforts to mediate the controversy, or a formal investigation or dismissal of the complaint, or procedures directed at obtaining assessment of a fine or fines against culpable carriers pursuant to section 801 of RPSA.

f. Dependent upon the nature and effects of the matter complained of, the Commission may construe a group of complaints or each complaint as involving a separate alleged violation.

1124.25 (Regulation 25) *Commission initiation of proceedings on own motion.*

The Commission, upon its own motion, may institute a complaint proceeding to determine a violation of these regulations.

1124.26 (Regulation 26) *Execution of penalties against carriers in violation.*

Where the Commission finds that a violation of these regulations has occurred, the matter may be referred to the Department of Justice for appropriate enforcement under section 801 of the Rail Passenger Service Act or the Commission may take such other steps as it deems appropriate in the circumstance, including among others, informal or formal steps to settle the matter in dispute on a fair and equitable basis.

1124.27 (Regulation 27) *Safety.*

The regulations in chapter II of this title, parts 225, 228, 230-234, and 236, prescribed by the Federal Railroad Administration, Department of Transportation, under rail safety statutes, are hereby adopted, confirmed, and continued in effect until modified or superseded by appropriate authority as to intercity rail passenger service. (Note: This regulation was formerly cited as section 1124.1 CFR).

1124.28 (Regulation 28) *Modification of regulations.*

These regulations shall be amendable by the Commission, pursuant to establish rulemaking procedures.

APPENDIX D

Complaint form

1. Train name and number
2. Date of alleged violation
3. Where did you board *this* train?
4. Where will you get off *this* train?
5. Describe your complaint—
6. What relief, if any, was offered by the carrier?
7. Why was it unacceptable?
8. What relief do you request?
9. Your name and address (so that the carrier and Commission may reply to you on the disposition of this matter)

Note: Please prepare two copies of this form and send one to the Interstate Commerce Commission, Washington, D.C. 20423, and the other to the carrier operating this train. The carrier will notify you and the Commission within 15 days, either of the action it will take to rectify your complaint, or the reasons why it believes it did not violate the applicable regulations. If the carrier's remedy or reply is not satisfactory to you, please notify the carrier and the Commission at once.

ORDER

At a Session of the INTERSTATE COMMERCE COMMISSION, held at its offices in Washington, D.C., on the 7th day of December 1973.

EX PARTE No. 277 (SUB-No. 1)

**ADEQUACY OF INTERCITY RAIL PASSENGER SERVICE:
REGULATIONS OF INTERCITY RAIL PASSENGER SERVICE**

It appearing, That the Commission, by notice and order dated December 6, 1971, instituted this rulemaking proceeding under authority of 5 U.S.C. 553 and 559 (The Administrative Procedure Act), 45 U.S.C. 641 (section 801 of the Rail Passenger Service Act), and 149 U.S.C. 1 *et seq.* (the Interstate Commerce Act), to determine whether it should adopt the proposed regulations described in that notice and order as set forth in appendix A of this report and order which would establish standards of adequacy of intercity rail passenger service, and set guidelines for their implementation including regulations governing reservations, stations, equipment, and personnel on trains, performance of train service and other matters;

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It further appearing, That by said notice of proposed rulemaking all interested parties were invited to make representations with regard to the proposed rule; and that notice to all interested parties was given through publication in the Federal Register of May 5, 1972;

It further appearing, That various parties submitted their views and suggestions regarding the proposed regulations, and the Commission has considered such representations and, on the date hereof, has made and filed its report setting forth its conclusions, findings, reasons therefor, and its decision that the regulations set forth in appendix C thereof should be adopted, which report is hereby referred to and made a part hereof;

It further appearing, That as a partial exercise of its authority under section 801 of the Rail Passenger Service Act, as originally enacted, to prescribe such regulations as it considers necessary to provide safe and adequate service, equipment, and facilities for intercity rail passenger service, the Commission adopted safety regulations (49 CFR 1124.1) on April 26, 1971 (36 F.R. 8211), and that in the order of December 6, 1971, interested parties were also invited to submit their views concerning the sufficiency of the safety regulations now in force as prescribed or proposed by the Federal Railroad Administration, Department of Transportation, and adopted by this Commission by the order of April 26, 1971, and in view of the amendments made to Section 801 of the Rail Passenger Service Act by Public Law No. 93-587, approved by the President on November 3, 1973, and of the report of the Conference Committee thereon, House Report No. 93-587, 93rd Cong., 1st Sess. (October 12, 1973), the Commission is of the opinion that it is without jurisdiction to amend, modify, or add to those safety regulations as they apply to intercity passenger service, except, at this time, to transfer those safety regulations from 49 CFR 1124.1 to 49 CFR 1124.27.

It is ordered, That the Commission hereby adopts the regulations as set forth in said appendix C.

It is further ordered, That part 1124 of Title 49 of the Code of Federal Regulations be, and it is hereby, amended by adding the regulations as set forth in said appendix C, and that part 1124.1 of the above title dealing with safety be renumbered part 1124.27.

It is further ordered, That this order shall become effective 35 days from the date it is served; and

It is further ordered, That insofar as the order of April 26, 1971, pertains to regulations of the safety of intercity passenger service, that order shall remain in force and effect, subject, however, to the administrative change directed by the second ordering paragraph thereof; and

It is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission.

ROBERT L. OSWALD,
Secretary.

(SEAL)
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A P P E N D I X C - 2

T O

T H E

**NATIONAL RAILROAD
PASSENGER CORPORATION**

A G R E E M E N T



I N D E X

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APPENDIX C-2

PURPOSE AND COVERAGE

The scope, purpose and intent of this Appendix are to provide, pursuant to Section 405 of the Rail Passenger Service Act of 1970, as amended (hereinafter referred to as the "Act"), fair and equitable arrangements to protect the interest of employees of the National Railroad Passenger Corporation (hereinafter referred to as the Corporation), affected by discontinuances of Intercity Rail Passenger Service as defined in Section 405 of the Act. Thus, the terms of this Appendix are to be resolved in favor of this intent to provide employees protection and benefits no less than those established pursuant to Section 5(2)(f) of the Interstate Commerce Act. Fluctuations and changes in the volume of employment brought about by causes other than discontinuance of Intercity Rail Passenger Service are not intended to be covered by this Appendix.

ARTICLE I

DEFINITIONS

The definitions set forth herein and in the Act apply in this Appendix and in the event of conflict in definitions, those in the Act shall be controlling. In addition, whenever used in this Appendix, unless its context requires otherwise:

(a) "Transaction" means a discontinuance of Intercity Rail Passenger Service, as defined in the Act, effected after assumption of operations pursuant to the provisions of the Act.

(b) "Displaced employee" means an employee of Corporation who, as a result of a transaction is placed in a worse position with respect to his compensation and rules governing his working conditions.

(c) "Dismissed employee" means an employee of Corporation who, as a result of a transaction is deprived of employment with Corporation because of the abolition of his position or the loss thereof as the result of the exercise of seniority rights by an employee whose position is abolished as a result of a transaction, and is unable to obtain a position by the exercise of his railroad seniority if such option is available.

(d) "Protective period" means that period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of 6 years therefrom, provided, however, that the protective period for any particular employee shall not continue for a longer period following the date he was displaced or dismissed than the period during which such employee was in the employ of Corporation prior to the date of his displacement or his dismissal; and provided further, the protective period under this Appendix shall run concurrently with the

protective period under Appendix C-1 should the "transaction" described in (a) above occur in the C-1 protective period. For purposes of this Appendix, an employee's length of service shall be determined in accordance with the provisions of Section 7(b) of the Washington Agreement of May, 1936.

ARTICLE II

PRESERVATION OF BENEFITS

(a) Nothing in this Appendix shall be construed as depriving any employee of any rights or benefits or eliminating any obligations which such employee may have under any existing job security or other protective conditions or arrangements including the protections in Appendix C-1, provided, that there shall be no duplication of benefits to any employees by reason of this Appendix or Appendix C-1, or any other existing or other protected conditions or arrangements at the time of a transaction by the Corporation, and, provided further, that the benefits under this Appendix or any other arrangement, shall be construed to include the conditions, responsibilities and obligations of all parties accompanying such benefits.

ARTICLE III

PROCEDURES

(a) Whenever a "transaction" is contemplated by Corporation after an initial assumption of function which will result in the transfer of work and/or positions across seniority districts, or which requires an employee to accept employment with Corporation requiring a change in his place of residence (that is: employment at a point in excess of thirty (30) miles from the employee's place of residence,

and located further from his residence than was his former work location), or which results in the elimination of a facility it shall give at least thirty (30) days' written notice of such intended transaction by posting a notice on bulletin boards convenient to the interested employees and by sending registered or certified mail notice to the representatives of such interested employees. Such notice shall contain a statement of the proposed changes to be effected by such transaction, including an estimate of the number of employees of each class or craft affected by the intended changes.

(b) At the request of either the Corporation or representatives of such interested employees, negotiations for the purpose of reaching agreement with respect to application of the terms and conditions of this Appendix shall start immediately and continue for not more than twenty (20) days (unless extended by agreement of the parties) from the date of notice. The agreement reached covering each such transaction shall provide for the selection of forces from the class or craft of employees involved on the basis accepted as appropriate for application in the particular transaction. Any assignment of employees made necessary by the transaction shall be made on the basis of an agreement or decision under this Article III. Provided, however, that said agreement shall not diminish or enlarge the protections provided by this Appendix. At the end of the thirty (30) day period, the Corporation may proceed with the transaction.

(c) If at the end of the twenty (20) day period (or such extended period as agreed upon by the parties) there is a failure to agree, either party to the dispute may submit it for adjustment in accordance with the following procedures:

(1) Within five (5) days from the date of submission to arbitrate, the parties shall select a neutral referee and in the event they are unable to agree within said five (5) days upon the selection of said referee, then the National Mediation Board shall immediately appoint a referee.

(2) No later than twenty (20) days after a referee has been designated a hearing on the dispute shall commence.

(3) The decision of the referee shall be final, binding, and conclusive and shall be rendered within thirty (30) days from the commencement of the hearing of the dispute.

(4) The salary and expenses of the referee shall be borne equally by the parties to the proceeding; all other expenses shall be paid by the party incurring them.

(d) Should the Corporation proceed with the transaction prior to the consummation of an implementing agreement, all employees affected shall be kept financially whole as if the transaction had not taken place from the time they are affected through to expiration of the seventy-fifth (75th) day following the date they are first affected by the transaction, or until such earlier date upon which an implementing agreement is reached. Such affected employee shall exercise his seniority to obtain a position under existing agreements; however, after an implementing agreement is reached as provided herein, such employee may again exercise his seniority under the terms of such agreement or decision to obtain a position provided therein. Any position established as a result of a transaction prior to the consummation of an implementing agreement shall be a "temporary" position and any employee selecting, bidding, or hired to fill said position during this temporary period shall accumulate no benefits under this Appendix as a result thereof.

This protection shall be in addition to the protective period defined in Article I, Paragraph (d), which period shall begin on the effective date of the implementing agreement.

ARTICLE IV

ALLOWANCES

(a) DISPLACEMENT ALLOWANCES

(1) So long after a displaced employee's displacement as he is unable, in the normal exercise of seniority rights under existing agreements, rules and practices, to obtain a position producing compensation equal to or exceeding the compensation he received in the position from which he was displaced, he shall, during his protective period, be paid a monthly displacement allowance equal to the difference between the monthly compensation received by him in the position in which he is retained and the average monthly compensation received by him in the position from which he was displaced.

(2) Each displaced employee's displacement allowance shall be determined by dividing separately by 12 the total compensation received by the employee and the total time for which he was paid during the last 12 months in which he performed services immediately preceding the date of his displacement as a result of the transaction (thereby producing average monthly compensation and average monthly time paid for in the test period). In the case of an employee with less than one year of compensated service, his guarantee shall be computed by dividing separately, by the number of months he performed compensated service, the total compensation received by the employee and the total time for which he was paid during those months by Corporation. Such allowance shall also be adjusted to reflect subsequent general wage increases.

(3) If a displaced employee's compensation in his retained position (including payments under Appendix C-1) in any month is less in any month in which he performs work than the aforesaid average compensation (adjusted to reflect subsequent general wage increases) to which he would have been entitled, he shall be paid the difference, less compensation for time lost on account of his voluntary absences to the extent that he is not available for service equivalent to his average monthly time during the test period but if in his retained position he works in any month in excess of the aforesaid average monthly time paid for during the test period he shall be additionally compensated for such excess time at the rate of pay of the retained position.

(4) If a displaced employee fails to exercise his seniority rights to secure another position available to him which does not require a change in his place of residence (as defined in Article III (a)) to which he is entitled under the working agreement and which carries a rate of pay and compensation equal to or exceeding those of the position which he elects to retain, he shall thereafter be treated for the purposes of this section as occupying the position he elects to decline.

(5) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement or dismissal for justifiable cause under existing agreements.

(b) DISMISSAL ALLOWANCES

(1) A dismissed employee shall be paid a monthly dismissal allowance, from the date he is deprived of employment and continuing during his protective period, equivalent to one-twelfth of the compensation received by him in the last 12 months of his employment in which he earned compensation prior to the date first deprived of employment

as a result of a transaction. (In the event an employe has less than 12 months service, his guarantee shall be computed by dividing the total compensation paid to him by the Corporation by the number of months of compensated service.) Such allowance shall also be adjusted to reflect subsequent general wage increases.

(2) The dismissal allowance of any dismissed employe who returns to service with the Corporation shall cease while so reemployed. During the time of such reemployment, he shall be entitled to protection in accordance with the provisions of Section (a).

(3) The dismissal allowance of any dismissed employe who is otherwise employed shall be reduced to the extent that his combined monthly earnings in such other employment, any benefits received under any unemployment insurance law, any payments under Appendix C-1, and his dismissal allowance exceed the amount upon which the dismissal allowance is based. Such employe, his representative, and the Corporation shall agree upon a procedure by which Corporation shall be currently informed of the earnings of such employe in employment other than with Corporation, and the benefits received.

(4) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the employe's resignation, death, retirement, dismissal for justifiable cause under existing agreements, failure to return to service after being notified in accordance with the working agreement, or failure without good cause to accept a comparable position which does not require a change in his place of residence for which he is qualified and eligible with the Corporation or a railroad (if he possesses rights to return to his former railroad employment) after appropriate notification, if his return does not infringe upon employment rights of other employes under

a working agreement.

(c) SEPARATION ALLOWANCE

(1) A dismissed employe entitled to protection under this Appendix who is unable to obtain a position as provided in Paragraph (b) (4) above may at his option at any time within 30 days from the date dismissed or 10 days from the date an implementing agreement is consummated under Article III, whichever is later, if such procedure is required for the transaction causing the employe's dismissal, resign and (in lieu of all other benefits and protections provided in this Appendix) accept a lump sum payment computed in accordance with Section 9 of the Washington Agreement of May 1936.

(2) In the event a dismissed employe makes application for and receives a dismissal allowance under Paragraph (b) above, and subsequently exercises his option for a separation allowance within the time limits set forth above, such monies paid to him shall be deducted from his separation allowance.

ARTICLE V

FRINGE BENEFITS

No employe of the Corporation who is affected by a transaction of the Corporation shall be deprived during his protective period of benefits attached to his previous employment with the Corporation, such as free transportation, hospitalization, pensions, relief, et cetera, under the same conditions and so long as such benefits continue to be accorded to other employes of the Corporation, in active service or on furlough as the case may be, to the extent that such benefits can be so maintained under applicable authority of law or corporate action or through future authorization which may be obtained.

ARTICLE VI
MOVING EXPENSES

Any employe retained in the service of the Corporation or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his employment as a result of a transaction, and who within his protective period is required to move his place of residence, shall be reimbursed for all expenses of moving his household and other personal effects, for the traveling expenses of himself and members of his family, including living expenses for himself and his family and for his own actual wage loss, not to exceed three (3) working days, the exact extent of the responsibility of the Corporation during the time necessary for such transfer and for a reasonable time thereafter and the ways and means of transportation to be agreed upon in advance by the Corporation and the affected employe or his representatives; provided, however, that changes in place of residence which are not a result of the transaction, which are made subsequent to the initial change or which grow out of the normal exercise of seniority rights, shall not be considered to be within the purview of this Article; provided further, that the Corporation shall, to the same extent provided above, assume the expenses, etc. for any employe furloughed within three (3) years after changing his point of employment as a result of a transaction, who elects to move his place of residence back to his original point of employment. No claim for reimbursement shall be paid under the provisions of this Article unless such claim is presented to the Corporation within 90 days after the date on which the expenses were incurred.

ARTICLE VII
ANTICIPATED TRANSACTION

Should the Corporation rearrange or adjust its forces in anticipation of a transaction with the purpose or effect of depriving an employe of benefits to which he otherwise would have become entitled under this Appendix, this Appendix will apply to such employe.

ARTICLE VIII
EXCEPTIONS

Changes in employment caused by, but not limited to, any of the following conditions will not be considered a "transaction" as defined in this Appendix:

(a) Discontinuance of seasonal Intercity Rail Passenger Service which has been in operation 120 days or less, provided, however, the Corporation shall notify the representative of any employe to be affected by the proposed initiation or discontinuance of such seasonal passenger service and the number and class and craft of employes to be affected.

(b) The abolishment, elimination or discontinuance of a position or positions established subsequent to the effective date of this Appendix, for period not exceeding two years for the purpose of performing required services in connection with non recurring special projects such as, but not limited to, the operation of special and extra passenger trains in excess of that prescribed for the basic system, industrial, experimental or governmental projects when abolishments, elimination or discontinuance of said position or positions is within 60 calendar days after the completion of said project. The provisions of this

paragraph shall apply only to those employes with less than 2 years of service with the Corporation, and, provided further, that the Corporation shall notify the representatives of any employe to be affected of the number of positions to be added or eliminated as a result of such special projects.

(c) Emergencies -- The abolishment, elimination or discontinuance of a position or positions under emergency conditions such as flood, snow storm, hurricane, earthquake, fire or strike which suspends operation in whole or in part of Intercity Rail Passenger Service, provided that because of such emergency the work which would be performed by the incumbents of the positions to be abolished or the work which would be performed by the employe involved in the force reduction no longer exists or cannot be performed. When forces have been so reduced and thereafter operations are restored, employes who were affected must be recalled upon the termination of the emergency.

ARTICLE IX

ARBITRATION OF DISPUTES

(a) In the event any dispute or controversy arises between the parties hereto with respect to the interpretation or application of any provision of this Appendix, except Articles III and X, which cannot be settled within thirty (30) days after the dispute arises, such dispute may be referred by either party to the dispute to a Public Law Board for consideration and determination.

(b) In the event of any dispute as to whether or not a particular employe was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the Corpor-

ations' burden to prove that factors other than a transaction affected the employee.

ARTICLE X

LOSSES FROM HOME REMOVAL

(a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the Corporation (or who is later restored to service after being entitled to receive a dismissal allowance) who is required to change the point of his employment within his protective period as a result of a transaction and is therefore required to move his place of residence:

- (i) If the employee owns his own home in the locality from which he is required to move, he shall at his option be reimbursed by the Corporation for any loss suffered in the sale of his home for less than its fair market value, such loss to be paid within thirty (30) days of the sale of the home. In each case the fair market value of the home in question shall be determined as of a date sufficiently prior to the date of the transaction so as to be unaffected thereby. The Corporation shall in each instance be afforded an opportunity to purchase the home at such fair market value before it is sold by the employee to any other person. It is the intent of this section that the fair market value so determined and to be received by the employee is not to be reduced by any expenses incident to the closing of the transaction of sale of home such as brokerage fees, discounts, preparation of abstract, or deed of

sale, and the employee will be made whole for any such expense involved.

(ii) If the employee is under a contract to purchase his home, the Corporation shall protect him against loss to the extent of the fair value of any equity he may have in the home and in addition shall relieve him from any further obligation under his contract.

(iii) If the employee holds an unexpired lease of a dwelling occupied by him as his home, the Corporation shall protect him from all loss and cost in securing the cancellation of said lease.

(b) Changes in place of residence which are made subsequent to the initial changes caused by a transaction and which grow out of the normal exercise of seniority rights, shall not be considered to be within the purview of this Article.

(c) No claim for loss shall be paid under the provisions of this Article unless such claim is presented to the Corporation within 1 year after the date the employee is required to move.

(d) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through joint conference between the employee, or his representative, and the Corporation. In the event they are unable to agree, the dispute or controversy may be referred by either party to a board of competent real estate appraisers, selected in the following manner: One to be selected by the employee or his representative, and one by the Corporation, and these two, if unable to agree within 30 days upon a valuation,

shall endeavor by agreement within 10 days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the National Mediation Board to designate within 10 days a third appraiser whose designation will be binding upon the parties. A decision of a majority of the appraisers shall be required and said decision shall be final and conclusive. The salary and expenses of the third or neutral appraiser, including the expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party..

ARTICLE XI

1. Any employee who is terminated or furloughed as a result of a transaction shall, if he so requests, be granted priority of employment or reemployment to fill a position comparable to that which he held when terminated or furloughed, even though in a different craft or class, on Corporation which he is, or by training or retraining physically and mentally can become, qualified, not however, in contravention of collective bargaining agreements relating thereto.

2. In the event such training or retraining is requested by such employee, Corporation shall provide for such training or retraining at no cost to the employee.

3. If such a terminated or furloughed employee who has made a request under Sections 1 or 2 of this Article XI fails without good cause within 10 calendar days to accept an offer of a position comparable to that which he held when terminated or furloughed for which he is qualified, or for which he has satisfactorily completed such training, he shall, effective at the expiration of such 10-day period, forfeit all rights and benefits under this Appendix.

ARTICLE XII

SEPARABILITY CLAUSE

In the event any provision of this Appendix is held to be invalid or otherwise unenforceable under applicable law, the remaining provisions of this Appendix shall not be affected, and such provision shall be renegotiated and resubmitted to the Secretary of Labor for certification pursuant to Section 405 of the Act.

ARTICLE XIII

COVERAGE; NON-AGREEMENT COVERED EMPLOYEES

(a) Employees who are not represented by a Labor Organization shall be afforded substantially the same levels of protection as are afforded to members of Labor Organizations under these terms and conditions.

(b) In the event any dispute or controversy arises between the Corporation and an employee not represented by a Labor Organization with respect to the interpretation, application or enforcement of any provision hereof which cannot be settled by the parties within 30 days after the dispute arises, either party may refer the dispute to the Secretary of Labor for determination. The determination of the Secretary of Labor, or his designated representative, shall be final and binding on the parties.

Signed at Washington, D.C. this 5th day of July 1973.

FOR THE EMPLOYEES OF THE NATIONAL
RAILROAD PASSENGER CORPORATION
REPRESENTED BY THE RAILWAY LABOR
EXECUTIVES' ASSOCIATION AND ITS
AFFILIATED ORGANIZATIONS:

International Brotherhood of Electrical Workers
AMERICAN RAILWAY SUPERVISORS ASSOCIATION
AMERICAN TRAIN DISPATCHERS ASSOCIATION
BROTHERHOOD OF RAILROAD SIGNALMEN
BROTHERHOOD RAILWAY CARMEN OF THE
UNITED STATES AND CANADA
BROTHERHOOD OF SLEEPING CAR PORTERS
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AERO SPACE WORKERS
INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS
AND HELPERS
INTERNATIONAL BROTHERHOOD OF FIREMEN AND
OILERS
INTERNATIONAL ORGANIZATION MASTERS, MATES
AND PILOTS OF AMERICA
NATIONAL MARINE ENGINEERS BENEFICIAL ASSOCIATION
RAILROAD YARDMASTERS OF AMERICA
SHEET METAL WORKERS INTERNATIONAL ASSOCIATION
RAILWAY EMPLOYEES' DEPARTMENT, AFL-CIO

NATIONAL RAILROAD
PASSENGER CORPORATION

A. R. Leary
DIRECTOR LABOR RELATIONS

William H. Hershberg
ATTORNEY FOR RLEA AND ITS AFFILIATED ORGANIZATIONS

FOR THE EMPLOYES OF THE NATIONAL
RAILROAD PASSENGER CORPORATION
REPRESENTED BY THE CONGRESS OF
RAILWAY UNIONS AND ITS AFFILIATED
ORGANIZATIONS:

BROTHERHOOD MAINTENANCE OF WAY EMPLOYES
BROTHERHOOD OF RAILWAY, AIRLINE AND
STEAMSHIP CLERKS, FREIGHT HANDLERS,
EXPRESS AND STATION EMPLOYES
HOTEL & RESTAURANT EMPLOYES BARTENDERS INTERNATIONAL UNION
SEAFARERS' INTERNATIONAL UNION OF
NORTH AMERICA
TRANSPORT WORKERS UNION OF AMERICA
UNITED TRANSPORTATION UNION

Wm. J. Mahoney

ATTORNEY FOR CRU AND ITS AFFILIATED ORGANIZATIONS

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

David A. Lee

ATTORNEY FOR BLE

*H.A.R.
10/1/11*

Attachment #1

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

OCT 1 1973

National Railroad Passenger Corporation
Eighth Floor, North Building
955 L'Enfant Plaza North, S. W.
Washington, D. C. 20024

Gentlemen:

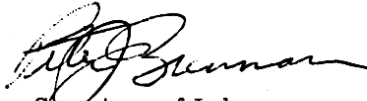
I have received the agreement, dated July 5, 1973, executed by the National Railroad Passenger Corporation, the Railway Labor Executives' Association, the Congress of Railway Unions and the Brotherhood of Locomotive Engineers.

Having reviewed this agreement, a copy of which accompanies this certification, I find that it provides to members of these labor organizations and their affiliates fair and equitable protection as required by Section 405(c) of the Rail Passenger Service Act of 1970, as amended.

Accordingly, I hereby make the certification required in Section 405(c) on condition that employees of the National Railroad Passenger Corporation who are not represented by a labor organization signatory to the agreement shall be afforded substantially the same levels of protection as are afforded to members of the signatory organizations under the agreement. In the event any dispute or controversy arises between the National Railroad Passenger Corporation and an employee not represented by a signatory labor organization with respect to the interpretation, application or enforcement of any provision of the agreement which cannot be settled by

the parties within 30 days after the dispute arises, either party may refer the dispute to the Secretary of Labor for determination. The determination of the Secretary of Labor, or his designated representative, shall be final and binding on the parties.

Sincerely,



Secretary of Labor

Enclosure

Attachment #2

SECTION 7(b) - WASHINGTON JOB PROTECTION AGREEMENT

(b) For the purposes of this agreement the length of service of the employee shall be determined from the date he last acquired an employment status with the employing carrier and he shall be given credit for one month's service for each month in which he performed any service (in any capacity whatsoever) and twelve such months shall be credited as one year's service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee organization he will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

Attachment #3

SECTION 9 - WASHINGTON JOB PROTECTION AGREEMENT

Section 9. Any employee eligible to receive a coordination allowance under Section 7 hereof may, at his option at the time of coordination, resign and (in lieu of all other benefits and protections provided in this agreement) accept in a lump sum a separation allowance determined in accordance with the following schedule:

<u>LENGTH OF SERVICE</u>	<u>SEPARATION ALLOWANCE</u>
1 year & less than 2 years	3 months' pay
2 years " " 3 "	6 " "
3 " " 5 "	9 " "
5 " " 10 "	12 " "
10 " " 15 "	12 " "
15 years and over	12 " "

In the case of employees with less than one year's service, five days' pay, at the rate of the position last occupied, for each month in which they performed service will be paid as the lump sum.

(a) Length of service shall be computed as provided in Section 7.

(b) One month's pay shall be computed by multiplying by 30 the daily rate of pay received by the employee in the position last occupied prior to time of coordination.