



ANNUAL REPORT OF NATIONAL RAILROAD PASSENGER CORPORATION

COVERING THE PERIOD
OCTOBER 30, 1970 — OCTOBER 29, 1971

SUBMITTED BY ROGER LEWIS, PRESIDENT NATIONAL RAILROAD PASSENGER CORPORATION

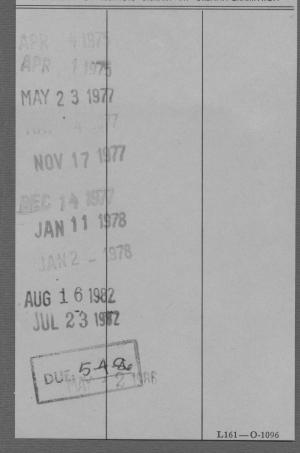
IN ACCORDANCE WITH PL 91-518

WASHINGTON, D.C. OCTOBER 29, 1971

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ANNUAL REPORT

OF

NATIONAL RAILROAD PASSENGER CORPORATION

Covering the Period October 30, 1970-October 29, 1971

Moody's

Submitted by Roger Lewis, President National Railroad Passenger Corporation

In Accordance with PL 91-518

Washington, D.C. October 29, 1971

95 L'Enfant Play SW Washington, DC. 20024

Annual Report of National Railroad Passenger Corporation

October 30, 1970-October 29, 1971

The National Railroad Passenger Corporation, hereinafter called "Amtrak", presents herewith its first annual report pursuant to the provisions of Section 308(a) of the Rail Passenger Service Act of 1970.

The report is divided into four major areas:

- 1. The Period Before May 1, 1971
- II. The Period After May 1, 1971
- III. Conclusion
 - IV. Appendices

The Rail Passenger Service Act of 1970 (Public Law 91-518) was passed by the Congress on October 14, 1971, and was signed by the President on October 30, 1970. The text of the Act is included in this report as Appendix A.

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Report of Independent Public Accountants

I. Activities Prior to May 1, 1971

Before Amtrak could begin the operation of trains on the basic designated system, as was required by law no later than May 1, 1971, it was necessary for the corporation to be organized and the routes for service to be selected. In addition, during this period negotiation had to be successfully concluded with the railroads that were to participate in Amtrak as stockholders or members.

Before any of these activities could be undertaken by Amtrak itself a panel of Incorporators, provided for in the law, were to be named by the President with the advice and consent of the Senate. The eight original Incorporators were confirmed on December 30, 1970, and their organizational activities commenced immediately thereafter. The eight named and confirmed were:

Mr. David W. Kendall, who was subsequently elected Chairman of the Board of Incorporators

General Frank S. Besson, Jr., who was elected Vice Chairman

Mrs. Catherine May Bedell

Mr. David E. Bradshaw

Mr. John J. Gilhooley

Mr. Arthur D. Lewis

Mr. Charles Luna

Mr. John P. Olsson

The Legislative Charter

The task facing the Incorporators was to create, under the terms of the law, an organization; recruit management (and engage the special services of firms to assist during the incorporation period); make the determinations on the actual routes to be served, and the services to be offered in detail when operations began on May 1, and make all the necessary preparations to take over, operate and revitalize intercity passenger trains on a national basis. To fully

appreciate the scope of this task it is necessary to examine the congressional mandate given the Incorporators. Stated briefly, the mandate calls for:

- providing modern, efficient, intercity rail passenger service,
- 2. employing innovative operating and marketing concepts to fully develop the potential of modern rail service in meeting intercity transportation needs, and,
 - operating as a for-profit corporation.

Thus, the Incorporators were faced with the challenge of beginning the revitalization of the U.S. rail passenger system and devising a corporate structure to run it in a manner that had been unachievable recently by the railroads themselves. And most demanding of all was the requirement to put rail passenger service on a reasonably sound financial basis.

The commission by the Congress must be evaluated in terms of where rail passenger service stood prior to May 1. With a few notable exceptions, rail passenger service in the country had eroded — both in image and in fact — to a low level. Reflecting the growth in air and auto travel and a corresponding decline in rail passengers, the number of trains in operation declined from about 6,000 at the close of World War II to fewer than 400 during the spring of this year. And the quality of services provided on and in support of these trains generally deteriorated in appearance, cleanliness, comfort, and level of maintenance. At the same time, deficits for all intercity rail passenger services grew to an annual level ranging from \$235 million to \$410 million (depending on the cost basis used) on annual revenues of some \$600 million.

From the outset the Incorporators gave much thought to the challenge -- i.e., turning around a key but badly eroded element of the transportation system by rebuilding both the image and substance of rail passenger service. Clearly, the size of the task dictated that early progress could at best be modest. Thus the underlying thrust of at least the near-term efforts must be aimed at a gradual revitalization of public confidence in rail passenger service by demonstrating an early increased regard for passenger needs through recognizable service improvement.

The Act contemplated a reduction of deficits from the level that was currently being borne by the railroads,

through two approaches. The first was by means of a reduction of the number of trains to be operated and the number of routes over which service would be provided. The second involved service improvements designed to retain as much of the existing ridership as possible on a reduced route structure, while at the same time winning new ridership from competing modes of transportation, which are projected to encounter increasing costs and congestion, especially in the heavily travelled urbanized corridors.

The Incorporators' formal concern with the route and service selection process could not begin until the issuance of the Secretary of Transportation's Final Report, which was not completed until late January, although preparations were made pending the issuance of the report.

Negotiating with the Railroads

Starting immediately after their confirmation at the beginning of the new year, however, the Incorporators at once turned to other matters that would have to be resolved before service could begin on May 1. Foremost among the problems that were anticipated was the necessity of contracting with the railroads for their entry into Amtrak and for operation of the trains over their respective routes, which were still to be selected. The Incorporators, even before being sworn in, at their first meeting on December 22, 1970, recognized that it was necessary within four months to negotiate, draft and execute contracts of extraordinary complexity.

The Incorporators, realizing that the well-equipped legal staffs of more than 20 railroads were already hard at work analyzing from their standpoint the contractual and other legal problems presented by the Rail Passenger Service Act, saw the necessity for assembling immediately a large legal group competent to deal successfully with the legal manpower available to the railroads. It was judged clearly impossible to accomplish this in the time available by employing individuals one by one; nor could any one law firm, even the largest, be expected to provide the quantity of personnel nor the diversified expertise required. Consequently, the Incorporators resorted to a consortium of a number of the country's most eminent law firms.

It was determined that three problems were of overriding importance:

First, to secure by a single contract with each of the railroads assurance that they would provide the necessary equipment and facilities to continue that portion of the passenger service that Amtrak was to decide to operate, and to secure these contractual rights as a condition of the contracts discharging the railroads on May 1 from their own obligation to provide intercity passenger service, as permitted and required by Section 401 of the Act.

The Incorporators concluded at the outset, based on unanimous legal advice and their own knowledge, that the corporation was compelled to secure contractual rights to the necessary services. If recourse to the Interstate Commerce Commission for orders under Section 402 of the Act had been necessary on a broad scale to secure such services, the necessary delays and appeals might have resulted in a chaotic situation threatening the obligation of the corporation under the law to begin service by May 1. Amtrak's insistence that the railroads assume obligations to Amtrak to provide the required services as a condition of relieving the railroads from their passenger service obligation was seriously challenged by the railroads from the outset as contrary to the terms of the Act. The entire negotiation was carried on in parallel to the preparation by the railroads of a suit (which was fortunately never brought) to compel Amtrak to excuse the railroads from their passenger service obligation under Section 401 of the Act without contemporaneous contracts for passenger service under Section 402 of the Act.

Second, in view of the limited initial financing of Amtrak, compared with the losses being incurred by the railroads in providing passenger service, the Incorporators thought it essential to establish, at least for an initial period (ultimately agreed upon as two years and two months, i.e., from May 1, 1971, until July 1, 1973), a firm basis of compensating the railroads for their services; basis not to exceed their avoidable costs of performing these services. "Avoidable costs" may be broadly equated to the railroads' cash cost of these operations, without fee and without return on investment. Again, this position was seriously challenged by the railroads both as contrary to the Act and as a denial of their constitutional rights.* possibility that the Interstate Commerce Commission might adopt the railroads' view was a further reason for insisting on negotiated contracts, rather than relying on an ICC order, for the initial operation of the system.

^{*} The opinion of Judge Fullam, in the District Court of the United States for the Eastern District of Pennsylvania, of April 28, 1971, finally approving the execution of the Penn Central contract with Amtrak clearly indicates the serious consideration that he gave to this argument.

Third, in view of the obvious contemplation of the Act that at some point Amtrak would engage in long-term financing by issuance of preferred stock or long-term indebtedness, the Incorporators thought it essential that the rights secured by the initial contracts should have sufficient duration to make this possible. The Incorporators therefore negotiated for 10-year contracts for service and 25-year rights for use of trackage.

After preparation of an initial draft contract, negotiations with the railroads started at the end of January. On April 16 a major roadblock was removed when the Secretary of Labor certified the necessary labor protective provisions for those railroad employees adversely affected by discontinuances of passenger service by the railroads. By April 27 most of the railroads to whom contracts were tendered had signed. Ultimately, all railroads performing intercity passenger services joined with the exception of the Southern, the Alabama Great Southern, the Denver and Rio Grande Western, and the Chicago and Rock Island.

All three of the major objectives, and a number of others, were accomplished in the negotiation, which resulted in contracts that must be considered the best that could reasonably have been obtained. They provide Amtrak a contractual assurance of such services as it might require for a period of ten years with adequate flexibility to permit modification as needed within the physical capability of each railroad, or to permit the substitution of Amtrak's own equipment or personnel. They give Amtrak an assurance of the use of needed tracks and facilities for a period of twenty-five years. And for a period of two years and two months, they exclude any fee (which, even at 1% of the total estimated annual operating costs of more than \$200 million, would have exceeded during this period Amtrak's total start-up costs) and exclude any return on investment, which (at the judicially recognized figure of 4% to 6%) could annually during this same period have exceeded total start-up costs by a number of times.

Payment for services by the railroads are based on avoidable costs (i.e., out-of-pocket costs related solely to passenger service) plus 5 percent to compensate railroads for those avoidable costs that cannot easily be apportioned (i.e., a signalman whose services benefit both freight and passenger operations), overhead, and maintenance of way expenses. The contract, however, gives railroads the option of making special cost studies to support a claim for an amount greater than the 5 percent to be later arbitrated. Only the Penn Central has exercised this option. The basic cost formula will have a favorable impact on the operating economics of the corporation.

The Basic System

The Act directed the Secretary of Transportation to designate the basic system of intercity rail passenger service. On November 30, 1970, the Secretary issued a preliminary report to Congress and the Interstate Commerce Commission containing his recommendations for the basic system. This report was also transmitted to state regulatory commissions, representatives of railroads, representatives of railroad labor and representatives of railroad passengers, and it was simultaneously made available to the public. The Secretary solicited and received many comments in response to the preliminary report.

After review of these comments, the Secretary, on January 28, 1971, issued his Final Report on the basic system, which is reproduced in this report as Appendix B. The basic system was to consist of twenty-one city pairs between which intercity passenger trains were to be operated (some cities were named as end-points for more than one route). The report also spelled out a number of alternative routings by which the end points might be connected. It was left to the Incorporators to fill in the details of the basic system and the frequency of trains and the intermediate stops to be served.

Route Selection

The Incorporators went at their route selection task with great deliberation. Each of the more than 100 alternate routes between the designated 21 city pairs set forth in the Secretary's Final Report was studied individually and in relation to the total network, and all available data relating to each such route was tabulated. At the outset, the Incorporators established exacting criteria to help them arrive at intelligent and equitable route selection decisions. These criteria were:

Market Opportunity: population along routes and airline passenger traffic between major cities by route,

Cost Economics: the level and proportion of losses that were being experienced on existing routes and by individual trains operating over these routes,

Ridership: existing and past ridership along routes and on specific trains. This measure was used carefully because of the realization that

poor service in the past could have driven away potential passengers who under better conditions could have been customers,

Physical Characteristics: the existing condition of track and roadway, particularly as it affected speed, safety, and future capital demands; also natural beauty and scenic attractions along the routes, and

Alternative Transportation Modes: the adequacy of other means of travel for the public along each route.

In the judgment of the Incorporators the application of these criteria provided the most rational approach to making the difficult choices between route alternatives. They applied the criteria conscientiously and as uniformly as possible against each of the routes specified by the Secretary of Transportation in his Final Report.

During and after the route selection process there were many pressures brought to bear in advocacy of one route over another. In all cases material submitted or gathered in meetings with delegations from the affected areas was given full consideration and factual information was compared with the data that had already been assembled to insure against error. The Incorporators determined that once the routes that were selected were announced that there could be no deviation from the decision without jeopardizing the ability of the corporation to meet the May I deadline. Therefore, all decisions had to be made with utmost care and with full cognizance of all relevant arguments and counterarguments.

Concurrently, the argument was raised in some quarters that if the May I deadline was too close to permit reconsiderations then the deadline should be extended, either by legislative action or by judicial stay. The Incorporators believed that any postponement of the May I deadline would result in utter confusion and chaos -- and with the likelihood that one postponement would logically only lead to others to the extent that route selection, which was essential to the concept of the Act, could well become politically impossible. It should be noted that formal efforts in the Congress and in the courts to delay the May I beginning of Amtrak train operations did not succeed.

On March 22 the decisions of the Incorporators on the routes selected were announced, together with a summary of the reasons for the selection of each route compared to the other alternatives that were not selected. These route announcements are reproduced in this report as Appendix C.

In summary, the following routings were chosen:

- 1. New York to Buffalo via Albany, Utica, Syracuse, Rochester
- New York to Boston via Stamford, New Haven, New London, Providence, with a New York, Stamford, New Haven, Hartford, Springfield spur
- 3. New York to Washington via Newark, Trenton, Philadelphia, Wilmington, Baltimore
- 4. New York to Miami, Tampa/St. Petersburg, via Philadelphia, Washington, Richmond; via Raleigh, Columbia; also via Charleston; via Savannah, Jacksonville; via Orlando (to Tampa) and via Wildwood and West Palm Beach (to Miami)
- 5. New York to New Orleans via Philadelphia, Washington, Lynchburg, Charlotte, Atlanta, Birmingham
- New York to Chicago via Philadelphia, Harrisburg, Pittsburgh, Canton, Fort Wayne
- 7. New York to Kansas City via Philadelphia, Harrisburg, Pittsburgh, Indianapolis, St. Louis, Jefferson City
- 8. Washington to St. Louis via Baltimore, Harrisburg, Pittsburgh, Columbus, Indianapolis, Terre Haute
- 9. Washington to Chicago, via Baltimore, Harrisburg, Pittsburgh, Canton, Fort Wayne
- Norfolk/Newport News to Cincinnati via Richmond, Charlottesville, Clifton Forge, Charleston, Kenova
- Detroit to Chicago via Ann Arbor, Jackson, Battle Creek, Kalamazoo
- 12. Chicago to St. Louis via Bloomington, Springfield
- Chicago to Cincinnati via Kankakee, Lafayette, Indianapolis
- 14. Chicago to Miami and Tampa/St. Petersburg via Lafayette, Indianapolis, Louisville, Nashville, Birmingham, Montgomery, Bainbridge, Valdosta, Waycross, Jacksonville, Wildwood, Orlando, West Palm Beach

- 15. Chicago to New Orleans via Kankakee, Champaign/Urbana, Effingham, Centralia, Carbondale, Memphis, Jackson
- 16. Chicago to Houston via Galesburg, Ft. Madison, Kansas City, Wichita, Oklahoma City, Fort Worth, Temple (via Dallas if a future rerouting is deemed feasible)
- 17. Chicago to Seattle via Yakima, Pasco, Spokane, Sand Point, Glacier Park, Williston, Minot, Grand Forks, Fargo, Willmar, Minneapolis/St. Paul, Milwaukee
- 18. Chicago to San Francisco/Oakland via Sacramento, Reno Winnemucca, Wells, Salt Lake City, Grand Junction, Denver, Lincoln, Omaha, Ottumwa
- 19. Chicago to Los Angeles via Flagstaff, Gallup, Albuquerque, La Junta, Hutchinson, Newton, Ottawa, Kansas City, Fort Madison, Galesburg
- 20. New Orleans to Los Angeles via Phoenix, Tucson, El Paso, San Antonio, Houston, Beaumont
- 21. Seattle to San Diego via Portland, Klamath Falls, San Francisco/Oakland, Santa Barbara, Los Angeles, Fullerton

Details of the Service

Service standards over the basic rail system as stipulated by the Secretary of Transportation state that:

- -- Modern equipment will be provided, some of it obtained by pooling the best of existing equipment from discontinued routes.
- -- Trains will be scheduled at reasonable hours.
- -- Running time will be as fast as track conditions and safety requirements permit.
- -- Food service will be available according to the length of the route, and sleeping car service is to be offered on routes having an overnight journey of at least six hours between midnight and 8 a.m.

After the route decisions were made it was necessary to designate intermediate stops, schedules and train equipment

lists. With minor changes, train consists and schedules were adopted from services offered prior to May 1. A timetable was published prior to May 1 detailing the trains and stops for the initial Amtrak service. (A copy of the May 1 timetable is reproduced in this report as Appendix D.) It has been subsequently revised, as will be discussed in Section II of this report. Criteria similar to that used for selection of the routes were also applied to the decisions on frequency of service, scheduling and stops.

It should be noted that some of the routes selected and announced on March 27 did not actually become part of the Amtrak system. Subsequent to the route decisions, several railroads did not join Amtrak, and the line between Washington and New Orleans continues to be operated by the Southern Railroad. Similarly, service between Denver and Salt Lake City continues to be operated by the Denver & Rio Grande Western, which also did not join. The Amtrak route between Chicago and San Francisco was therefore rerouted from Denver north to Cheyenne and west over the tracks of the Union Pacific Railroad through Ogden.

Since May other routes have also been added, which are discussed in Section II of this report.

Administrative Tasks

During and before the period of deliberation by the Incorporators on the initial route selections, a number of other activities required urgent attention. In addition to the intense contract negotiations that progressed at times literally around the clock -- in order to meet the May 1 deadline -- the Incorporators had other tasks to perform as well.

Selection of interim staff. Out of a necessity to quickly find highly qualified personnel to carry out staff work, the Incorporators sought the services of several professional firms. Four kinds of expertise were obtained for the purpose of providing interim staff support until a permanent management team could be selected.

a. Management consultants. A leading management consulting firm was retained to provide the needed management staff while the Incorporators carried out the demanding executive talent search necessary to build a permanent organization. Personnel from this firm performed such tasks as: (1) development of an organization structure and defining the types of

skills and experience necessary: (2) development of planning and operational processes for the May 1 start-up date; (3) development of recommendations for routes, train schedules, and consists to be operated by Amtrak; and (4) preparation of financial projections and a marketing program to guide early operations.

- b. Technical and engineering consultants. A technical consulting firm specializing in the railroad industry was retained to aid us in identifying and evaluating the rolling stock needed to carry out planned operations. This firm also assisted in evaluating routes and determining the levels of terminal operations needed.
- c. Legal assistance. The corporation, as noted, utilized the services of several of the nation's leading law firms to provide the expertise needed to deal with the many complexities of contract negotiations with the railroads and the numerous other legal problems involved in executing our congressional mandate. These law firms also represented the corporation in its efforts to achieve compliance with the requirements of various federal, state and local government agencies related to establishing the corporation and getting it into operation.
- d. Public accounting. Two major accounting firms were retained to analyze the railroads' accounting records as a basis for the sound determination of the value of contracted services as well as to verify the relative economic viability of specific trains. One of these firms also helped the Incorporators consider, in a highly systematic way, the many complex issues leading to the determination of the cost bases for carrying out contract negotiations. This firm also analyzed the impact of various alternative cost formulas and helped set up basic financial processes and controls for ongoing corporate operation.

Subsequently other types of outside services were retained such as executive recruiting services, advertising, and public relations. The Incorporators felt that only by retaining such outside consulting services -- which could be made immediately available -- was completion of the requisite start-up tasks by May 1 made possible.

Plan of organization. An organization structure was developed early to determine the key management positions that had to be filled by the chief operating executive, who was still to be selected. Corresponding position descriptions and skill requirements were developed to help the executive recruiters find candidates with the necessary talent for the new organization.

Financial plans. Considerable time and talent went into financial planning and control. First, decision procedures and control measures were set up to provide careful checks over the expenditure of funds necessary during the start-up period to May 1. As a result, by May 1 Amtrak had expended approximately \$4 million of the \$40 million grant although a considerably larger sum had been originally budgeted. A listing of expenditures to May 1 is included as Appendix E.

Operating procedures. Careful arrangements and operating instructions were developed and worked out with each participating railroad that was to provide services to the corporation. Completing this work was vital to ensuring a smooth takeover on May 1. Further, key management controls were established so that after May 1, when Amtrak assumed responsibility for the passenger trains, there were mechanisms to help ensure desired performance by the railroads.

Corporate identification program. Possible marketing names less cumbersome than the official "National Railroad Passenger Corporation" were researched and an identifying corporate symbol was designed. It was felt that a decision on a simpler identifying name should be ready for the operation of trains on May 1 so the public would be able at once to identify and easily remember the new organization. After research on ease of recognition and possible conflicts with other trade or service marks in use, the Incorporators adopted the short name "Amtrak". The previous nickname, "Railpax", was felt not as graphically suitable to the service that was to be Amtrak is a word formed from the elements of three other words, "American", "travel", and "track". At the same time a design incorporating the new name was also adopted. Using the primary colors of red, white and blue, which also keys to the "American" in "Amtrak", an arrow device was designed, to suggest motion.

Incorporation of Amtrak

The National Railroad Passenger Corporation was incorporated on March 30, 1971, under the Laws of the District of Columbia and with two exceptions the previous Incorporators were nominated and subsequently confirmed as Directors pursuant to Section 302 of the Act. The Honorable John Olsson, who as Deputy Under-Secretary of Transportation was replaced by the Secretary of Transportation was one exception. Under the terms of the Act, the Secretary is an ex-officio Director of the National Railroad Passenger Corporation. Mr. Arthur Lewis was replaced by the President-designee of Amtrak, Mr. Roger Lewis

who was subsequently named as President and elected Chairman of the Amtrak Board.* The task of selecting a Chief Executive Officer had fallen to the Incorporators, and after an intensive nationwide search, Mr. Roger Lewis was selected for and accepted this post. He was confirmed as an Amtrak Director shortly before the beginning of Amtrak operations. Other permanent staff assignments were held in abeyance until Mr. Lewis could participate in the selection of key personnel, a task that was to require considerable attention during the first two months of operation. When Amtrak started operations on May 1, its President was its only executive officer.

Amtrak (the National Railroad Passenger Corporation) was incorporated, as the law provides, as a "for-profit" corporation. The text of the Articles of Incorporation is reproduced in this report as Appendix F, and the corporate by-laws initially adopted by the Board appear as Appendix G.

^{*} Mrs. Catherine May Bedell was later named Chairman of the U.S. Tariff Commission and upon confirmation to that post she resigned her position as an Amtrak Director. As of the date of this report the resulting vacancy has not been filled.

II. The Beginning of Operations and the Period from May 1, 1971, to the Present

The Start of Service

By May 1, 1971, the initial Amtrak service was ready for operation. Because of the late date at which contracts with the railroads were finally executed, and because of some uncertainty about the possible success of efforts in the courts and in Congress to delay the statutory start-up date, some of the operating arrangements were worked out on a tentative basis, adopting in the main the appropriate existing schedules and patterns of operation. Accordingly, as soon as operations did begin on May 1, already intensive planning and staffing activities were stepped up. Stops and consists were subject to continual re-examination and a two-phase revision process for service changes and improvements was set in motion.

A midsummer interim target date was set for the issuance of a revised systemwide timetable, while work went forward on major service improvements to be reflected in the timetables to be issued in the fall, when schedules are traditionally revised because of the change from Advanced Standard Time in many areas. (Copies of the May 1 and midsummer timetables are reproduced in this report as Appendix D and Appendix H.)

Service began on May 1 under the spotlight of widespread national publicity, with mixed reviews resulting. The news media found things to criticize and to praise, with most accounts expressing hope for the future and taking a realistic view that wholesale improvements could not be expected to magically appear overnight. A prominent and undeniable feature of the May 1 developments, however, was the disappearance of many trains that had been discontinued by the railroads under the terms of the Rail Passenger Service Act, and much news coverage understandably emphasized this aspect of the story.

Amtrak, however, found it had an abundance of problems needing solutions concerning the many trains it now legally was responsible for and called upon to operate. The first priority was to build a permanent staff to solve them.

Corporate Organization and Departmental Responsibility

The corporation developed a table of organization as follows: the President and Chairman of the Board of

Directors is the corporation's Chief Executive Officer. Immediately under him and reporting to him are seven Vice Presidents and a Controller, each heading a separate department. These departments are:

- 1. Operations
- 2. Marketing
- 3. Planning
- 4. Personnel & Administration
- 5. Legal
- 6. Government Affairs
- 7. Public Affairs
- 8. Controller

The Vice President, Operations, is responsible for all phases of railroad operation except for activities involved directly with the passengers, i.e., by ticket sellers, porters, provision of dining car service, etc. The Operating Department must see that the trains run on time in an efficient and economical manner and also recommend and carry out a capital improvement program to obtain the needed equipment and facilities to operate all passenger trains and terminal services of an operational nature.

The Vice President, Marketing, is responsible for the design and implementation of all customer services and all processes which involve the sale of transportation to the customer. These include the development of train schedules and consists, fares and pricing policy; responsibility for the passenger service personnel onboard the trains, at stations and terminals; the provision of dining and bar service and the design of customer accommodations; the solicitation of business through travel agents and other sources and for advertising and sales promotion to the general public; research on consumer activities and preferences and broadly defining marketing goals and opportunities, and the design and management of reservations, train information and ticketing systems.

The Vice President, Planning, is responsible for developing short-, medium-, and long-range plans for the corporation in accordance with principles set forth in the Rail Passenger Service Act. Of immediate importance are

short-range plans, which call for dramatically improving the basic quality of service in such areas as on-time performance, cleanliness of cars and stations, and courtesy and service to the public. In addition, the Planning department is responsible for general surveillance of accomplishments.

The Vice President for Planning has also been assigned responsibility for specific areas, including:

planning basic changes in the route structure, including additions or deletions of routes under Section 403 of the Act;

modifying or replacing stations and terminals to reduce costs and associated problems, and

liaison with government agencies at all levels concerned with surface transportation planning.

The Vice President, Personnel and Administration is responsible for:

1. all matters affecting employee relations, and

2. administrative matters.

Among matters affecting employee relations are
(a) benefit plan structures, (b) wage and salary administration, (c) the employment process, (d) labor relations, (e)
equal opportunity employment programs, (f) management development, (g) training, (h) safety, (i) employee communications,
(j) organizational development, and (k) medical programs.

Among administrative matters are (a) office practices and procedures, (b) the purchasing function, (c) coordination of policy issuance, (d) real estate concerns, (e) service contracts and (f) duplication, mailing and supply services.

As of October 15, 1971, the corporation had about 220 employees, who are covered by a progressive fringe-benefit system.

The Vice President, Legal Affairs, is the corporation's chief law officer. He also has responsibilities in the field of public financing.

The Vice President, Government Affairs, is responsible for matters affecting relations between Amtrak and the Legislative and Executive branches of the Federal Government, and between Amtrak and State and municipal governments and departments, agencies and instrumentalities thereof.

The Vice President, Public Affairs, is responsible for the total corporate communication program designed to keep key public groups informed on Amtrak activities. These public groups include present and potential riders, rail management and labor, the general public, the press, and community groups. All public requests for information on schedules, fares, and train service are handled here. Staff support is also provided by the Public Affairs Department to all other departments for train promotional activities.

The Controller is responsible in the following areas: financial plans and budgets, including budgets of contracting railroads, maintains accounts and controls funds and expenditures, directs auditing activities, and reviews and audits payments to railroads for services performed.

Operations and Service Improvements

After May 1 several states requested the addition of routes under Section 403(b) and (c) of the Act, which provides for state or regional support of at least two-thirds of the Prior to the issuance of Amtrak's July 12 operating deficits. revised timetables, two such routes had been established: one between New York City and Chicago via Buffalo, Erie, Cleveland and Toledo, and another between Boston and Springfield, Massachusetts, via Worcester. In addition, two experimental routes were initiated. One serves the route through southern North Dakota and Montana with tri-weekly service between Minneapolis and Spokane, where the trains are combined with the trains over the northern route between Chicago and Seattle. The northern route is part of the basic designated system and receives daily The other experimental service, which began service on September 7, runs between Washington, D.C., and Parkersburg, West Virginia.

The northern route through Montana and North Dakota was chosen to be part of the basic system despite the population advantage along the southern route through those states, largely because of the absence of alternative modes of transportation along the northern route. The southern route, however, in addition to serving the more settled areas of the two

states, also serves as the gateway to Yellowstone Park. National Park Service officials requested Amtrak to serve Yellowstone, and considerable interest in maintaining at least a limited southern-route service was expressed by the residents along the route. As the choice for the basic service had been difficult, the southern route provided a logical area to test the actual use of a limited service and to explore various ways by which costs might be reduced and ridership built over a route typical in geographic extremes of many in the west.

The West Virginia and Maryland experimental route similarly is suited to research under a wide range of eastern railroading conditions, and in addition enables limited passenger service to be continued through historical areas and over a route with one of the longest continuous history of passenger train operations. Other parts of the Parkersburg route traverse countryside with limited alternative facilities for transportation, considerable potential for vacation and weekend travel, and widespread popular support for continued service. Current service is provided by trains of only two coaches in length and the route can be used to test the ridership acceptance and operational characteristics of other low-cost equipment that may become available for testing.

Car Purchase Program. Amtrak has entered into agreements to purchase the best 1,200 available passenger cars in the U.S. and also for the purchase of 12 new, high-speed Metroliner cars for the Northeast Corridor fleet.

The 1,200 cars -- 90 percent of them with stainless steel exteriors -- are replacing old and battered equipment wherever it is still in service as quickly as they can be made ready or moved to new routes.

With a variety of better quality passenger cars in the Amtrak fleet, Amtrak is redesigning train consists and upgrading passenger services on virtually every route, providing better dining facilities and more comfortable seating and sleeping accommodations.

The 12 new Metroliner cars -- built by the Budd Company in the late 1960's but never put into service -- will be leased for two years with an option to buy. They are electrically powered trains with a speed capability of 160 miles per hour. After certain mechanical modifications are made, they will join 49 Metroliner cars now operating in the Northeast Corridor.

The total purchase price for the cars Amtrak is acquiring outright from nine different railroads is \$16.8 million.

Amtrak is also negotiating with Penn Central for an additional 94 passenger cars but no final agreement has been reached.

Amtrak handpicked the cars it needs from among 3,000 that were used by 24 railroads prior to the restructuring of intercity passenger routes on May 1 of this year under the terms of the Rail Passenger Service Act of 1970.

A majority of Amtrak's 1,200 cars are being acquired from the western railroads which have some of the best-maintained and newest equipment available. From the Atchison, Topeka and Santa Fe, the corporation is buying 447 cars, including 73 Hi-Level coaches, diners and lounges with an average age of only 10 years. Of the 64 Union Pacific coaches Amtrak will own, half were completed in 1965 — the last year any new intercity passenger cars were built in this country with the exception of two TurboTrains and the Metroliners.

After the purchase contracts are signed, twothirds of the newly-acquired cars will be redistributed to make up new train consists. The rest will go to maintenance facilities for necessary mechanical and electrical work, refurbishing of interiors and exterior maintenance. Over the next twelve months, every car in the fleet will be rotated through the shops, emerging in prime operating condition and bearing Amtrak's visual insignia.

Some 600 cars of the total cars purchased will be assigned to high-density east coast and midwestern routes where heavy traffic and deferred maintenance have caused substantial deterioration of car interiors and on-train mechanical and electrical systems.

Because 741 of the cars selected are of stainless steel construction and 331 more have stainless steel sheathing, Amtrak will save several millions of dollars in maintenance costs in the next few years. Non-stainless-steel cars must be painted regularly to prevent corrosion and maintain external appearance.

Ninety dome cars will operate on 16 Amtrak routes including six for the first time: Harmon-Buffalo; Newport News-Chicago; Chicago-Carbondale; Chicago-St. Louis; Chicago-Detroit; and San Diego-Los Angeles. They will be restored to the Chicago-New Orleans and Chicago-Milwaukee routes.

Dome car service will be continued on eight routes: Chicago-Florida; Chicago-Houston; Chicago-Los Angeles;

Chicago-Denver; Chicago-Oakland; Chicago-Seattle; Minneapolis-Spokane; and Seattle-Portland. At a later date Amtrak plans to introduce dome cars on these routes: Los Angeles-Seattle; Los Angeles-New Orleans; and Chicago-Oakland.

Other major categories of purchase were 188 luxury coaches, 244 overnight coaches with leg-rest seats, 288 sleeping cars, 50 lounge cars and 140 dining cars of various types.

Many of the newer cars have already been placed in service on the Spirit of St. Louis between Washington and Kansas City, the Broadway Limited between New York and Chicago, and Shawnee between Chicago and Carbondale, and City of New Orleans between Chicago and New Orleans, and on trains operating between Chicago and St. Louis and New York-Cleveland-Chicago.

In addition, the three trains from New York to Florida -- the Silver Meteor, the Silver Star, and the Champion -- as well as the Chicago-Florida South Wind, will provide reclining seat coaches with leg-rests for low-cost overnight travel within the next few weeks.

Amtrak also expects to improve service by rotating some of its best equipment to meet seasonal travel needs. For example, a portion of the sleepers and sleeper-lounges now running on the peak summer routes from Chicago to Denver and Oakland will be rotated to Florida to handle heavy wintertime travel volume.

Redistribution of newer equipment will produce marked changes in the make-up of some trains. For example, most of the cars on the Broadway Limited between New York and Chicago have been replaced by equipment purchased from other railroads. Also, some of the equipment operated by Penn Central on the Boston-New York-Washington route will be newly acquired from other railroads including some Burlington Northern cars.

In addition, all Norfolk/Newport News and Washington-Chicago trains will consist of redistributed equipment from western railroads with the exception of three diner-lounge cars.

Amtrak is also readying invitations for proposals on up to 100 new diesel locomotives and 15 electric locomotives, to replace the old, worn out, and unreliable locomotives which now exist. Furthermore, it is readying invitations for proposals from various manufacturers worldwide for advanced self-propelled passenger trains.

Reservations and Information. One of the more serious problems that confronted Amtrak's management on May 1, 1971, was the difficulty customers encountered in getting information on trains, fares and accommodations. Customers were still required to go to the individual ticket offices of the railroad companies for information, reservations and ticket services. In Chicago for example, inquiries were being referred from one carrier to another just as in the past. The difficulty in consolidating these services was compounded by the existence of seven different revervation service organizations (one for each railroad) which were not connected with one another by special telephone lines and in several cases were handled from other cities by long-distance lines. It was considered critically important that a central reservation system in Chicago be installed as quickly as possible. system became operative on October 1; presently, a passenger in Chicago interested in a destination anywhere on the Amtrak system can call for reservations and information on a single telephone number and have his tickets issued at a choice of two central locations. This consolidation was widely advertised in Chicago early in October.

In Washington, D.C., where a similar situation existed, telephone numbers were consolidated for all services except for the Metroliner which, for technical reasons involving a computerized reservation system, still requires a special number.

In other cities where a single major railroad is known as the dominant carrier in the area and is well identified with Amtrak, the problem is less critical. However, Amtrak is moving toward consolidation of reservation service under a single telephone number in every Amtrak city as quickly as this can be accomplished. In addition, the extension of rapid reservation and information service to secondary cities and off-line cities through the use of various long-line telephone systems will be provided wherever feasible.

An immediate objective is to establish major regional reservation centers in Chicago and New York and eventually a nationwide central reservation system so tickets can be mailed to customers in advance of departure to their homes or offices.

Terminal Improvements. With a few exceptions, all major railroad downtown terminals on the Amtrak system are in a serious state of deterioration. Most of these terminals were built for intercity traffic volumes 30 and 40 times current levels and are now badly maintained, unattractive and

generally located in decaying or blighted neighborhoods. Nevertheless, substantial progress is being made for service improvements at certain major metropolitan locations.

At the Union Terminal in Washington, D.C., valet parking is being provided through a special entrance into the terminal building itself, under contract with Amtrak. Curbside baggage pick-up by uniformed porters is being provided and work is underway for the provision of a special Metroliner lounge in the train-departure area. In Chicago it is planned that all Amtrak trains will depart and arrive at Union Station, thereby eliminating transfers between terminals within the city.

A study of a substitute for the terminal in Cincinnati to save Amtrak some \$400,000 a year is now under way. Activities in two terminals in Houston will be consolidated into one, and work on terminal usage in Cleveland, Los Angeles, Detroit and in Florida is progressing rapidly.

Other Programs to Increase Ridership

In addition to the terminal-improvement program, Amtrak has embarked on other activities to increase ridership:

- 1. A completely new systemwide timetable has been designed for release prior to its effective date of November 14, 1971, which reflects extensive preparations for service improvements that have been underway throughout the summer. The new timetable will be given the broadest possible distribution.
- 2. A program has been developed to monitor the railroads for their on-time performance and on the cleanliness of their cars and the courtesy in their service. Amtrak receives daily reports of schedule performance from every railroad for every train operated and it receives periodic reports from Amtrak's passenger representatives as to the cleanliness of the cars and the courtesy of the service.
- 3. A program is underway to establish a simplified nationwide fare structure and introduce a standard Amtrak ticket for use in all outlets

and on all Amtrak trains. Steps are also being taken to expand the use of credit cards.

- 4. A program is being designed and implemented to intensify sales efforts by strengthening Amtrak's own sales and service organization by making increased use of travel agents and by promotional advertising.
- Regional managers have been appointed in New York and Los Angeles. is planned to appoint a regional manager in the mid-west shortly. Regional sales managers have been appointed in New York and Each regional sales manager will have control over the district sales offices which will be located in major on-line cities throughout the United States. The line sales organization will be manned by Amtrak person-Railroad company employees presently engaged in direct selling activities will receive preferential consideration for employment within good management judgment. Salesmen will seek actively to develop business from commercial sources, as well as from travel agents and government and military sources. Increasing emphasis will be placed on the movement of groups and tours including everything from longdistance package tours around the United States to shorter educational trips of school groups and church groups to historic and scenic points of interest over relatively shorter distances.
- 6. A uniform program is being developed to provide new and contemporary styles of uniforms for all employees who come in contact with the public.

Fall Service Improvements and the New Timetable

Although they are scheduled in most part to take effect after the date of this report, Amtrak's fall service revisions are the result of programs undertaken during the first year since the passage of the Act. Even though some of the groundwork was laid during the incorporation period, most of the detail work and refinements of the over-all

strategic concepts could only be undertaken as the Amtrak corporate structure was staffed with the needed specialists in various areas of marketing and operations.

The changes, set for November 14 when the new, completely redesigned timetable goes into effect, will effect all 25 routes in the corporation's network.

In the East, weekday Metroliner service between Washington, D.C., and New York will be increased from nine roundtrips to twelve. Two of the runs each way between New York and Washington will be nonstop and will increase Metroliner capacity during the morning and evening peak travel periods. All trains will make the trip in less than three hours.

For the first time, Metroliner service will be extended to New Haven, Connecticut, the northern end of electrified line. Passengers at New Haven, Bridgeport, Stamford, Connecticut, and Rye, New York, will be able to board the train in the morning and travel nonstop between New York and Washington in time for morning business conferences in the nation's capital, then return via Metroliner to New Haven in the late afternoon. Running times between Washington and New Haven will be four and one half hours.

In addition to the 12 Metroliner roundtrips, Amtrak will run 10 conventional trains each way between New York and Washington, an increase of one roundtrip. These trains will leave at least once every two hours throughout the day and will make the New York-Washington trip in four hours or less at the budget fare of \$13.

The schedule between Washington and Parkersburg, West Virginia, will be revised to enable West Virginia travelers visiting Washington to return in the same day.

Major changes will take place on the Northeast-Florida schedules as of December 17, the start of the winter season. The Silver Meteor and the Champion will provide through service between Boston and Florida. The Florida Special, an extra-luxurious winter train, will make its fastest run ever between New York and Miami, in less than 24 hours. All trains will provide convenient service to the newly opened Disney World resort complex.

In New England, the first major schedule improvements in over a decade will be made. Two conventional trains will be added each way to the present nine roundtrip New York-Boston service. The trains will make the trip in four and one half

hours, up to 30 minutes faster than the current timetable. The fastest run will continue to be the gas-turbine powered TurboTrain, which will make the 232-mile trip in three hours and 45 minutes.

Numerous scheduling improvements will be made, especially southbound, and trains will leave at regular intervals throughout the day. Most trains will leave Boston at 15 minutes before the hour or on the hour, and many will provide across-the-platform connections with Metroliners in New York.

Additional through service via Penn Station, N.Y., to points south of New York is also included in the new schedule. Six southbound and seven northbound trains will operate daily through New York between Boston and Washington, compared to the current service of three each way. One train will also operate directly between Boston and Philadelphia. Through service will be increased in the Connecticut Valley, with three trains operating from Springfield, Massachusetts. These will go through to New York, eliminating the need to change trains in Hartford or New Haven. On November 14, one of these will operate to Washington; the other will provide through service to Washington effective December 17.

In the Midwest, the Chicago-Florida timetable will be revised November 14 to provide one-day, two-night service between Chicago and Tampa-St. Petersburg or Miami. The new schedule will provide greatly improved connections at Chicago with other points in the Midwest.

The Chicago-New Orleans timetable will also undergo major revision, with the train making the run overnight rather than in the day. Sleeping cars will be added to the run, and this train will also provide much better connections at Chicago with other Midwest points.

Other Midwestern changes include through service between Milwaukee and St. Louis via Chicago with stops in the Chicago suburbs of Glenview and Joliet; an increase from four to seven roundtrips daily between Chicago and Milwaukee; a doubling of service between Chicago and Minneapolis-St. Paul; and special weekend trains to serve college travelers in the Champaign-Urbana area.

Key Western Changes include:

-- Availability for the first time of economy sleeping cars on the Super Chief between Chicago and Los Angeles.

- -- Reduction of running time by 35 minutes plus increased schedule reliability on the Chicago-Seattle Empire Builder.
- -- Increasing the number of Los Angeles-San Diego trains from two to three daily roundtrips and providing more convenient departure times.
- -- Replacing the automat cars on the San Francisco-Los Angeles and New Orleans-Los Angeles trains with regular dining car service.
- -- Increasing San Diego-San Francisco service from three times a week to daily.

Details on the schedule and service changes by region are as follows:

EAST

Metroliner Expansion: Metroliner service will increase from 18 to 24 trains daily, including two nonstops each way during peak morning and evening hours. Metroliners making regular stops will depart New York and Washington at least once each hour during prime travel periods.

Metroliner to New Haven: Two Metroliners will operate daily between Washington and New Haven allowing Connecticut and New York customers to travel to the nation's capital in the morning and return on Metroliners in the evening that run nonstop between Washington and New York. Typical running time: New Haven-Washington: four hours and 30 minutes.

Boston-New York Improvements: Four trains will be added to the Boston-New York route, making a total of 22 trains daily. Most trains will make the trip in four and one half hours or less, up to 30 minutes faster than the current timetable, and will operate at more convenient times than at present. The TurboTrain will make the New York-Boston run in three hours and 45 minutes. More trains will stop at suburban New York and Connecticut points.

Simplified Schedules: Washington and New York departures will be scheduled as follows:

Washington to New York: Every hour on the hour from 5 a.m. to 8 p.m.

New York to Washington: Every hour on the half hour from 6:30 a.m. to 9:30 p.m. (except at 4:28 p.m. and 5:28 p.m.)

New York to Boston: Ten minutes past the hour from 7 a.m. to 7 p.m. (except at 10:10 a.m. and 12:10 p.m.)

Suburban Stations: Suburban stations will be used at the new Metropark, near Garden State Parkway at Woodbridge, New Jersey, 25 miles southwest of New York City, and at Rye, New York, near the Cross Westchester Expressway, 26 miles north of New York City. They are patterned on the highly successful Capital Beltway Station in the Washington suburbs, which is to receive expanded service, both daily and weekends.

Through Trains: Six southbound and seven northbound trains will operate between Boston and Washington; also one through train each way between Boston and Philadelphia. Three through trains will operate each way between Springfield, Massachusetts, and New York. There will be two roundtrips daily between Springfield and Washington. Through coach and sleeping car service between Boston and Chicago via Washington, Charlottesville, and Cincinnati will be provided.

More Conventional Trains: Ten conventional trains will operate daily each way between New York and Washington, providing lower-cost service than the Metroliner at least once every two hours.

West Virginia Services: Service between Washington, D.C., and Parkersburg, West Virginia, will be changed to provide an earlier arrival in Washington to permit West Virginia travelers to make one-day roundtrips to the nation's capital.

Florida Changes: Numerous schedule changes will be made in Northeast Florida services effective December 17, the start of the winter season. The Champion and Meteor will provide through service between Boston and Florida points. The Meteor will run nonstop between Richmond, Virginia, and Savannah, Georgia. The Florida Special, an extra-fare luxury train, will resume winter service and will make the New York-Miami run in less than 24 hours, traveling nonstop between Richmond, Virginia, and Winter Haven, Florida. Champion will provide service for the newly opened Disney World near Sanford, Florida. The Silver Star will leave New York at 8 a.m. daily and will provide daytime service in both directions between Columbia, South Carolina, and New York.

MIDWEST

St. Louis-Milwaukee: For the first time in history, there will be two roundtrips daily between St. Louis and Milwaukee, via Chicago. The trains will stop in Chicago's northern suburb of Glenview and southern suburb of Joliet.

<u>Chicago-Milwaukee</u>: Service between Chicago and Milwaukee will be increased from four to seven roundtrips daily, spaced throughout the day.

Chicago-Twin Cities: Service will be doubled between Chicago and Minneapolis-St. Paul, with two roundtrips daily. The Empire Builder will make only three stops and travel between Chicago and Minneapolis in seven and one half hours, 25 minutes faster than the current schedule.

Chicago-New Orleans: The daily train between Chicago and New Orleans will be changed from a daytime run to an overnight schedule. It will carry sleeping cars, diners, and coaches.

Chicago-Miami: Trains will leave each city in the evening instead of morning and will take one day and two nights instead of two full days and one night as the current schedule provides. The new schedule will provide good connections to and from Detroit, the Twin Cities, Milwaukee, and other midwestern cities.

Illinois Service: Special weekend trains will be added between the Chicago area and the University of Illinois at Champaign-Urbana.

WEST

New Orleans-Los Angeles: Coin-operated food service will be replaced by regular dining car service.

Chicago-Los Angeles: Economy sleeping cars will be put on the Super Chief for the first time.

Chicago-Seattle: The Empire Builder will run on a schedule between Chicago and Seattle 35 minutes faster than the current one.

Los Angeles-San Diego: Service is being expanded to three roundtrips daily -- up from two a day and one

tri-weekly -- and schedules will be changed to make it easier for passengers to spend the day in either city and return in the evening.

Seattle-San Diego: The train will arrive in Los Angeles earlier to make better connections with the eastbound Super Chief and will run daily between Oakland/San Francisco and San Diego instead of tri-weekly. The automat car will be replaced with a dining car.

Chicago-Denver: The daily Denver Zephyr will be put on an improved overnight schedule, leaving Chicago at the end of the day and arriving in Denver the next morning. Eastbound, the train will depart Denver in the evening and arrive in Chicago the next morning. The new schedule will be especially convenient for businessmen, who can board the train at the end of the regular business day and arrive at their destination the following morning in time for morning conferences.

Seattle-Portland: Seattle and Portland departure times are being changed to allow convenient one-day round trips.

Summary of Activities After May 1, 1971

In the six months since May 1, Amtrak --

- Has structured and is taking the necessary steps to bring into being a truly national intercity rail passenger system in the United States. . .
- Has transferred national intercity rail passenger operations from private railroads to a single, unified, corporation responsible to the public. . .
 - Has added routes and revised schedules. . .
- Is acquiring the best available passenger cars in the nation. . .
- Is redistributing this equipment to provide the maximum of service to the greatest number of passengers. . .
- Has instituted a corrective maintenance program to insure that every Amtrak passenger car is in top operating condition. . .

- Has set up systemwide standards for measuring on-time performance and for collecting reliable ridership data. . .
- Is initiating aggressive marketing and promotional programs. . .
- Has embarked upon establishing a centralized, nationwide reservations and ticketing program. . .
- Has put passenger service representatives on trains to assist passengers and to learn about their preferences, needs and satisfactions. . .
 - Has instituted major cost reduction programs:
 - (a) Eliminating wasteful terminals, and consolidating operations and services at others.
 - (b) Reducing the size of train consists, and making changes in the kinds of cars in the consists.
 - (c) Consolidating commissaries.
 - (d) Consolidating ticketing and reservations service.
- Is making an in-depth audit of railroad bills by Amtrak's independent auditors, to ensure that costs charged to Amtrak are proper. It is expected that this audit will be completed sometime around the end of the year.

Financial Outlook

At the present time Amtrak is confronted with a serious funding problem, which must be resolved quickly in order for it to meet its operating plans and at the same time make the necessary expenditures and commitments for passenger cars, locomotives and other equipment.

The financial resources that have been available to Amtrak consist of the \$40 million grant appropriated in January, 1971, the one-time railroad entry fee in the total amount of \$197 million that is payable monthly over a three-year period and \$100 million in guaranteed loan authority.

The \$40 million grant was exhausted in July and since that time Amtrak has met its operating deficits by using the monthly railroad entry-fee payments. It is estimated that Amtrak's disbursements will exceed revenues by November of this year. At that time it will be necessary for Amtrak to start using the \$100 million in guaranteed loans. It would be most unwise for Amtrak to continue exhausting its resources in this way, however, because doing so will impair Amtrak's ability to make planned future expenditures and commitments for passenger cars, locomotives and other equipment.

Amtrak believes that a request for additional funding now of \$170 million is the soundest and most logical manner in which to seek a resolution to this financial problem. A summary discussion of the proposed solution follows.

Amtrak's equipment program is of paramount importance in the rehabilitation of the United States intercity passenger service and is estimated to cost \$147.5 million through June 30, 1973. These expenditures are expected to total \$64.1 million in fiscal year 1972 plus \$83.4 million in fiscal year 1973 and will be primarily devoted to the purchase and modernization of our passenger fleet. Additional expenditures of the same character will be required in succeeding years.

It is estimated that Amtrak's fiscal year 1972 operating deficit will be \$152.3 million. For fiscal 1973, a net improvement of \$28.5 million resulting in a reduced operating deficit of \$123.8 million is anticipated. Together, the deficits total \$276.1 million through June 30, 1973.

As Amtrak is required by law to operate the basic rail passenger system at least through June 30, 1973, and at the same time upgrade the passenger fleet, it is necessary that resources be replenished through June 30, 1973 by the appropriation of \$170,000,000. This would put Amtrak in position to go forward with the necessary equipment program and fulfill all operating goals through that date.

The following tables set forth in full Amtrak's financial problem and the proposed solution.

NATIONAL RAILROAD PASSENGER CORPORATION

STATEMENT OF RECEIPTS AND DISBURSEMENTS OF FEDERAL FUNDS FROM OCTOBER 30, 1970 TO JUNE 30, 1971

	(000)
Cash balance October 30, 1970	\$ -
Receipts	
Federal Grant Miscellaneous	24,575 8
	24,583
Expenditures	
Advance for railroad operating deficit Advance for avoidable costs Directors fees & travel expenses Salaries Employee travel expenses Consultants fees General & Administrative Expense	20,341 483 177 120 47 3,078 286
	24,532
Cash balance June 30, 1971	51
Federal funds receivable - Balance of letters of credit Application pending	1,425 14,000
Balance of Federal fund resources at June 30, 1971	\$15,476

NATIONAL RAILROAD PASSENGER CORPORATION

Estimate of Revenues and Expenses Fiscal Years 1972 and 1973

Dollars in Millions

FY 73 Adjustments

	FY 72	Revenue Increases & Cost Reduc.	Labor & Material Cost Increase	TOTAL	FY 73
Railroad Operating Rev.	\$149.2	\$35.0		\$35.0	\$184.2
Railway Operating Expens	e				
Maintenance of Way Maintenance of Equip. Traffic Transportation Misc. & General Tax Accruals Net Rents	21.0 61.0 8.0 124.4 30.5 15.1 3.9	(7.8) (8.0) (1.0)	1.9 4.8 .8 10.4 2.7 .8 0	1.0 (3.0) .8 2.4 1.7 .8 0	22.9 58.0 8.8 126.8 32.2 15.9 3.9
Subtotal	263.9	(16.8)	21.4	4.6	268.5
Additional Avoidable Cost Assumption of Risk TOTAL EXPENSE	$\frac{7.2}{10.8} \\ \frac{281.9}{}$	(.8) (.7) (18.3)	1.0	.2 .2 5.0	$\frac{7.4}{11.0}$ $\frac{286.9}{11.0}$
Net Loss from Railroad Operations	132.7	(<u>53.3</u>)	23.3	(30.0)	102.7
NRPC Operating Costs					
Equip. Use Cost Sales & Service Cost Ge n eral & Admin.	7:1 4.0 8.5	2.3 (1.8)[1	.3	2.3 .3 (1.1)	9.4 4.3 7.4
TOTAL	19.6	.5	1.0	$\frac{\overline{}}{1.5}$	21.1
Net Deficit	152.3	(52.8)	24.3	(28.5)	123.8

^[1] Non-recurring start-up costs

NATIONAL RAILROAD PASSENGER CORPORATION

RECONCILIATION OF ADDITIONAL FUNDING REQUIRED THROUGH JUNE 30, 1973

CASH REQUIREMENTS

	(Millions)
Estimated Net Deficit, Fiscal Year Ending June 30, 1972	\$152.3
Less: Balance of Federal Fund Resources, July 1, 1971	15.5
Additional Funds Required, FY 1972	136.8
Plus: Estimated Net Deficit, Fiscal Year Ending June 30, 1973	123.8
Operating Funds Required, FY 1972 & 1973	260.6
Less: Depreciation 7.4 Plus: Interest on Guaranteed Loans 10.0	2.6
Total Cash Deficit	263.2
Capital Program Through June 30, 1973	147.5
Total - Cash Requirements	410.7
CASH RESOURCES	
Guaranteed Loans	100.00
Railroad Entry Fees	143.3
Additional Appropriation	170.0
Less: Reserve for Under-estimate of Cash Requirements	2.6
Total - Cash Resources	410.7

III. Conclusion

To begin service by May 1 it was necessary to take over the existing schedules and the equipment then in service Amtrak was immediately plagued by comwith little change. plaints of equipment failures, inadequate and dirty facilities, locomotive breakdowns, and poor service, and most of such complaints were fully justified. This report recounts the steps Amtrak has taken in its first six months of operation to make a start towards making the trains worth riding again, and to persuade people to return to this means of travel. They are small steps, when measured by the tasks Amtrak faces, and by their complexities, but the start has been made. Amtrak is confident that the steps toward the goal of Congress in enacting the Rail Passenger Service Act of 1970 will become bigger and bigger as the future unfolds.

And About the Future . . .

The first sentence of the Rail Passenger Service Act of 1970 declares that the nation must not only be served by a modern, efficient, intercity railroad passenger service, but that the "public convenience and necessity require the continuance and improvement of such service".

The introductory section of the Act further notes that rail passenger service "can help to end the congestion on our highways and the overcrowding of airways and airports", and that "the traveler in America should to the maximum extent feasible have freedom to choose the mode of travel most convenient to his needs."

The United States is a diverse nation, geographically and in the needs and desires of its people. Few would seriously question the proposition that rail passenger service, in the forms we now have and in new forms over the technological horizon, has a constructive role to play in helping to meet these diverse needs. The market for rail passenger service over the preceding decades has constricted compared to other modes of travel, but it is still large in absolute numbers of persons who wish to be served.

America has changed, but more importantly, it continues to change. Meeting today's needs and helping to solve today's problems is important but not sufficient. The Congress, in enacting the Rail Passenger Service Act, looked resolutely

toward the future while designing an approach that could begin today. In the years to come, intercity rail passenger service can become a highly efficient alternative to air and highway travel serving the busy population corridors and a burgeoning leisure market as well. Travel time can be decreased and comfort and convenience expanded. Major capital-improvement programs that may now seem visionary will prove most practical as costs and problems mount for other travel technologies and as their use approaches saturation levels.

Possible technical advances promise revolutionary advances in fixed-rail transportation, some using radically new track structures guiding cars suspended by air cushions or magnetic fields. Closer to practical use is equipment that can make better use of the conventional steel rail and crosstie tracks already in place. In this country the technology of the Metroliners and the TurboTrains represents steps in dramatically advancing the improving service over the existing tracks and routes. Research on similar equipment and track improvements to conventional track is being carried forward abroad as well. While more unconventional technology is being developed much progress can be made in upgrading and advancing the present steel-wheel and steelrail system, and for the immediate future these evolutionary improvements will play an essential role in revitalizing rail travel.

Perhaps as important as new equipment designs but often overlooked, however, are advances in the way management can be organized so that service improvements are facilitated. Changing the basic institutional arrangements can generate revolutionary progress in achieving the larger goals for which new equipment is only a means to an end. From this view, the real revolution that has been set in motion was created by the passage of the Act. On October 30, 1970, when the Act was signed into law, intercity rail passenger transportation in the United States entered the future.

Rail passenger service has for the first time been placed nationally under one management, devoted to no other purpose than making the trains worth traveling again. Support for this goal as a national need stems from the highest levels of our government, reflecting the national interest as set forth in the Act. National resources are being committed on a broadening front to advance and improve rail travel.

From all this can flow many benefits. This report can chronicle only the beginning, but a start has been made toward achieving intercity rail passenger services that will be an essential part of a balanced national transportation system.



Public Law 91-518 91st Congress, H. R. 17849 October 30, 1970

An Act

To provide financial assistance for and establishment of a national rail passenger system, to provide for the modernization of railroad passenger equipment, to authorize the prescribing of minimum standards for railroad passenger service, to amend section 13a of the Interstate Commerce Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rail Passenger Service Act of 1970".

Rail Passenger Service Act of

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

84 STAT. 1327 84 STAT. 1328

SEC. 101. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE.

The Congress finds that modern, efficient, intercity railroad passenger service is a necessary part of a balanced transportation system; that the public convenience and necessity require the continuance and improvement of such service to provide fast and comfortable transportation between crowded urban areas and in other areas of the country; that rail passenger service can help to end the congestion on our highways and the overcrowding of airways and airports; that the traveler in America should to the maximum extent feasible have freedom to choose the mode of travel most convenient to his needs; that to achieve these goals requires the designation of a basic national rail passenger system and the establishment of a rail passenger corporation for the purpose of providing modern, efficient, intercity rail passenger service; that Federal financial assistance as well as investment capital from the private sector of the economy is needed for this purpose; and that interim emergency Federal financial assistance to certain railroads may be necessary to permit the orderly transfer of railroad passenger service to a railroad passenger corporation.

SEC. 102. DEFINITIONS.

For the purposes of this Act-

(1) "Railroad" means a common carrier by railroad, as defined in section 1(3) of part I of the Interstate Commerce Act, as amended (49 U.S.C. 1(3)) other than the corporation created by title III of 41 Stat. 474; this Act 54 Stat. 899.

his Act.

(2) "Secretary" means the Secretary of Transportation or his dele-Post, p. 1330.

gate unless the context indicates otherwise.

(3) "Commission" means the Interstate Commerce Commission.
(4) "Basic system" means the system of intercity rail passenger

service designated by the Secretary under title II and section 403(a) of this Act.

Post, pp.1329,

- (5) "Intercity rail passenger service" means all rail passenger service other than (A) commuter and other short-haul service in metropolitan and suburban areas, usually characterized by reduced fare, multiple-ride and commutation tickets, and by morning and evening peak period operations, and (B) auto-ferry service characterized by transportation of automobiles and their occupants where contracts for such service have been consummated prior to enactment of this Act.
- (6) "Avoidable loss" means the avoidable costs of providing passenger service, less revenues attributable thereto, as determined by the Interstate Commerce Commission pursuant to the provisions of section 553 of title 5, United States Code.
- (7) "Corporation" means the National Railroad Passenger Corporation created under title III of this Act.

Preliminary

report to ICC

and Congress.

(8) "Regional transportation agency" means an authority, corporation, or other entity established for the purpose of providing passenger service within a region.

TITLE II--BASIC NATIONAL RAIL PASSENGER SYSTEM

SEC. 201. DESIGNATION OF SYSTEM.

In carrying out the congressional findings and declaration of purpose set forth in title I of this Act, the Secretary, acting in cooperation with other interested Federal agencies and departments, is authorized and directed to submit to the Commission and to the Congress within thirty days after the date of enactment of this Act his preliminary report and recommendations for the basic system. Such recommendations shall specify those points between which intercity passenger trains shall be operated, identify all routes over which service may be provided, and the trains presently operated over such routes, together with basic service characteristics of operations to be provided within the basic system, taking into account schedules, number of trains, connections, through car service, and sleeping, parlor, dining, and lounge facilities. In recommending the basic system the Secretary shall take into account the need for expeditious intercity rail passenger service within and between all regions of the continental United States, and the Secretary shall consider the need for such service within the States of Alaska and Hawaii and the Commonwealth of Puerto Rico. In formulating such recommendations the Secretary shall consider opportunities for provision of faster service, more convenient service, service to more centers of population, and service at lower cost, by the joint operation, for passenger service, of facilities of two or more railroad companies; the importance of a given service to overall viability of the basic system; adequacy of other transportation facilities serving the same points; unique characteristics and advantages of rail service as compared to other modes of transportation; the relationship of public benefits of given services to the costs of providing such services; and potential profitability of the service. The exclusion of a particular route, train, or service from the basic system shall not be deemed to create a presumption that the route, train, or service is not required by public convenience and necessity in any proceeding under section 13a of the Interstate Commerce Act (49 U.S.C. 13a).

72 Stat. 571.

SEC. 202. REVIEW OF THE BASIC SYSTEM.

The Commission, the State Commissions, the representatives of the railroads, and labor organizations duly authorized under the Railway Labor Act to represent railroad employees shall, within thirty days after receipt of the preliminary report of the Secretary designating the basic system, review such report consistent with the purposes of this Act and provide the Secretary with their comments and recommendations in writing. The Secretary shall give due consideration to such comments and recommendations. The Secretary shall, within ninety days after the date of enactment of this Act, submit his final report designating the basic system to the Congress. Such final report shall include a summary of their recommendations together with his reasons for failing to adopt any such recommendation. The basic system as designated by the Secretary shall become effective for the purposes of this Act upon the date that the final report of the Secretary is submitted to Congress and shall not be reviewable in any court.

44 Stat. 577; 49 Stat. 1189. 45 USC 151-188.

Final report to Congress.

Effective date.

TITLE III—CREATION OF A RAIL PASSENGER CORPORATION

SEC. 301. CREATION OF THE CORPORATION.

There is authorized to be created a National Railroad Passenger Corporation. The Corporation shall be a for profit corporation, the purpose of which shall be to provide intercity rail passenger service, employing innovative operating and marketing concepts so as to fully develop the potential of modern rail service in meeting the Nation's intercity passenger transportation requirements. The Corporation will not be an agency or establishment of the United States Government. It shall be subject to the provisions of this Act and, to the extent consistent with this Act, to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.

SEC. 302. PROCESS OF ORGANIZATION.

The President of the United States shall appoint not fewer than three incorporators, by and with the advice and consent of the Senate, who shall also serve as the board of directors for one hundred and eighty days following the date of enactment of this Act. The incorporators shall take whatever actions are necessary to establish the Corporation, including the filing of articles of incorporation, as approved by the President.

SEC. 303. DIRECTORS AND OFFICERS.

(a) The Corporation shall have a board of fifteen directors consist- Board of ing of individuals who are citizens of the United States, of whom one directors. shall be elected annually by the board to serve as chairman. Eight members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, for terms of four years or until their successors have been appointed and qualified, except that the first three members of the board so appointed shall continue in office for terms of two years, and the next Mree members for terms of three years. Any member appointed to fill a vacancy may be appointed only for the unexpired term of the director whom he succeeds. At all times the Secretary shall be one of the members of the board of directors appointed by the President and at all times at least one such member shall be a consumer representative. Three members of the board shall be elected annually by common stockholders, and four shall be elected annually by preferred stockholders of the Corporation. The members of the board appointed by the President and those elected by common stockholders shall take office on the one hundred and eighty-first day after the date of enactment of this Act. Election of the remaining four members of the board shall take place as soon as practicable after the first issuance of preferred stock by the Corporation. Pending election of the remaining four members, seven members shall constitute a quorum for the purpose of conducting the business of the board. No director appointed Conflict of by the President may have any direct or indirect financial or employ- interest, proment relationship with any railroad during the time that he serves on hibition. the board. Each of the directors not employed by the Federal Govern- Compensation, ment shall receive compensation at the rate of \$300 for each meeting travel exof the board he attends. In addition, each director shall be reim- penses. bursed for necessary travel and subsistence expenses incurred in attending the meetings of the board. No director elected by railroads shall vote on any action of the board of directors relating to any contract or operating relationship between the Corporation and a railread, but he may be present at meetings of the board at which such matters are voted upon, and he may be included for purposes of

68 Stat. 177; 73 Stat. 242. D. C. Code 29-901. Incorporators, appointment by President.

determining a quorum and may participate in discussions at any such

By laws.

(b) The board of directors is empowered to adopt and amend bylaws governing the operation of the Corporation. Such bylaws shall not be inconsistent with the provisions of this Act or of the articles of incorporation.

(c) The articles of incorporation of the Corporation shall provide for cumulative voting for all stockholders and shall provide that, upon conversion of one-fourth of the outstanding shares of preferred stock, the common stockholders shall be entitled to elect four directors and the preferred stockholders shall be entitled to elect three directors; upon the conversion of one-half of the outstanding shares of preferred stock, the common stockholders shall be entitled to elect five directors and the preferred stockholders shall be entitled to elect two directors; upon the conversion of three-fourths of the outstanding shares of preferred stock, the common stockholders shall be entitled to elect six directors and the preferred stockholders shall be entitled to elect one director; and upon conversion of all outstanding shares of preferred stock, the common stockholders shall be entitled to elect seven directors. Any change of directors resulting from such stock conversion shall take effect at the next annual meeting of the Corporation following such stock conversion.

President and officers of corporation.

(d) The Corporation shall have a president and such other officers as may be named and appointed by the board. The rates of compensation of all officers shall be fixed by the board. Officers shall serve at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the Corporation. No officer of the Corporation may have any direct or indirect employment or financial relationship with any railroad during the time of his employment by the Corporation.

SEC. 304. FINANCING OF THE CORPORATION.

Stock issues, restriction.

54 Stat. 899.

49 USC 1.

(a) The Corporation is authorized to issue and have outstanding, in such amounts as it shall determine, two issues of capital stock, a common and a preferred, each of which shall carry voting rights and be eligible for dividends. Common stock may be initially issued only to a railroad. Preferred stock may be issued to and held only by any person other than (1) a railroad or (2) any person controlling one or more railroads, as defined in section 1(3)(b) of the Interstate Commerce Act. The articles of incorporation of the Corporation shall

provide for the following respective rights of each issue of stock:

(A) COMMON STOCK.—Common stock shall have a par value of \$10 per share and shall be designated fully paid and nonassessable. No dividends shall be paid on the common stock whenever dividends on the preferred stock are in arrears.

(B)(i) Preferred stock.—Preferred stock shall have a par value of \$100 per share and shall be designated fully paid and nonassessable. Dividends shall be fixed at a rate not less than 6 per centum per annum, and shall be cumulative so that, if for any dividend period dividends at the rate fixed in the articles of incorporation shall not have been declared and paid or set aside for payment on the preferred shares, the deficiency shall be declared and paid or set apart for payment prior to the making of any dividend or other distribution on the common shares.

(ii) Preferred stock shall be entitled to a liquidation preference over common stock, which shall entitle preferred stockholders to a liquidating payment not less than par value plus all accrued unpaid dividends prior to any payment on liquidation to common

stockholders.

(iii) Preferred stock shall be convertible into shares of common stock at such time and upon such terms as the articles of incorporation shall provide.

(b) At no time after the initial issue is completed shall the aggre- Stock ownergate of the shares of common stock of the Corporation owned by a ship, limisingle railroad or by any person controlling one or more railroads, as tation. defined in section 1(3)(b) of the Interstate Commerce Act, directly 54 Stat. 899. or indirectly through subsidiaries or affiliated companies, nominees, or 49 USC 1. any person subject to its direction or control, exceed 331/3 per centum of such shares issued and outstanding.

(c) At no time may any stockholder, or any syndicate or affiliated group of such stockholders, own more than 10 per centum of the shares of preferred stock of the Corporation issued and outstanding.

(d) The articles of incorporation shall provide that no shares of any issue of stock may be redeemed or repurchased for five years, following the date of enactment of this Act.

(e) The Corporation is authorized to issue, in addition to the stock Bonds, seouauthorized by subsection (a) of this section, nonvoting securities, rities, etc., bonds, debentures, and other certificates of indebtedness as it may authorization.

(f) The requirement of section 45(b) of the District of Columbia Inspection rights Business Corporation Act (D.C. Code, sec. 29-920(b)) as to the percentage of stock which a stockholder must hold in order to have the rights of inspection and copying set forth in that subsection shall not be applicable in the case of holders of the stock of the Corporation, and they may exercise such rights without regard to the percentage of stock they hold.

SEC. 305. GENERAL POWERS OF THE CORPORATION.

The Corporation is authorized to own, manage, operate, or contract for the operation of intercity trains operated for the purpose of providing modern, efficient, intercity transportation of passengers and to carry mail and express on such trains; to conduct research and development related to its mission; and to acquire by construction, purchase, or gift, or to contract for the use of, physical facilities, equipment, and devices necessary to rail passenger operations. The Corporation shall, consistent with prudent management of the affairs of the Corporation, rely upon railroads to provide the employees necessary to the operation and maintenance of its passenger trains and to the performance of all services and work incidental thereto, to the extent the railroads are able to provide such employees and services in an economic and efficient manner. To carry out its functions and purposes, the Corporation shall have the usual powers conferred upon a stock corporation by the District of Columbia Business Corporation Act.

SEC. 306. APPLICABILITY OF THE INTERSTATE COMMERCE ACT AND D. C. Code OTHER LAWS.

(a) The Corporation shall be deemed a common carrier by railroad within the meaning of section 1(3) of the Interstate Commerce Act 41 Stat. 474; and shall be subject to all provisions of the Interstate Commerce Act 54 Stat. 899. other than those pertaining to-

(1) regulation of rates, fares, and charges;

(2) abandonment or extension of lines of railroads utilized solely for passenger service, and the abandonment or extension of operations over such lines of railroads, whether by trackage rights

(3) regulation of routes and service and, except as otherwise provided in this Act, the discontinuance or change of passenger train service operations.

68 Stat. 179; 73 Stat. 242. 29-901.

49 USC 1.

(b) The Corporation shall be subject to the same laws and regulations with respect to safety and with respect to the representation of its employees for purposes of collective bargaining, the handling of disputes between carriers and their employees, employee retirement, annuity and unemployment systems, and other dealings with its employees as any other common carrier subject to part I of the Interstate Commerce Act.

24 Stat. 379; 54 Stat. 919. 49 USC 27 and note.

- (c) The Corporation shall not be subject to any State or other law pertaining to the transportation of passengers by railroad as it relates to rates, routes, or service.
- (d) Leases and contracts entered into by the Corporation, regardless of the place where the same may be executed, shall be governed by the laws of the District of Columbia.
- (e) Persons contracting with the Corporation for the joint use or operation of such facilities and equipment as may be necessary for the provision of efficient and expeditious passenger service shall be and are hereby relieved from all prohibitions of existing law, including the antitrust laws of the United States, with respect to such contracts, agreements, or leases insofar as may be necessary to enable them to enter into such contracts and to perform their obligations thereunder.

- (a) If the Corporation or any railroad engages in or adheres to any action, practice, or policy inconsistent with the policies and purposes of this Act, obstructs or interferes with any activities authorized by this Act, refuses, fails, or neglects to discharge its duties and responsibilities under this Act, or threatens any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which the Corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States or, in a case involving a labor agreement, upon petition of any employee affected thereby, including duly authorized employee representatives, to grant such equitable relief as may be necessary or appropriate to prevent or terminate any violation, conduct, or threat.
- (b) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be

imposed otherwise than under this Act.

SEC. 308. REPORTS TO THE CONGRESS.

Annual reports.

Legislative recommendations

Biennial reports.

(a) The Corporation shall transmit to the President and the Congress, annually, commencing one year from the date of enactment of this Act, and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act, including a statement of receipts and expenditures for the previous year. At the time of its annual report, the Corporation shall submit such legislative recommendations as it deems desirable, including the amount of financial assistance needed for operations and for capital improvements, the manner and form in which the amount of such assistance should be computed, and the sources from which such assistance should be derived.

(b) The Secretary and the Commission shall transmit to the President and the Congress, one year following the date of enactment of this Act and biennially thereafter, reports on the state of rail passenger service and the effectiveness of this Act in meeting the requirement for a balanced national transportation system, together with

any legislative recommendations.

TITLE IV—PROVISION OF RAIL PASSENGER SERVICES

- 7 -

SEC. 401. ASSUMPTION OF PASSENGER SERVICE BY THE CORPORA-TION; COMMENCEMENT OF OPERATIONS.

(a) (1) On or before May 1, 1971, the Corporation is authorized Intercity rail to contract and, upon written request therefor from a railroad, shall passenger servtender a contract to relieve the railroad, from and after May 1, 1971, of its entire responsibility for the provision of intercity rail passenger service. On or after March 1, 1973, but before January 1, 1975, the Corporation is authorized to contract, and upon written request therefor, shall tender a contract to relieve the railroad of its entire responsibility for the provision of intercity rail passenger service and such relief shall become effective upon the date on which such contract is entered into. Contracts may be entered into on or before May 1, 1971, notwithstanding the fact that the decision of the Commission under section 102(f) of this Act with respect to avoidable loss Ante, p. 1328. has not become final. Any contract entered into before such decision of the Commission has become final shall be subject to adjustment to assure that the contract is consistent with such final decision of the Commission. The contract may be made upon such terms and conditions as necessary to permit the Corporation to undertake passenger service on a timely basis. Upon its entering into a valid contract (including protective arrangements for employees), the railroad shall be relieved of all its responsibilities as a common carrier of passengers by rail in intercity rail passenger service under part I of the Interstate Commerce Act or any State or other law relating to the provision of 24 Stat. 379; intercity passenger service: Provided, That any railroad discontinu- 54 Stat. 919. ing a train hereunder must give notice in accordance with the notice 49 USC 27 and procedures contained in section 13a(1) of the Interstate Commerce note, 72 Stat. 571.

(2) In consideration of being relieved of this responsibility by the Passenger serv-Corporation, the railroad shall agree to pay to the Corporation each ice deficit payyear for three years an amount equal to one-third of 50 per centum ments. of the fully distributed passenger service deficit of the railroad as reported to the Commission for the year ending December 31, 1969. The payment to the Corporation may be made in cash or, at the option of the Corporation, by the transfer of rail passenger equipment or the provision of future service as requested by the Corporation. Unless the railroad waives all rights to receive stock in exchange for its payments, the railroad shall receive common stock from the Corporation in an amount equivalent in par value to each payment.

(3) In agreeing to pay the amount specified in paragraph (2) of this subsection, a railroad may reserve the right to pay a lesser sum to be determined by calculating either of the following:

(A) 100 per centum of the avoidable loss of all intercity rail passenger service operated by the railroad during the period January 1, 1969, through December 31, 1969; or

(B) 200 per centum of the avoidable loss of the intercity rail passenger service operated by the railroad during the period January 1, 1969, through December 31, 1969, covering all intercity service over the routes between those points between which the Secretary, under sections 201 and 202 of title II of this Act, Ante, p. 1329. has specified that intercity passenger trains shall be operated within the basic system.

If the amount owed the Corporation under either of these alternatives is agreed by the parties to be less than the amount paid pursuant to paragraph (2), the Corporation shall pay the difference to the railroad and the railroad shall surrender to the Corporation an amount of stock, at par value, equivalent to such payment. If the railroad and the

ice, contracts.

49 USC 13a.

84 STAT. 1335

Corporation are unable to agree as to the amount owed, the matter shall be referred to the Interstate Commerce Commission for decision. The Commission, upon investigation, shall decide the issue within ninety days following the date of referral, or within such additional time as the Commission may order not to exceed an aggregate of one hundred and eighty days following such date of referral, and its decision shall be binding on both parties.

Payment schedule. decision shall be binding on both parties.

(4) The payments to the Corporation shall be made in accordance with a schedule to be agreed upon between the parties. Unless the parties otherwise agree, the payments for each of the first twelve months following the date on which the Corporation assumes any of the operational responsibilities of the railroad shall be in cash and not less than one thirty-sixth of the amount owed.

Commencement of operations.

not less than one thirty-sixth of the amount owed.

(b) On May 1, 1971, the Corporation shall begin the provision of intercity rail passenger service between points within the basic system unless such service is being provided (i) either by a railroad with which it has not entered into a contract under subsection (a) of this section or (ii) by a regional transportation agency, provided such agency gives satisfactory assurance to the Corporation of the agency's financial and operating capability to provide such service, and of its willingness to cooperate with the Corporation and with other regional transportation agencies on matters of through train service, through car service, and connecting train service. The Corporation may at any time subsequent to May 1, 1971, contract with a regional transportation agency to provide intercity rail passenger service between points within the basic system included within the service of such agency.

(c) No railroad or any other person may, without the consent of the Corporation, conduct intercity rail passenger service over any route over which the Corporation is performing scheduled intercity rail passenger service pursuant to a contract under this section.

SEC. 402. FACILITY AND SERVICE AGREEMENTS.

(a) The Corporation may contract with railroads or with regional transportation agencies for the use of tracks and other facilities and the provision of services on such terms and conditions as the parties may agree. In the event of a failure to agree, the Interstate Commerce Commission shall, if it finds that doing so is necessary to carry out the purposes of this Act, order the provision of services or the use of tracks or facilities of the railroad by the Corporation, on such terms and for such compensation as the Commission may fix as just and reasonable, and the rights of the Corporation to such services or to the use of tracks or facilities of the railroad or agency under such order or under an order issued under subsection (b) of this section shall be conditioned upon payment by the Corporation of the compensation fixed by the Commission. If the amount of compensation fixed is not duly and promptly paid, the railroad or agency entitled thereto may bring an action against the Corporation to recover the amount properly owed.

(b) To facilitate the initiation of operations by the Corporation

(b) To facilitate the initiation of operations by the Corporation within the basic system, the Commission shall, upon application by the Corporation, require a railroad to make immediately available tracks and other facilities. The Commission shall thereafter promptly proceed to fix such terms and conditions as are just and reasonable.

SEC. 403. NEW SERVICE.

(a) The Corporation may provide intercity rail passenger service in excess of that prescribed for the basic system, either within or outside the basic system, including the operation of special and extra passenger trains, if consistent with prudent management. Any intercity rail passenger service provided under this subsection for a continuous period of two years shall be designated by the Secretary as a part of the basic system.

Prohibition.

Interstate Commerce Commission, authority.

84 STAT. 1336

(b) Any State, regional, or local agency may request of the Corpo- Rail service ration rail passenger service beyond that included within the basic beyond basic system. The Corporation shall institute such service if the State, regional, or local agency agrees to reimburse the Corporation for a reasonable portion of any losses associated with such services.

(c) For purposes of this section the reasonable portion of such Reimbursement losses to be assumed by the State, regional, or local agency, shall be no less than 66% per centum of, nor more than, the solely related costs and associated capital costs, including interest on passenger equipment, less revenues attributable to, such service. If the Corporation and the State, regional, or local agency are unable to agree upon a reasonable apportionment of such losses, the matter shall be referred to the Secretary for decision. In deciding this issue the Secretary shall take into account the intent of this Act, and the impact of requiring the Corporation to bear such losses upon its ability to provide improved service within the basic system.

SEC. 404. DISCONTINUANCE OF SERVICE.

(a) Unless it has entered into a contract with the Corporation pursuant to section 401(a)(1) of this Act, no railroad may discontinue any intercity passenger train whatsoever prior to January 1, 1975, the provisions of any other Act, the laws or constitution of any State, or the decision or order of, or the pendency of any proceeding before, a Federal or State court, agency, or authority to the contrary notwithstanding. On and after January 1, 1975, passenger train service operated by such railroad may be discontinued under the provisions of section 13a of the Interstate Commerce Act. Upon filing of a notice 72 Stat. 571. of discontinuance by such railroad, the Corporation may undertake to 49 USC 13a. initiate passenger train operations between the points served.

(b) (1) The Corporation must provide the service included within the basic system until July 1, 1973, to the extent it has assumed responsibility for such service by contract with a railroad pursuant to section

401 of this Act.

(2) Except as provided in section 403(a) of this Act, service beyond that prescribed for the basic system undertaken by the Corporation

upon its own initiative may be discontinued at any time.

(3) If at any time after July 1, 1973, the Corporation determines that any train or trains in the basic system in whole or in part are not required by public convenience and necessity, or will impair the ability of the Corporation to adequately provide other services, such train or trains may be discontinued under the procedures of section 13a of the Interstate Commerce Act (49 U.S.C. 13a): Provided, how-Notice to ever. That at least thirty days prior to any change or discontinuance, in whole or in part, of any service under this subsection, the Corporation shall mail to the Governor of each State in which the train in question is operated, and post in every station, depot, or other facility served thereby notice of the proposed change or discontinuance. The Corporation may not change or discontinue this service if prior to the end of the thirty-day notice period, State, regional, or local agencies request continuation of the service and within ninety days agree to reimburse the Corporation for a reasonable portion of any losses associated with the continuation of service beyond the notice period.

(4) For the purposes of paragraph (3) of this subsection, the reasonable portion of such losses to be assumed by the State, regional, or local agency shall be no less than 66% per centum of, nor more than, the solely related costs and associated capital costs, including interest on passenger equipment, less revenues attributable to, such service. If the Corporation and the State, regional, or local agencies are unable to agree upon a reasonable apportionment of such losses, the matter

shall be referred to the Secretary for decision. In deciding this issue the Secretary shall take into account the purposes of this Act and the impact of requiring the Corporation to bear such losses upon its ability to provide improved service within the basic system.

SEC. 405. PROTECTIVE ARRANGEMENTS FOR EMPLOYEES.

(a) A railroad shall provide fair and equitable arrangements to protect the interests of employees affected by discontinuances of intercity rail passenger service whether occurring before, on, or after

January 1, 1975.

(b) Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) to such employees under existing collective-bargaining agreements or otherwise; (2) the continuation of collective-bargaining rights; (3) the protection of such individual employees against a worsening of their positions with respect to their employment; (4) assurances of priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5(2) (f) of the Interstate Commerce Act. Any contract entered into pursuant to the provisions of this title shall specify the terms and conditions of such protective arrangements. No contract under section 401(a) (1) of this Act between a railroad and the Corporation may be made unless the Secretary of Labor has certified to the Corporation that the labor protective provisions of such contract afford affected employees fair and equitable protection by the railroad.

(c) After commencement of operations in the basic system, the substantive requirements of subsection (b) of this section shall apply to the Corporation. The certification by the Secretary of Labor that employees affected have been provided fair and equitable protection as required by this section shall be a condition to the completion of

any transaction requiring such protection.

(d) The Corporation shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the performance of construction work financed with the assistance of funds received under any contract or agreement entered into under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. The Corporation shall not enter into any such contract or agreement without first obtaining adequate assurance that required labor standards will be maintained on the construction work. Health and safety standards promulgated by the Secretary of Labor pursuant to section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333) shall be applicable to all construction work performed under such contracts or agreements, except any construction work performed by a railroad employee. Wage rates provided for in collective bargaining agreements negotiated under and pursuant to the Railway Labor Act shall be considered as being in compliance with the Davis-Bacon Act.

(e) The Corporation shall not contract out any work normally performed by employees in any bargaining unit covered by a contract between the Corporation or any railroad providing intercity rail passenger service upon the date of enactment of this Act and any labor organization, if such contracting out shall result in the layoff of any

employee or employees in such bargaining unit.

54 Stat. 905. 49 USC 5.

49 Stat. 1011; 78 Stat. 238. 40 USC 276a-276a-5.

83 Stat. 96.

44 Stat. 577; 49 Stat. 1189. 45 USC 151-188,

TITLE V-ESTABLISHMENT OF A FINANCIAL INVESTMENT ADVISORY PANEL

SEC. 501. APPOINTMENT OF ADVISORY PANEL.

Within thirty days after enactment of this Act, the President shall appoint a fifteen-man financial advisory panel. Six members of the panel shall represent the business of investment banking, commercial banking, and rail transportation. Two members shall be representatives of the Secretary of the Treasury and seven members shall represent the public in the various regions of the Nation.

SEC. 502. PURPOSE OF ADVISORY PANEL.

The advisory panel appointed by the President shall advise the directors of the Corporation on ways and means of increasing capitalization of the Corporation.

SEC. 503. REPORT TO CONGRESS.

On or before January 1, 1971, the panel shall submit a report to Congress evaluating the initial capitalization of the Corporation and the prospects for increasing its capitalization.

TITLE VI-FEDERAL FINANCIAL ASSISTANCE

SEC. 601. FEDERAL GRANTS.

There is authorized to be appropriated to the Secretary in fiscal year 1971, \$40,000,000 to remain available until expended, for payment to the Corporation for the purpose of assisting in-

- (1) the initial organization and operation of the Corporation;
- (2) the establishment of improved reservations systems and advertising;
- (3) servicing, maintenance, and repair of railroad passenger equipment;
- (4) the conduct of research and development and demonstra-
- tion programs respecting new rail passenger services;
 (5) the development and demonstration of improved rolling stock; and
- (6) essential fixed facilities for the operation of passenger trains on lines and routes included in the basic system over which no through passenger trains are being operated at the time of enactment of this Act, including necessary track connections between lines of the same or different railroads.

SEC. 602. GUARANTY OF LOANS.

The Secretary is authorized, on such terms and conditions as he may prescribe, to guarantee any lender against loss of principal or interest on securities, obligations, or loans issued to finance the upgrading of roadbeds and the purchase by the Corporation or agency of new rolling stock, rehabilitation of existing rolling stock and for other corporate purposes. The maturity date of such securities, obligations, or loans, including all extensions and renewals thereof, shall not be later than twenty years from their date of issuance, and the amount of guaranteed loans outstanding at any time may not exceed \$100,000,000. The Secretary shall prescribe and collect from the lending institution a reasonable annual guaranty fee. There are authorized to be appropriated such amounts as necessary to carry out this section not to exceed \$100,000,000.

Maturity date.

Appropriation.

Conditions.

TITLE VII—INTERIM EMERGENCY FEDERAL FINANCIAL ASSISTANCE

SEC. 701. INTERIM AUTHORITY TO PROVIDE EMERGENCY FINANCIAL ASSISTANCE FOR RAILROADS OPERATING PASSENGER SERVICE

(a) For the purpose of permitting a railroad to enter into or carry out a contract entered into under this Act, the Secretary is authorized, on such terms and conditions as he may prescribe, to (1) make loans to such railroad, or (2) guarantee any lender against loss of principal or interest on any loan to such railroad.

(b) Before making a loan or a guarantee under this section, the

Secretary must find, in writing, that

- (1) the loan or guarantee is necessary to carry out the provisions of this Act;
- (2) the proceeds of any loan made or guaranteed under this Act will be used solely to carry out contracts entered into under this Act:

(3) the loan or guarantee is not otherwise available on reasonable terms and conditions; and

(4) there is reasonable assurance that the business affairs of

the railroad will be conducted in a prudent manner.

(c) (1) In any case in which there is a liquidation of the assets of any railroad which is the recipient of a loan made or guaranteed under this Act, the United States shall have the first right to redeem that portion of such assets consisting of those rights-of-way, tracks, and other facilities designated by the Secretary to be necessary for the purpose of providing intercity rail passenger service, including services employing innovative technology, within the basic system.

(2) It is the intent of the Congress that, in the case of a loan guarantee under this Act, the United States shall stand in the same position with respect to other creditors as in the case of a direct loan by the United States giving the United States priority over secured and

unsecured creditors.

(d) Interest on loans made under this section shall be at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of such loans adjusted to the nearest one-eighth of one per centum.

(e) The maturity date on any loan made or guaranteed under this section, including renewals and extensions thereof, shall not be later

than five years from the date of issuance.

(f) The aggregate amount of loans and loan guarantees made under this section shall not exceed \$200,000,000.

SEC. 702. AUTHORIZATION FOR APPROPRIATIONS.

There are hereby authorized to be appropriated such amounts not to exceed \$200,000,000 as may be necessary to carry out the purposes of this title. Any sums appropriated shall be available until expended.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 801. ADEQUACY OF SERVICE.

Regulations, violation, penalty.

Interest rate,

determination

by Treasury Secretary.

> 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. Any person who violates a regulation issued under this section shall be subject to a civil penalty of not to exceed \$500 for each violation. Each day a violation continues shall constitute a separate offense.

SEC. 802. EFFECT ON PENDING PROCEEDINGS.

Upon enactment of this Act, no railroad may discontinue any intercity rail passenger service whatsoever other than in accordance with the provisions of this Act, notwithstanding the provisions of any other Act, the laws or constitution of any State, or the decision or order of, or the pendency of any proceeding before, any Federal or State court, agency, or authority.

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SEC. 803. SEPARABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby

SEC. 804. ACCOUNTABILITY.

Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by striking out "and" immediately preceding "(5)" and by inserting immediately before the period at the end thereof the following: "and (6) the National Railroad Passenger Corporation".

59 Stat. 600; 70 Stat. 667.

SEC. 805. RECORDS AND AUDIT OF THE CORPORATION.

(1) (A) The accounts of the Corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit shall be made available to the person conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person.

Annual audit by independent accountants.

(B) The report of each such independent audit shall be included in Report to Conthe annual report required by section 308(a) of this Act. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Corporation's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Corporation's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

gress, contents. Ante, p. 1333.

(2) (A) The financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General.

Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representative of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Corporation shall remain in possession and custody of the Corporation.

such comments and information as the Comptroller General may

Comptroller General.

(B) A report of each such audit shall be made by the Comptroller Report to Con-General to the Congress. The report to the Congress shall contain

Records, availability.

gress, contents.

84 STAT. 1341

deem necessary to inform Congress of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary, and to the Corporation at the time submitted to the Congress.

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Reports, copy to President.

TITLE IX- TAX DEDUCTION FOR CERTAIN PAYMENTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

68A Stat. 72; Internal Re corporations 26 USC 241-249. new section:

41 Stat. 474:

54 Stat. 899.

SEC. 901. (a) Part VIII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to special deductions for corporations) is amended by adding at the end thereof the following new section:

"SEC. 250. CERTAIN PAYMENTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION.

"(a) GENERAL RULE.—If--

"(1) any corporation which is a common carrier by railroad (as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3))) makes a payment in cash, rail passenger equipment, or services to the National Railroad Passenger Corporation (hereinafter in this section referred to as the Passenger Corporation') pursuant to a contract entered into under section 401(a) of the Rail Passenger Service Act of 1970, and

"(2) no stock in the Passenger Corporation is issued at any time to such corporation in connection with any contract entered

into under such section 401(a),

then the amount of such payment shall (subject to subsection (c)) be allowed as a deduction for the taxable year in which it is made.

"(b) When Payment Is Made.—Under regulations prescribed by the Secretary or his delegate, a payment in rail passenger equipment shall be treated as made when title to the equipment is transferred, and a payment in services shall be treated as made when the services are rendered.

"(c) EFFECT OF CERTAIN SUBSEQUENT ACQUISITIONS OF STOCK.—
"(1) DISALLOWANCE OF DEDUCTIONS.—If any deduction has been allowed under subsection (a) to a corporation and such corporation (or a successor corporation) acquires any stock in the Passenger Corporation (other than in a transaction described in section 374 or 381) before the close of the 56-month period which begins with the day on which the last payment is made to the Passenger Corporation pursuant to the contract entered into under such section 401(a), then such deduction shall be disallowed (as of the close of the taxable year for which it was allowed under subsection (a)).

"(2) COLLECTION OF DEFICIENCY.—If any deduction is disallowed by reason of paragraph (1), then the periods of limitation provided in sections 6501 and 6502 on the making of an assessment and the collection by levy or a proceeding in court shall, with respect to any deficiency (including interest and additions to the tax) resulting from such a disallowance, include one year following the date on which the person acquiring the stock which results in the disallowance (in accordance with regulations prescribed by the Secretary or his delegate) notifies the Secretary or his delegate of such acquisition; and such assessment and col-

70 Stat. 402; 68A Stat. 124. 26 USC 374, 381.

68A Stat. 803. 26 USC 6501, 6502.

84 STAT. 1342

lection may be made notwithstanding any provision of law or rule of law which otherwise would prevent such assessment and

"(d) MEMBERS OF CONTROLLED GROUP.—Under regulations prescribed by the Secretary or his delegate, if a corporation is a member of a controlled group of corporations (within the meaning of section 1563), subsections (a) (2) and (c) shall be applied by treating all members of such controlled group as one corporation."

(b) The table of sections for such part VIII is amended by adding

78 Stat. 120; 83 Stat. 602.

26 USC 1563.

at the end thereof the following:

"Sec. 250. Certain payments to the National Railroad Passenger Corporation."

(c) The amendments made by this section shall apply to taxable Effective date. years ending after the date of the enactment of this Act.

Approved October 30, 1970.

LEGISLATIVE HISTORY:

HOUSE RFPORT No. 91-1580 (Comm. on Interstate and Foreign Commerce). CONGRESSIONAL RECORD, Vol. 116 (1970):
Oct. 13, 14, considered and passed House.

Oct. 14, considered and passed Senate.

FINAL REPORT ON BASIC NATIONAL RAIL PASSENGER SYSTEM

SUBMITTED BY JOHN A. VOLPE Secretary of Transportation In Accordance With PL 91-518

> Washington, D. C. January 28, 1971

FINAL REPORT

ON THE

BASIC NATIONAL RAIL PASSENGER SYSTEM

Submitted by John A. Volpe Secretary of Transportation in accordance with PL 91-518

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FINAL REPORT

ON THE

BASIC NATIONAL RAIL PASSENGER SYSTEM

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BASIC SYSTEM

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Criteria and Procedures

Designation of Points Between Which Intercity Passenger Trains Shall be Operated

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PART I

CRITERIA AND PROCEDURES

FOR

DESIGNATION OF THE BASIC SYSTEM

CRITERIA AND PROCEDURES FOR DESIGNATION OF THE BASIC SYSTEM

INTRODUCTION

The Rail Passenger Service Act of 1970 (P.L. 91-518, hereafter "the Act"), signed into law on October 30, 1970, requires the Secretary of Transportation to designate a "Basic System" of intercity rail passenger service. The service is to be provided by the National Railroad Passenger Corporation, creation of which is authorized by the Act.

On November 30, 1970, in compliance with Section 201 of the Act, a Preliminary Report containing the Secretary's recommendations for the Basic System was submitted to the Congress and the Interstate Commerce Commission, as well as State regulatory commissions, representatives of railroads, and railroad labor organizations. It was simultaneously made available to the public. Many comments were filed with the Department in response to the Preliminary Report, all of which have been reviewed with great care.

The present document is issued in compliance with Section 202 of the Act, which requires that the Secretary submit to the Congress a Final Report on the Basic System and summary of the recommendations received, together with his reasons for failing to adopt any recommendation which was not accepted.

If rail passenger service is to be a viable element in a national transportation system, it must reverse the severe decline in patronage experienced in recent years. Only major improvements in the quality of service can generate increased demand.

There is little doubt that much of the presently existing rail passenger service is uneconomic and is not required as part of a total transportation plan. Even if the continuance of all present service were desirable, operation of the total existing system would be far beyond the financial resources of the Corporation.

With these considerations in mind, final designation of a viable Basic System must be based on a careful identification of potential opportunities for the operation of improved passenger service, and the system must be operable by the Corporation within the limits of available capital. Available funds must, therefore, be channeled into a limited number of routes -- routes which show some promise of success -- in order to produce the changes that are necessary to attract a greater share of the traveling public.

CRITERIA AND PROCEDURES

The responsibilities of the Secretary in designating the Basic System are set forth in Section 201 of the Act. Specifically, the Secretary must:

- -- "specify those points between which intercity passenger trains shall be operated"
- -- "identify all routes over which service may be provided, and the trains presently operated over such routes"
- -- identify the basic service characteristics of operations to be provided within the basic system "

Section 201 prescribes several broad considerations which the Secretary must "take into account" in designating the Basic System. Included are "the need for expeditious intercity rail passenger service within and between all regions of the continental United States" and "the need for such service within the States of Alaska and Hawaii and the Commonwealth of Puerto Rico." The Secretary is also required to "consider opportunities for provision of faster service, more convenient service, service to more centers of population, and service at lower cost, by the joint operation, for passenger service, of facilities of two or more railroad companies; the importance of a given service to overall viability of the basic system; adequacy of other transportation facilities serving the same points; unique characteristics and advantages of rail service as compared to other modes of transportation; the relationship of public benefits of given services to the costs of providing such services; and potential profitability of the service."

A. <u>Designation of Points Between Which Intercity Passenger Trains Shall be Operated</u>

In designating the Basic System of rail passenger service to be operated by the Corporation, the Department developed, in keeping with the broad guidelines set forth in the Act, a set of criteria for the selection of "points" which the Corporation would be required to serve. The criteria were: 1/

The presentation of the criteria published in the Preliminary Report has been clarified in response to a number of comments as to interpretation. The criteria themselves have not been changed.

- 1. The Nation's total transportation needs The availability of alternative transportation modes and the existing travel patterns should be considered to ensure that the designated rail passenger network will make an optimum contribution to the Nation's total transportation system.
- 2. Demand Anticipated rail ridership should be substantial.
- 3. <u>Cost</u> Projected ridership levels should enable the proposed rail service to operate at a cost which is competitive with the costs of alternative modes.
- 4. <u>Integrated national rail network</u> The points should be selected so that they can be efficiently served by the Corporation as part of an integrated national rail passenger network.
- 5. Population The points to which service is required should generally have SMSA populations of one million or more and the route options between these points should touch a large number of intermediate population centers.
- 6. <u>Profitability</u> Operating costs and revenues of each route and of the total system should be such that:
 - a. no single service requirement will impose an undue burden on the Corporation as compared with each of the other points served, and
 - b. the financial resources of the Corporation are sufficient to operate the total system.
- 7. Corporate flexibility Points should be selected and service characteristics prescribed so that the Corporation, through effective management, can expand service as rapidly as economically feasible.
- 8. <u>Capital improvements required</u> Points should be selected to require a minimum of costly fixed capital improvements to allow the Corporation to concentrate its investment in modern equipment and improved service.

While each of the above criteria was considered, no single one was overriding.

To give effect to the criteria, it was necessary to develop procedures for:

- -- identifying points between which rail service might be a potentially viable mode of intercity passenger transportation;
- -- determining those points between which rail passenger service might compete effectively over the long run with other transportation modes; and
- -- designating those points between which service has reasonable prospects of becoming financially selfsupporting in the foreseeable future.
- 1. <u>Identifying points between which rail service might be a potentially viable mode of intercity passenger transportation.</u>

It became clear at the outset that rail passenger service characteristics -- demand and usage patterns, service features, cost, and competitiveness with other modes -- depend to a great extent on the distance between the cities served, particularly if overnight travel is required between the cities. Therefore, for purposes of analysis, rail service was separated into "short-haul" and "long-haul" categories and evaluated separately.

For the purpose of identifying points between which viable "short-haul" service might be possible, the following guidelines were used:

- -- Service should begin and end at cities having a Standard Metropolitan Statistical Area (SMSA) population of approximately one million or more.
- -- The distance between the terminal cities should normally be 300 miles or less.
- -- The existing roadbed should be of sufficient quality to permit the operation of passenger service without an unreasonable need for immediate capital improvements.

I/ The term "short-haul" is used in this report in a relative sense and only to distinguish between "short" and "long" intercity rail passenger trips. It is not used in the "commuter" service sense as the term is defined in Section 102(5) of the Act, i.e., service "usually characterized by reduced fare, multiple-ride and commutation tickets, and by morning and evening peak period operations." For purposes of designating the Basic System, this definition was considered to mean service which covers distances of fifty miles or less, with stops at not more than five-mile intervals.

These guidelines were developed on the basis of a number of Department of Transportation studies -- particularly the Northeast Corridor Project. In the course of this research, they have emerged as the fundamental determinants of a "short-haul" rail system's ability to generate sufficient passenger demand and to operate at a cost reasonably comparable with intercity bus, auto, and air service. A consideration of the "adequacy of other transportation facilities serving the same points," "the relationship of public benefits of given services to the costs of providing such services," and the "potential profitability of such services" (Act, Section 201) necessarily required the exclusion of any service that failed to satisfy these guidelines.

Different guidelines were used for initially identifying points between which long-haul service might be viable.

- -- The million-or-more SMSA population requirement was applied just as in the case of short-haul service.
- -- The ridership of each long-haul train presently operating was examined separately in order to determine whether the demand for the service warranted its continuance.
- -- Where an affirmative conclusion was suggested, the service was examined in order to determine whether it contributed to the connection of the different regions of the country by means of a reasonably direct route.
- 2. Determining those points between which rail passenger service might compete effectively over the long run with other transportation modes.

Short-haul service is most likely to compete effectively with other transportation modes where it is competitive with bus transportation in terms of speed and comfort, and less costly than air transportation. The feasibility of long-haul service over the long run depends upon factors such as existing travel patterns and existing levels of air and bus transportation.

The basic evaluation approach of the Department was to represent in the form of analytical models the significant components (both demand and cost) of a rail passenger system. This analysis was based on the best available information, and was tested to ensure that its results approximate "real world" experience.

On the basis of its analysis, the Department excluded from further consideration those points for which the analysis indicated

that rail passenger service could not compete effectively with other public transportation modes.

3. Designating those points between which service has reasonable prospects of becoming financially self-supporting in the foreseeable future.

In the final step of the analysis the following routes were excluded:

- -- service unlikely to contribute to the Corporation's ability to serve an integrated national system or service points which are likely to be included within another set of service points, and
- -- any service likely to have a disproportionately adverse impact on the Corporation's finances in relation to the benefits received.

Final Selection

The points selected by applying the criteria and procedures set forth above constituted the Basic System designated in the Secretary's Preliminary Report, issued on November 30, 1970 and took into consideration:

- -- "the importance of a given service to overall viability of the Basic System;"
- -- "the adequacy of other transportation facilities serving the same points;"
- -- "the unique characteristics and advantages of rail service as compared to other modes of transportation;"
- -- "the relationship of public benefits of given services to the costs of providing such services."

The Basic System designated in the Secretary's Preliminary Report was subjected to an intensive reappraisal in light of the comments submitted since November 30. Several service points have been added to the Basic System in response to these suggestions despite some remaining questions on the potential profitability of this additional service which led to their exclusion in the Preliminary Report.

As a result of the official comments and the many public responses, the Department has received improved information concerning ridership and the importance of rail service to the areas served. The new routes were added based on thorough consideration of the new information and arguments received. These additions should contribute to the operation of a national rail passenger system.

Special Areas.

Alaska, Hawaii, and Puerto Rico. No service points have been designated in the States of Alaska and Hawaii or the Commonwealth of Puerto Rico. In Alaska, the Alaska Railroad provides a level of service consistent with demand. Daily roundtrip service is operated between Anchorage and Fairbanks during four summer months and twice weekly roundtrip service is operated during winter months. Hawaii and Puerto Rico do not have facilities or demand sufficient to support institution of intercity rail passenger service.

Foreign Points. The possibility of specifying points in Canada and Mexico as points to which service must be provided on the Basic System was carefully studied. It is the Department's view, however, that the Secretary has no authority to include them in the Basic System.

According to Section 404(b)(1) of the Act, the Corporation "must provide the service included within the Basic System" The Secretary of Transportation, however, has no authority to require the Corporation to serve points outside U.S. borders. Such service can be provided only with the consent of the Canadian or Mexican Governments. Furthermore, a foreign carrier serving a point on the Basic System, if it refused to enter into a contract with the Corporation, could not be required to furnish such service until January 1, 1975, as provided in Section 404, if foreign regulatory authorities determined that its discontinuance was in the public interest. Finally, failure to include service to foreign points within the Basic System does not mean that the carriers presently providing such service would be authorized to discontinue it merely upon the signing of a contract with the Corporation pursuant to Section 401. Such discontinuances would be permitted only with the concurrence of foreign regulatory authorities.

Summary.

The selection of "points between which intercity passenger trains shall be operated" was accomplished by means of an analysis of anticipated costs, ridership patterns, and the relationship of rail transportation to other modes. The analysis was developed in keeping with the statutory criteria established by Congress for designation of the Basic System. Operated with imagination and efficiency, service between these points will afford an essential test of whether intercity rail passenger service has an essential part to play in the Nation's total transportation system.

B. <u>Identification of all Routes over Which Service may be Provided</u>.

According to Section 201 of the Act, the Secretary of Transportation "shall specify those points between which intercity passenger trains shall be operated," and he shall "identify all routes over which service may be provided " (Emphasis added.) While the Secretary leaves the Corporation no discretion with respect to serving "those points between which intercity passenger trains shall be operated," he is authorized to vest considerable latitude in the Corporation with respect to specific route selection. That is, the Act permits the Secretary to identify a number of alternative routes between each pair of points to which service is required, léaving the final choice to the Corporation.

There are, of course, sound reasons for giving the Corporation broad latitude in its selection of routes. Many of the essential factors in the route selection process are purely operational in nature. The physical characteristics of a route or route segment, for example, will have an important bearing on its ability to handle passenger traffic safely, efficiently, and effectively. Other operational considerations which need to be considered are capacity, maintenance standards, station location, circuity, and the like.

If sound selection decisions are to be made, they must be based upon a detailed technical and market assessment of the available alternatives. These are assessments that should be undertaken on a continuing basis by the Corporation if it is to improve existing service and operate a national system.

In accordance with this principle, the identification for Basic System purposes of "routes over which service may be provided" includes essentially all routes between the points to which service is required. This will accord the Corporation the flexibility essential to its implementation of "innovative operating . . .

The Corporation does have discretion, of course, to furnish service to such points in excess of the basic service prescribed for the Basic System.

concepts so as to fully develop the potential of modern rail service in meeting the Nation's intercity passenger transportation requirements" (Act, Section 301) and enhance the Corporation's "opportunities for provision of faster service, more convenient service, service to more centers of population, and service at lower cost, by the joint operation, for passenger service, of facilities of two or more railroad companies" (Act, Section 201.)

The most suitable method of identifying "all routes over which service may be provided" is by stating the cities through which the routes pass. Although this method omits precise details with respect to trackage and railroad ownership, it was felt that such information is not required for the designation of the Basic System. It is intended that the selection of trackage on a particular route, like the selection of the route itself, be left solely to the Corporation's managerial discretion.

The route designations and maps set forth in Part II below are considerably more detailed than those in the Preliminary Report. The alternative routes identified as "routes over which service may be provided" between those points which the Corporation is required to serve are set forth with much greater specificity, and many more cities are named for route identification purposes. Only those cities actually specified as "points between which intercity passenger trains shall be operated" are required to be served by the Corporation. All other cities are named for route identification purposes only, and will receive service only if the Corporation elects to provide it or if a State agrees to reimburse the Corporation for a reasonable portion of any losses associated with service in accordance with Section 403(b) of the Act. 1/

C. Basic Service Characteristics

In keeping with the need to preserve for the Corporation sufficient managerial discretion to permit compliance with its statutory mandate, the basic service characteristics prescribed for the Basic System are of a general nature.

All routes identified in Part II of this document as "routes over which service may be provided" are considered "routes between those points between which the Secretary, under Section 201 and 202 of Title II of [the] Act, has specified that intercity passenger trains shall be operated within the Basic System" for the purpose of calculating contributions to the Corporation according to the formula set forth in Section 401(a)(3)(B) of the Act. Contributions will not be calculated exclusively on the basis of those routes finally selected by the Corporation for its operations.

Section 201 requires the Secretary to identify the basic service characteristics of operations to be provided within the Basic System, taking into account schedules, number of trains, connections, through car service, and sleeping, parlor, dining, and lounge facilities." (Emphasis added.) Were the Corporation required to implement rigorous, detailed directives with respect to service characteristics, it would be substantially precluded from "employing innovative operating and marketing concepts so as to fully develop the potential of modern rail service in meeting the Nation's intercity passenger requirements." (Act, Section 301.) The prescribed "basic service characteristics" are, therefore, offered as broad guidelines for the Corporation, facilitating fresh and imaginative responses to opportunities for enhanced service and increased patronage with no unnecessary restriction of managerial latitude.

PART II

THE BASIC SYSTEM

"Points" Defined

The points designated and the routes identified on the following pages and shown on accompanying maps, together with the basic service characteristics, constitute the Basic System of intercity rail passenger service, as designated in accordance with Section 202 of the Rail Passenger Service Act of 1970 (PL 91-518).

Each "point" on the Basic System specified as one which the Corporation is required to serve ("points between which intercity passenger trains shall be operated") is intended to include an entire Standard Metropolitan Statistical Area (SMSA). The provision of rail service to a terminal located anywhere within a designated SMSA, therefore, will satisfy the service requirement implicit in the Basic System designation. (Norfolk/Newport News comprises two contiguous SMSA's. For the purpose of the Basic System, however, Norfolk/Newport News shall be considered a single point.)

SERVICE CHARACTERISTICS

In accordance with the Act, the Secretary identifies the following characteristics of service for all routes within the basic system. In setting these requirements, it is the intention to preserve Corporation discretion to expand rail passenger service as rapidly as the Corporation develops a market strategy, gains experience, and shows routes to be justified on the basis of public demand.

1. Schedules

Trains will be scheduled to serve markets at reasonable hours, consistent with demand. Running times shall be as fast as station stops, track condition, and safety and other relevent conditions permit.

2. Frequency

The scheduled frequency of trains shall be one or more per day in each direction between end points in keeping with demand, unless the patronage and other factors relating to a particular route clearly indicate that a frequency as often as one per day in each direction is not warranted.

3. Connections

To the extent practicable, convenient connections at major connection points shall be maintained in order to promote a unified system to the maximum extent possible.

4. Quality of Equipment

Modern equipment will be provided to the extent practicable to improve the quality of service.

5. Through Cars

Through car service must be provided between those points designated as "points between which intercity passenger trains shall be operated". Through car service shall be considered beyond such points where market demand and operating conditions permit.

6. Sleeping Cars

Private-room sleeping car service shall be provided for all schedules having an overnight journey of at least six hours during the time period from Midnight to 8:00 a.m.

7. Food Service

Food Service shall be provided on all schedules operating between the hours of 7:00 a.m. and 8:00 p.m. and exceeding two hours trip time. Food service may range from light snack and beverage service to more complete meal service depending upon the time of day and length of journey.

8. Lounge Cars

Non-revenue lounge space shall be provided on all schedules in excess of six hours duration.

9. Parlor Cars

Parlor car or other first class accommodations may be provided wherever justifiable by market demand.

DESIGNATED POINTS AND IDENTIFIED ROUTE OPTIONS

The following points are designated as the points between which intercity passenger trains shall be operated:

Boston - New York

New York - Washington

New York - Buffalo

New York - Chicago

New York - Kansas City via St. Louis

New York - Miami and Tampa/St. Petersburg

New York - New Orleans

Washington - Chicago

Washington - St. Louis

Norfolk/Newport News - Cincinnati

Detroit - Chicago

Chicago - St. Louis

Chicago - Cincinnati

Chicago - Miami and Tampa/St. Petersburg

Chicago - New Orleans

Chicago - Houston

Chicago - Seattle

Chicago - San Francisco/Oakland

Chicago - Los Angeles

New Orleans - Los Angeles

Seattle - San Diego

Norfolk/ Newport News BOSTON WASHINGTON MIAM BUFFALO POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED Tampa **NEW ORLEANS** ST. LOUIS HOUSTON & AN FRANCISCO San Diego LOS ANGELES

AERIAL MAP - BASIC SYSTEM

BOSTON - NEW YORK

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: BOSTON NEW YORK
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Boston and New York, is not intended to suggest that the Corporation is required to provide service to that point.

Boston - New Haven Segment

via - Providence, New London
via - Worcester, Springfield, Hartford

New Haven - New York Segment

via - Stamford

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

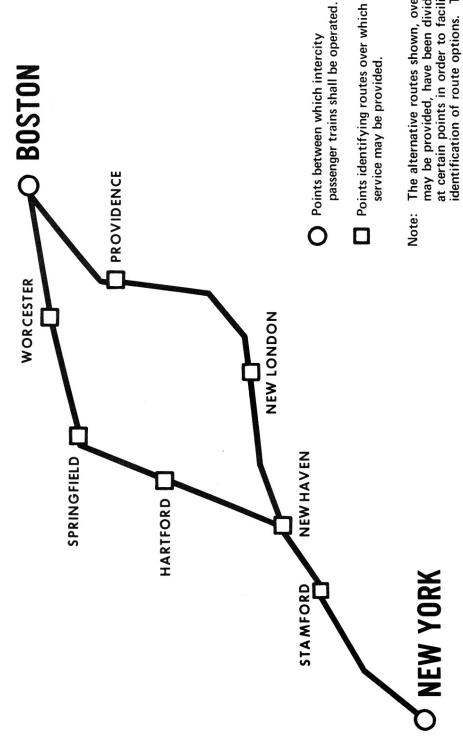
<u>Via</u>	<u>Carrier</u>	Trains
Providence, New London	PC	#181,171,173,175, 183,185,187,189, 177,3001,3005,3007, 3015,180,182,170, 184,172,186,174, 176,3002,3004,3006, 3014.
Worcester, Springfield, Hartford	PC	#427,71,73,75,77, 79,81,83,85,87, 89,91,70,72,74, 76,78,80,82,84, 86,88,90,428.

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES: (Cont'd)

New Haven - New York Segment

<u>Via</u>	<u>Carrier</u>	Trains
Stamford	PC	#71(1345),73(1347), 181,171,77(1353), 173,175,183,185, 187,189,177,3001, 3005,3007,3015, (1200)70,(1330)72, 180,182,170,184, 172,(1356/1656)82, 186,(1360)86,174, (1376)90,176,3002, 3004,3006,3014.

NEW YORK - BOSTON



re: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York-Boston is not intended to suggest that the Corporation is required to provide service to that point.

NEW YORK - WASHINGTON

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NEW YORK WASHINGTON
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York and Washington, is not intended to suggest that the Corporation is required to provide service to that point.

New York - Washington Segment

via - Newark, Trenton, Philadelphia,
Wilmington, Baltimore.

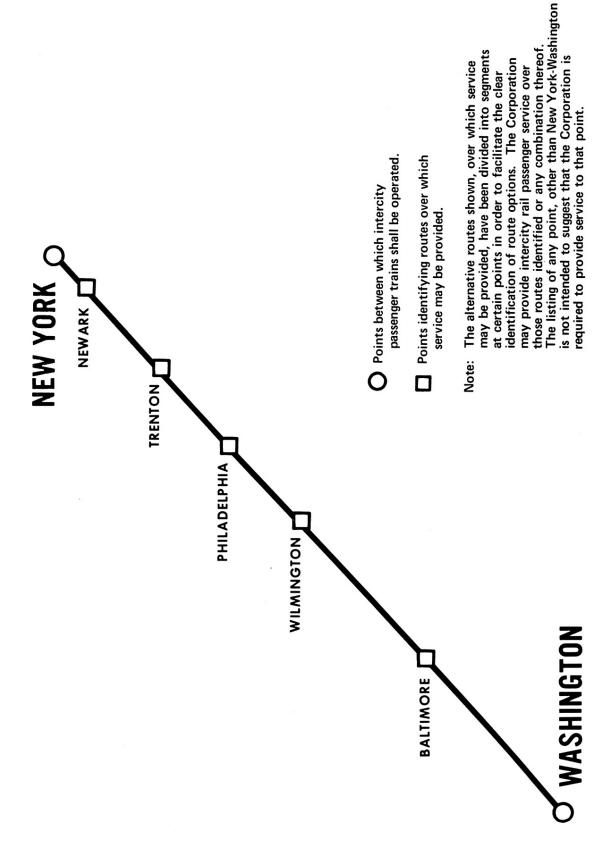
III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

New York - Washington Segment

<u>Via</u>	Carrier	Trains
Newark, Trenton Philadelphia, Wilmington, Baltimore	PC .	#25,101,103,105,107, 109,111,113,131,133, 135,137,139,143,145, 147,155,159,161,163, 165,171,173,175,177, 201,207,211,213,215, 219,221,223,225,227, 231,235,263,401. #54,100,102,104,106, 108,110,112,126,130, 132,140,142,144,152, 154,158,166,170,172, 174,176,202,204,206, 208,212,218,220,234, 254,256,272,282,298.

NEW YORK - WASHINGTON



II-11

NEW YORK - BUFFALO

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NEW YORK BUFFALO
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York and Buffalo, is not intended to suggest that the Corporation is required to provide service to that point.

New York - Buffalo Segment

via - Albany, Utica, Syracuse, Rochester

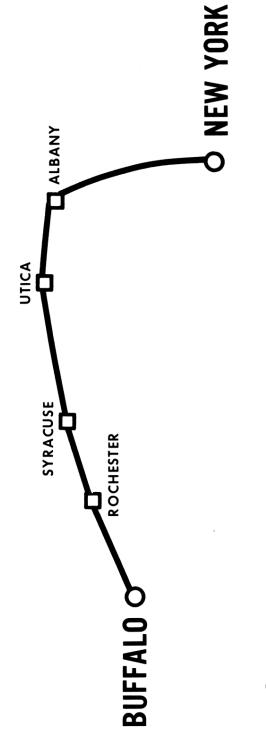
III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

New York - Buffalo Segment

<u>Via</u>	Carrier	Trains
Albany, Utica, Syracuse, Rochester	PC	#61,63,71,73,75,81 83,85,62,64,70,72, 74,80,82,84.

NEW YORK - BUFFALO



- O Points between which intercity passenger trains shall be operated.
- Points identifying routes over which service may be provided.

Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York-Buffalo is not intended to suggest that the Corporation is required to provide service to that point.

NEW YORK - CHICAGO

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NEW YORK CHICAGO
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York and Chicago, is not intended to suggest that the Corporation is required to provide service to that point.

New York - Pittsburgh Segment

via - Philadelphia, Harrisburg

Pittsburgh - Chicago Segment

via - Fort Wayne

via - Deshler

via - Cleveland, Toledo

New York - Buffalo Segment

via - Albany

Buffalo - Chicago Segment

via - Detroit

via - Erie, Cleveland, Toledo

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

New York - Pittsburgh Segment

<u>Via</u>	<u>Carrier</u>	<u>Trains</u>
Philadelphia, Harrisburg	PC	See "New York- Washington" for New York- Philadelphia trains
		#23,25,31,33,49,55, 601,603,605,607,609, 611,613,615,617,4, 16,22,24,48,50,54, 600,602,604,606,608, 610,612,614.

Pittsburgh - Chicago Segment

<u>Via</u>	<u>Carrier</u>	Trains
Fort Wayne	PC	#23,49,53,55,24, 48,50,54.
Deshler	B&O	#5,7,6,8.
Cleveland, Toledo	PC	#27,51,63,28,64,98.
	GTW	#155,159,165,156, 158,164.
	CSS&SB	#1,3,5,9,311,13,315, 17,319,21,27,29,31, 33,35,8,310,10,12, 16,316,20,320,24, 326,28,328,34,334, 36,40,340,42.

New York - Buffalo Segment

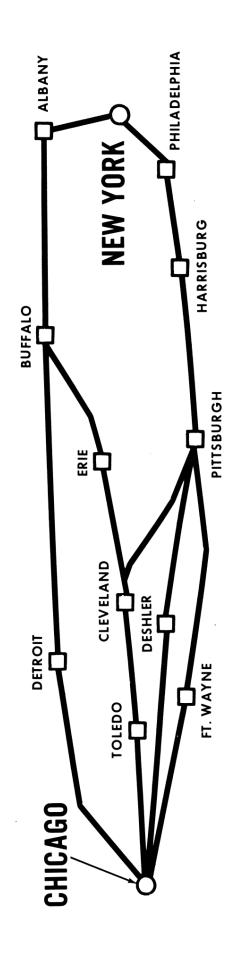
<u>Via</u>	<u>Carrier</u>	Trains
Albany	PC	#61,63,71,73,75,81, 83,85,62,64,70,72, 74,80,82,84.

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES: (Cont'd)

Buffalo - Chicago Segment

<u>Via</u>	<u>Carrier</u>	<u>Trains</u>
Detroit	PC	#17,351,355,14, 52,356.
	GTW	#155,159,165,169, 156,158,164,168.
	C&O	#11,15,12,14.
Erie, Cleveland, Toledo	PC	#21,51,63,28,64,98.
	GTW	#155,159,165,156. 158,164.
	CSS&SB	#1,3,5,9,311,13,315, 17,319,21,27,29,31, 33,35,8,310,10,12, 16,316,20,320,24, 326,28,328,34,334, 36,40,340,42.

NEW YORK - CHICAGO



O Points between which intercity passenger trains shall be operated.

Points identifying routes over which service may be provided.

Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York-Chicago is not intended to suggest that the Corporation is required to provide service to that point.

NEW YORK - KANSAS CITY

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NEW YORK KANSAS CITY
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York and Kansas City, is not intended to suggest that the Corporation is required to provide service to that point.

New York - St. Louis Segment

<u>via</u> - Philadelphia, Harrisburg, Pittsburgh, Indianapolis

St. Louis - Kansas City Segment

<u>via</u> - Jefferson City <u>via</u> - Centralia

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

New York - St. Louis Segment

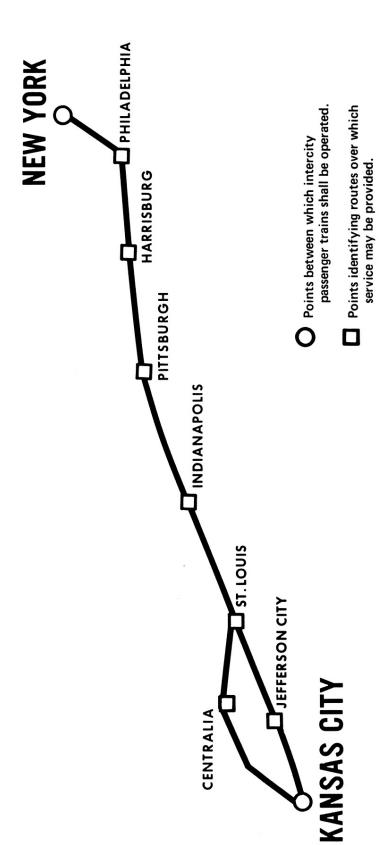
<u>Via</u>	<u>Carrier</u>	Trains
Philadelphia, Harrisburg, Pittsburgh, Indianapolis	PC	See "New York- Washington" for New York- Philadelphia trains
		#13,23,25,31,33,49, 55,601,603,605,607, 609,611,613,615,617, 4,16,22,24,32,48,50, 54,600,602,604,606, 608,610,612,614.

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES: (Cont'd)

St. Louis - Kansas City Segment

<u>Via</u>	Carrier	<u>Trains</u>
Jefferson City	MP	#15,17,14,16.
Centralia		

NEW YORK - KANSAS CITY



Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York-Kansas City is not intended to suggest that the Coporation is required to provide service to that point.

NEW YORK - MIAMI AND TAMPA/ST. PETERSBURG

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NEW YORK-MIAMI AND TAMPA/ST.PETERSBURG
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York and Miami and Tampa/St.Petersburg, is not intended to suggest that the Corporation is required to provide service to that point.

New York - Richmond Segment

via - Philadelphia, Washington

Richmond - Jacksonville Segment

<u>via</u> - Raleigh, Columbia, Savannah

via - Charleston, Savannah

Jacksonville - Miami Segment

via - Wildwood, W. Palm Beach

via - Orlando, W. Palm Beach

via - Daytona Beach, W. Palm Beach

Jacksonville - Tampa/St. Petersburg Segment

via - Orlando

via - Gainsville

via - Wildwood

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

New York - Richmond Segment

<u>Via</u>	Carrier	Trains
Philadelphia, Washington	PC	See "New York - Washington"
	RF&P	1,9/75,21,57,85,91, 2,10/76,22,58,86,92.

New York - Miami and Tampa/St. Petersburg (cont'd)

Richmond - Jacksonville Segment

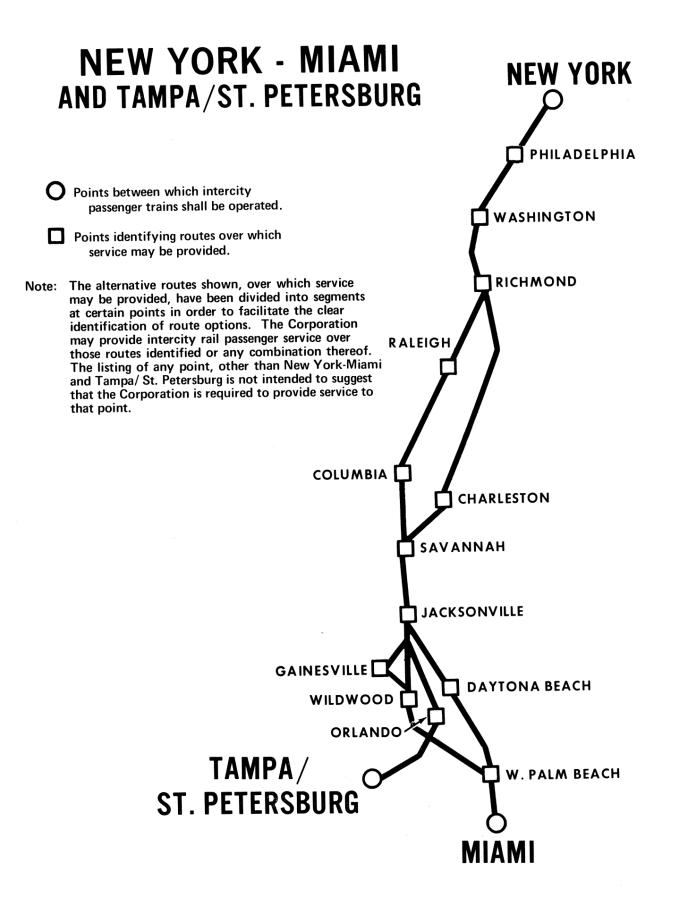
<u>Via</u>	<u>Carrier</u>	Trains
Columbia, Savannah	SCL	#9,21,57,10,22,58.
Charleston, Savannah	SCL	#1,75,85,91,2,76, 86,92.

Jacksonville - Miami Segment

<u>Via</u>	Carrier	Trains
Wildwood	SCL	#1,21,57,2,22,58.
Orlando	scl	#5,6.
Daytona Beach	- -	

Jacksonville - Tampa/St. Petersburg Segment

<u>Via</u>	Carrier	Trains
Orlando	SCL	#5,23,91,6,24,92
G ai nsville	SCL	#93,94.
Wildwood	SCL	#1,21,57,2,22,58.



NEW YORK - NEW ORLEANS

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NEW YORK NEW ORLEANS
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York and New Orleans, is not intended to suggest that the Corporation is required to provide service to that point.

New York - Washington Segment

<u>via</u> - Philadelphia

Washington - Atlanta Segment

via - Lynchburg, Charlotte

via - Raleigh, Hamlet, Greenwood

via - Lynchburg, Bristol, Knoxville

via - Raleigh, Hamlet, Columbia

Atlanta - New Orleans Segment

via - Birmingham

via - Montgomery

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

New York - Washington Segment

<u>Via</u>	Carrier	Trains
Philadelphia	PC	See "New York - Washington"

New York - New Orleans (cont'd)

Washington - Atlanta Segment

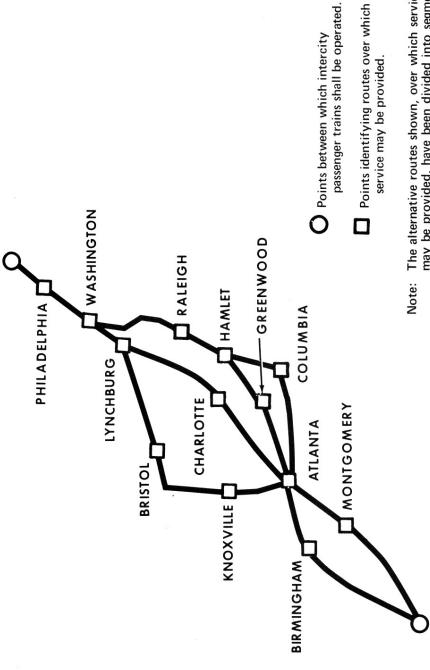
1, ,2.

Atlanta - New Orleans Segment

<u>Via</u>	Carrier	Trains
Birmingham	SR	#1,2.
Montgomery	L&N	#9,8.

NEW YORK - NEW ORLEANS

NEW YORK



NEW ORLEANS

te: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New York-New Orleans is not intended to suggest that the Corporation is required to provide service to that point.

WASHINGTON - CHICAGO

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: WASHINGTON CHICAGO
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Washington and Chicago, is not intended to suggest that the Corporation is required to provide service to that point.

Washington - Pittsburgh Segment

via - Baltimore, Harrisburg

via - Cumberland

Chicago - Pittsburgh Segment

via - Fort Wayne

via - Deshler

via - Cleveland, Toledo

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Washington - Pittsburgh Segment

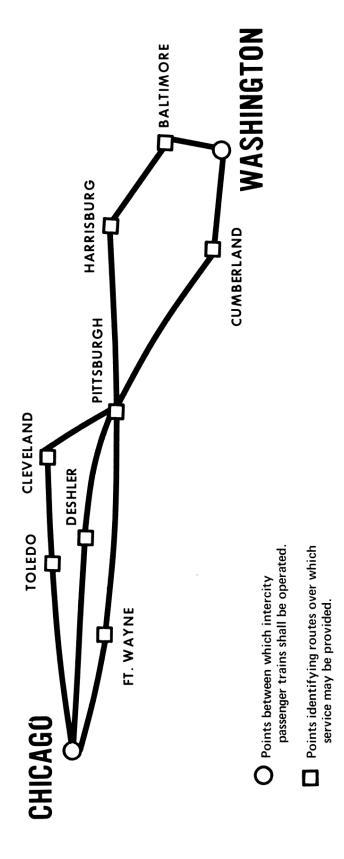
<u>Via</u>	Carrier	Trains
Baltimore, Harrisburg	PC	See "New York- Washington" for Washington- Baltimore trains
		#23,25,31,33,49, 55,549,2,16,22,24, 48,50,54,548.
Cumberland	B&O	#5,7,11,17, 3 3,35, 6,8,12,34.

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES: (Cont'd)

Pittsburgh - Chicago Segment

<u>Via</u>	<u>Carrier</u>	Trains
Fort Wayne	PC	#23,49,53,55,22, 48,50,54.
Deshler	B&O	#5,7,6,8.
Cleveland, Toledo	PC	#27,51,63,28,64, 98.
	GTW	#155,159,165,156, 158,164.
	CSS&SB	#1,3,5,9,311,13, 315,17,319,21,27, 29,31,33,35,8,310, 24,326,28,328,34, 334,36,40,340,42.

WASHINGTON - CHICAGO



Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Washington-Chicago is not intended to suggest that the Corporation is required to provide service to that point.

WASHINGTON - ST. LOUIS

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: WASHINGTON ST. LOUIS
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Washington and St. Louis, is not intended to suggest that the Corporation is required to provide service to that point.

Washington - Pittsburgh Segment

via - Baltimore, Harrisburg
via - Cumberland

Pittsburgh - St. Louis Segment

via - Columbus, Indianapolis, Terre Haute

Washington - Cincinnati Segment

via - Cumberland, Clarksburg
via - Charlottesville, Charleston

Cincinnati - St. Louis Segment

via - Vincennes

via - Indianapolis, Terre Haute

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Washington - Pittsburgh Segment

<u>Via</u>	Carrier	<u>Trains</u>
Baltimore, Harrisburg	PC	See "New York- Washington" for Washington- Baltimore trains
		#13,23,25,31,33,49, 55,549,4,16,22,24,

Washington - Pittsburgh Segment

<u>Via</u> <u>Carrier</u> <u>Trains</u>

Cumberland B&O #3,7,11,17,33,35, 6,8,12,34.

Pittsburgh - St. Louis Segment

<u>Via</u> <u>Carrier</u> Trains

Columbus, PC #13,31,4,32. Indianapolis,

Terre Haute

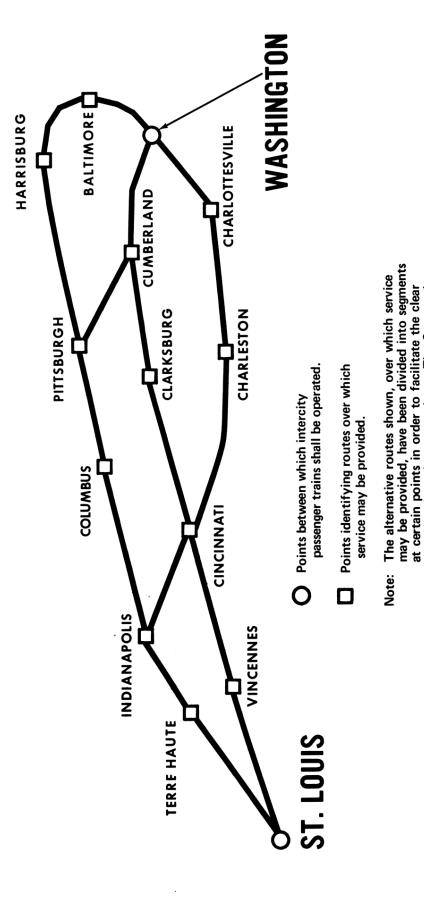
Washington - Cincinnati Segment

<u>Via</u>	Carrier	Trains
Cumberland, Clarksburg	B&O	#5,7,11,17,33,35, 6,8,12,34.
Charlottesville, Charleston	C&O	#1,47,2,46.
Charleston	SR	#1,5,17,2,6,18.

Cincinnati - St. Louis Segment

<u>Via</u>	<u>Carrier</u>	Trains
Vincennes	B&O	#1,2.
Indianapolis, Terre Haute	PC .	#13,31,303,4,32, 304.

WASHINGTON - ST. LOUIS



those routes identified or any combination thereof.

The listing of any point, other than WashingtonSt. Louis is not intended to suggest that the Corporation

is required to provide service to that point.

identification of route options. The Corporation may provide intercity rail passenger service over

NORFOLK/NEWPORT NEWS - CINCINNATI

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NORFOLK/NEWPORT NEWS CINCINNATI
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Norfolk/Newport News and Cincinnati, is not intended to suggest that the Corporation is required to provide service to that point.

Norfolk/Newport News - Cincinnati Segment

via - Petersburg, Lynchburg, Roanoke, Kenova

via - Richmond, Charlottesville, Clifton Forge,

Charleston, Kenova

via - Petersburg, Lynchburg, Clifton Forge,

Charleston, Kenova

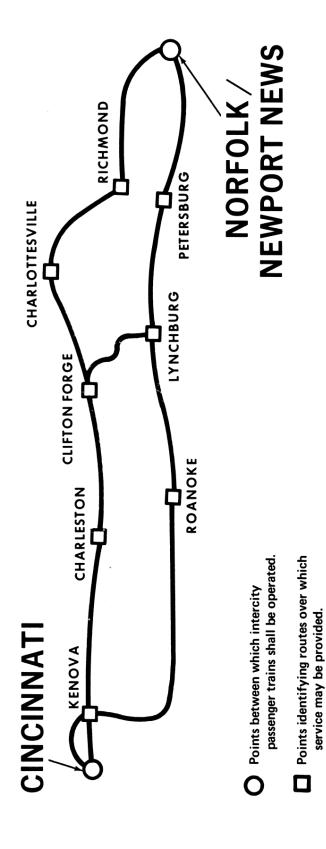
III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Norfolk/Newport News - Cincinnati Segment

<u>Via</u>	Carrier	Trains
Petersburg, Lynchburg, Roanoke, Kenova	N&W	#3,17,4,18.
Richmond, Charlottesville, Clifton Forge, Charleston, Kenova	C&O	#1,41,47,2,42,46.
Petersburg, Lynchburg,	N&W	#3,4.
Clifton Forge, Charleston, Kenova	C&O	#1,47,2,46.

NORFOLK/NEWPORT NEWS-CINCINNATI



Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Norfolk/Newport News-Cincinnati is not intended to suggest that the Corporation is required to provide service to that point.

DETROIT - CHICAGO

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: DETROIT CHICAGO
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Detroit and Chicago, is not intended to suggest that the Corporation is required to provide service to that point.

Detroit - Chicago Segment

via - Jackson, Battle Creek, Kalamazoo

via - Durand, Lansing, Battle Creek, South Bend

via - Plymouth, Lansing, Battle Creek, South Bend

via - Fort Wayne

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Detroit - Chicago Segment

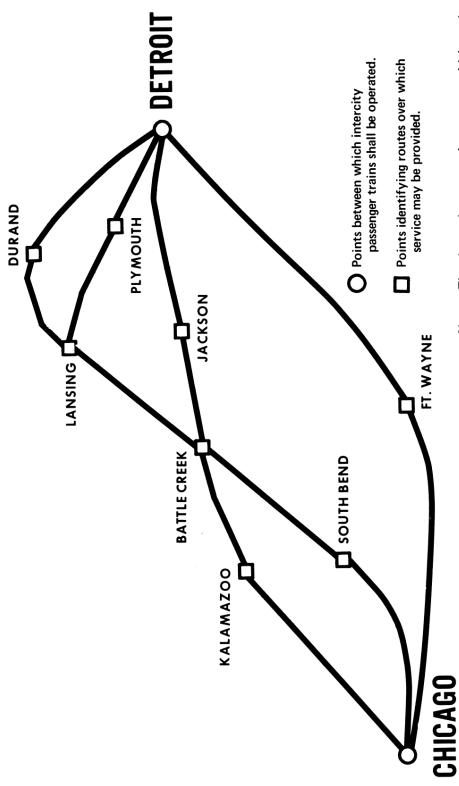
<u>Via</u>	Carrier	Trains
Jackson, Battle Creek, Kalamazoo	PC	#17,351,355,14, 52,356.
Durand,Lansing, Battle Creek, South Bend	GTW	#155,159,165,169, 156,158,164,168.
	PC	#27,51,63,28,64,98.
	CSS&SB	#1,3,5,9,13,17,21,27, 29,31,33,35,311,315, 319,8,10,12,16,20,24, 28,34,36,40,42,316, 320,326,328,334,340, 310.

Detroit - Chicago (cont'd)

Detroit - Chicago Segment

<u>Via</u>	Carrier	Trains
Plymouth,Lansing Battle Creek, South Bend	GTW	#155,159,165, 156,158,164.
	PC	#27,51,63,28,64,98.
	CSS&SB	#1,3,5,9,13,17,21,27, 29,31,33,35,311,315, 319,8,10,12,16,20,24, 28,34,36,40,42,316,310, 320,326,328,334,340.
	C&O	#11,15,12,14.
<u>Via</u>	Carrier	Trains
Fort Wayne	PC	#23,49,53,55,22,48, 50,54.
	N&W	#301,304.

DETROIT - CHICAGO



Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Detroit .Chicago is not intended to suggest that the Corporation is required to provide service to that point.

II-36 CHICAGO - ST. LOUIS

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO ST. LOUIS
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago and St. Louis, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - St. Louis Segment

via - Bloomington, Springfield, Alton

via - Forrest, Gibson City, Decatur

via - Kankakee, Gilman, Springfield

via - Gilman, Effingham

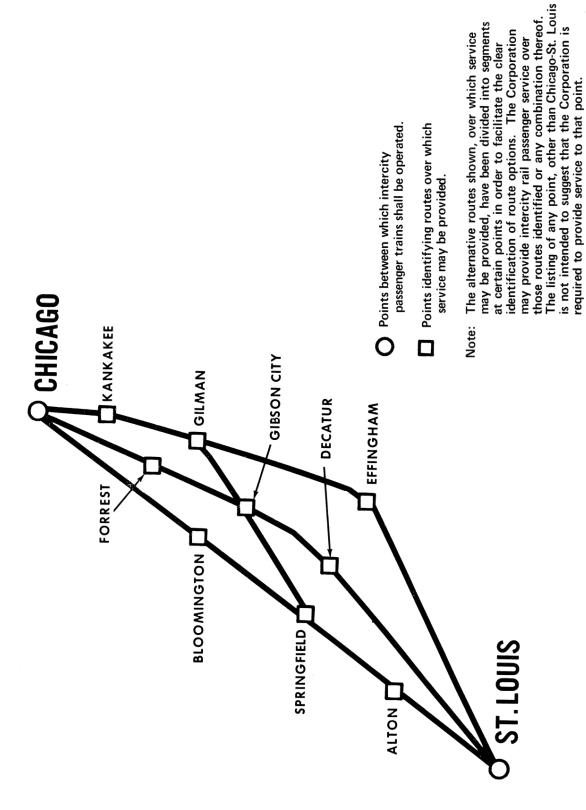
III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Chicago - St. Louis Segment

<u>Via</u>	Carrier	<u>Trains</u>
Bloomington, Springfield, Alton	GM&O	#1,3,5,2,4,6.
Forrest, Gibson Ci- Decatur	ty, N&W	#121,301,124,304.
Kankakee, Gilman, Springfield	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
	GM&O	#1,3,5,2,4,6.
Gilman, Effingham	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
	PC	#13,31,4,32.

CHICAGO - ST. LOUIS



CHICAGO - CINCINNATI

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO CINCINNATI
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago and Cincinnati, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - Cincinnati Segment

via - LaFayette, Indianapolis

via - Winamac, Logansport, Anderson

via - Winamac, Logansport, Indianapolis

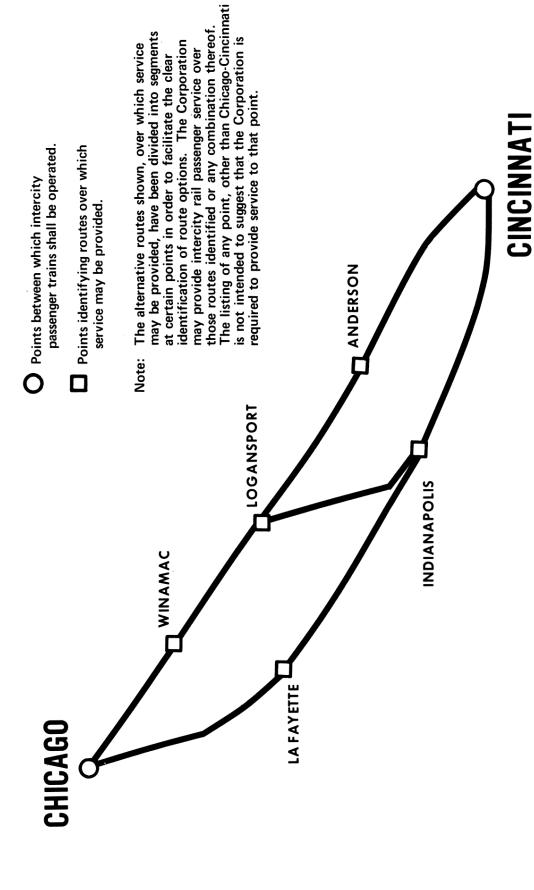
III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Chicago - Cincinnati Segment

<u>Via</u>	Carrier	Trains
LaFayette, Indianapolis	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
	PC	#303,304
Winamac, Logansport, Anderson	PC	#65,93,66,90.
Winamac, Logansport, Indianapolis	PC	#65,93,303,66,90 304.

CHICAGO - CINCINNATI



CHICAGO - MIAMI and TAMPA/ST. PETERSBURG

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO MIAMI and TAMPA/ST. PETERSBURG
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago and Miami and Tampa/St. Petersburg, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - Birmingham Segment

via - Carbondale, Fulton

via - Carbondale, Fulton, Memphis

via - Evansville, Nashville

<u>via</u> - Logansport, Indianapolis, Louisville, Nashville

Birmingham - Jacksonville Segment

<u>via</u> - Montgomery, Bainbridge, Tallahassee

<u>via</u> - Montgomery, Bainbridge, Valdosta

via - Columbus, Tifton, Waycross

Chicago - Atlanta Segment

<u>via</u> - LaFayette, Indianapolis, Cincinnati,

Chattanooga

<u>via</u> - Logansport, Indianapolis, Cincinnati, Chattanooga

via - Evansville, Nashville, Chattanooga

Atlanta - Jacksonville Segment

via - Macon, Savannah

<u>via</u> - Macon, Tifton, Waycross

via - Macon, Tifton, Valdosta

II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED: (Cont'd)

Jacksonville - Miami Segment

<u>via</u> - Wildwood, W. Palm Beach <u>via</u> - Orlando, W. Palm Beach

via - Daytona Beach, W. Palm Beach

<u>Jacksonville - Tampa/St. Petersburg Segment</u>

<u>via</u> - Wildwood

via - Orlando via - Gainsville

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Chicago - Birmingham Segment

<u>Via</u>	Carrier	Trains
Carbondale, Fulton	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
Carbondale, Fulton Memphis	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
Evansville, Nashville	L&N	#3,3,4,4,8,9,15,16.
Logansport, Indianapolis,	PC	#65,93,66,90.
Louisville, Nashville	L&N	#9,15,8,16.
LaFayette, Indianapolis, Louisville,	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
Nashville	PC	#93,303,90,304.
	L&N	#9,15,8,16.

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES: (Cont'd)

Birmingham - Jacksonville Segment

<u>Via</u>	<u>Carrier</u>	<u>Trains</u>
Montgomery, Bainbridge,	L&N	#9,15,8,16.
Tallahassee	SCL	#12-5,6-11,91-89, 90-92,39,40.
Montgomery, Bainbridge,	L&N	#9,15,8,16.
Valdosta	SCL	#12-5,6-11,91-89, 90-92.
Columbus, Tifton,	CofG	#13,14.
Waycross	SCL	#5,6.

Chicago - Atlanta Segment

<u>Via</u>	<u>Carrier</u>	Trains
LaFayette, Indianapolis, Cincinnati,	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
Chattanooga	PC	#303,304.
	L&N	#3,4.
Logansport, Indianapolis, Cincinnati,	₽C	#65,93,303,66,90, 304.
Chattanooga		
	L&N	#3.4.
Evansville, Nas Chattanooga	shville, L&N	\$3,3,4,4.

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES: (Cont'd)

Atlanta - Jacksonville Segment

	<u>Via</u>	Carrier	Trains
	Macon, Savannah	CofG	#7,8.
		SCL	#1,21,57,75,85,91, 2,22,58,76,86,92.
	Macon, Tifton, Waycross	CofG	#7,8.
	naycross	SCL	#12-5,6-11,91,92.
	Macon, Tifton, Valdosta	CofG	#7,8.
valdosta	valuosta	SCL	#5,6.
<u>J</u> ;	acksonville - Miami	Segment	
	<u>Via</u>	Carrier	Trains
	Wildwood, W. Palm Beach	SCL	#1,21,57,5,2,22, 58,6.
		SCL	
	Beach Orlando, W. Palm		58,6. #1,5,23,91,21,57,

Jacksonville - Tampa/St. Petersburg Segment

<u>Via</u>	Carrier	<u>Trains</u>
Wildwood	SCL	#1,21,57,2,22,58.
Orlando	SCL	#5,23,91,6,24,92.
Gainsville	SCL	#93,94.

TAMPA/ST. PETERSBURG CHICAGO-MIAMI AND LOGANSPORT LAFAYETTE CHICAGO

CINCINNATI

INDIANAPOLIS

CARBONDALE

EVANSVILLE

FULTON

LOUISVILLE

NASHVILLE

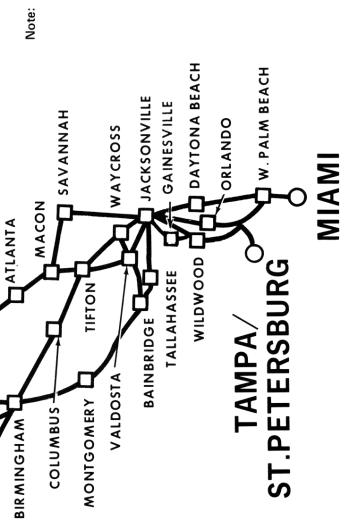


Points identifying routes over which service may be provided.

CHATTANOOGA

MEMPHIS

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago-Miami and Tampa/St. Petersburg is not intended to suggest that the Corporation is required to provide service to that point.



CHICAGO - NEW ORLEANS

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO NEW ORLEANS
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago and New Orleans, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - Carbondale Segment

via - Springfield, St. Louis
via - Centralia

Carbondale - New Orleans Segment

via - Memphis, Jackson

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

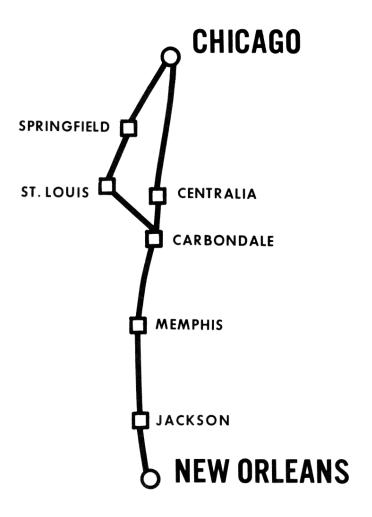
Chicago - Carbondale Segment

<u>Via</u>	Carrier	Trains
Springfield, St. Louis	GM&O	#1,3,5,2,4,6.
	IC	#1,3,5,7,9,21,53, 2,4,6,8,10,22,52.
	N&W	#121,301,124,304.
	PC	#13,31,4,32.
Centralia	IC	#1,3,5,7,9,21,53,2,4, 6,8,10,22,52.

Carbondale - New Orleans Segment

<u>Via</u>	Carrier	Trains
Memphis, Jackson	IC	#1,5,53,2,6,52,

CHICAGO - NEW ORLEANS



- O Points between which intercity passenger trains shall be operated.
- Points identifying routes over which service may be provided.

Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago-New Orleans is not intended to suggest that the Corporation is required to provide service to that point.

CHICAGO - HOUSTON

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO HOUSTON
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago and Houston, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - Kansas City Segment

<u>via</u> - Galesburg, Ft. Madison

via - Galesburg, Quincy

Kansas City - Fort Worth Segment

via - Wichita, Oklahoma City

via - Tulsa, Oklahoma City

Ft. Worth - Houston Segment

via - Dallas

via - Temple

Chicago - Longview Segment

via - St. Louis, Little Rock

Longview - Houston Segment

via - Dallas

via - Palestine

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Chicago - Kansas City Segment

<u>Via</u>	Carrier	Trains
Galesburg, Ft. Madison	ATSF	#1,15,17,23,2,16,18,24.

Chicago - Houston (cont'd)

Chicago - Kansas City Segment (cont'd)

<u>Via</u>	Carrier	<u>Trains</u>
Galesburg, Quincy	BN	#1,5,11,19,2,6, 12,20.

Kansas City - Forth Worth Segment

<u>Via</u>	<u>Carrier</u>	Trains
Wichita, Oklahoma City	ATSF	#1,15,17,23,2,16, 18,24.
Tulsa, Oklahoma City	ATSF	#211,212.

Fort Worth - Houston Segment

<u>Via</u>	Carrier	Trains
Dallas		
Temple	ATSF	#15.16.

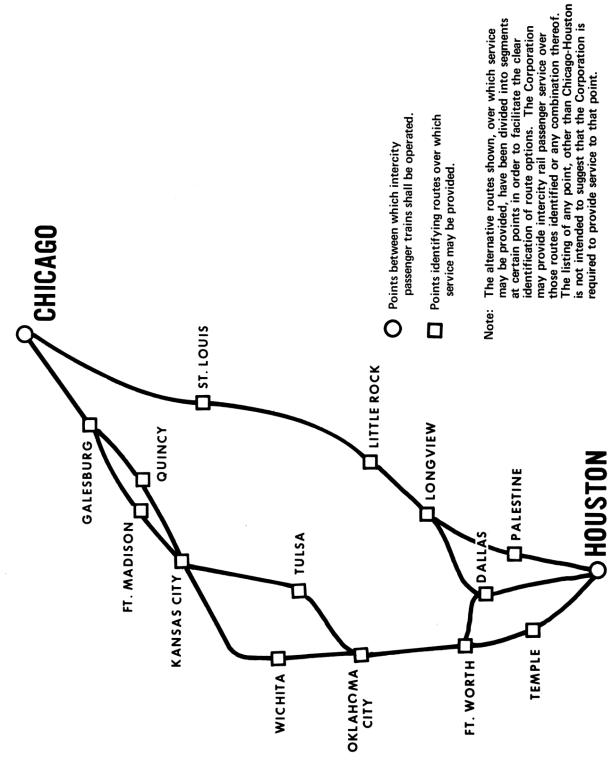
Chicago - Longview Segment

<u>Via</u>	Carrier	Trains
St. Louis, Little Rock	GM&O	#1,3,5,2,4,6.
	IC	#1,3,5,7,9,21,53,2, 4,6,8,10,22,52.
	N&W	#121,301,124,304.
	PC	#13,31,4,32.
	MP	#1,2.

Longview - Houston Segment

<u>Via</u>	Carrier	Trains
Dallas		
Palestine		

CHICAGO - HOUSTON



CHICAGO - SEATTLE

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO SEATTLE
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago and Seattle, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - Minneapolis/St. Paul Segment

via - Milwaukee

via - Madison

via - E. Dubuque

Minneapolis/St. Paul - Fargo Segment

via - Willmar

via - Fergus Falls

via - Detroit Lakes

Fargo - Spokane Segment

via - Grand Forks, Minot, Williston, Glacier Park

via - New Rockford, Minot, Williston, Glacier Park

via - Bismarck, Billings, Great Falls, Glacier Park

via - Bismarck, Billings, Helena, Missoula

via - Bismarck, Billings, Butte, Missoula

Spokane- Seattle Segment

via - Wenatchee

via - Othello

via - Yakima

Chicago - Seattle (cont'd)

Spokane - Portland Segment

<u>via</u> - Pasco via - Hinkle

Portland - Seattle Segment

<u>via</u> - Tacoma

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes trains presently operating over all or any portion of routes listed.

Chicago - Minneapolis/St. Paul Segment

<u>Via</u>	Carrier	Trains
Milwaukee	Milw	#5,9,23,27,6,12, 24,46,56.
	CNW	#121,149,153,209, 239,152,160,168, 206,216.
Madison	Milw	#11,117,22,118.
E. Dubuque	BN	#7,9,25,31,8,10, 26,32.
	IC	#11,12.

Minneapolis/St. Paul - Fargo Segment

<u>Via</u>	Carrier	Trains
Willmar	BN	#31,32.
Fergus Falls	BN	#27,28.
Detroit Lakes	BN	#25,29,26,30.

Chicago - Seattle (cont'd)

Fargo - Spokane Segment

<u>Via</u>	Carrier	Trains
Grand Forks,Minot Williston, Glacier Park	BN	#27,28.
New Rockford, Minot Williston, Glacier Park	BN	#31,32.
Bismarck,Billings Great Falls, Glacier Park	BN	#25,27,29,31, 26,28,30,32.
Bismarck, Billings Helena,Missoula	BN BN	#29,30.
Bismarck, Billings Butte,Missoula	BN	#25,26.

Spokane - Seattle Segment

<u>Via</u>	Carrier	Trains
Wenatchee	BN	#27,31,28,32.
Othello		
Yakima	BN	#24,29,26,30.

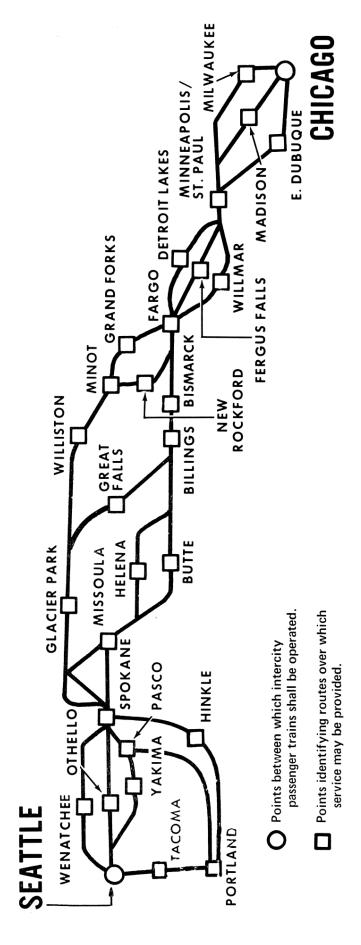
Spokane - Portland Segment

<u>Via</u>	Carrier	Trains
Pasco	BN	#21,23,25,29, 22,26,28,30.
Hinkle	UP	#17,19,105,18,20,106.

Portland - Seattle Segment

<u>Via</u>	Carrier	<u>Trains</u>
Tacoma	BN	#195,199,196,198.
	UP	#457,458.

CHICAGO - SEATTLE



Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago-Seattle is not intended to suggest that the Corporation is required to provide service to that point.

CHICAGO - SAN FRANCISCO/OAKLAND

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO SAN FRANCISCO/OAKLAND
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago - San Francisco/Oakland, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - Omaha Segment

<u>via</u> - Marion

via - Des Moines

via - Ottumwa

Omaha - Denver Segment

via - North Platte

via - Lincoln

Chicago - Kansas City Segment

<u>via</u> - Galesburg, Ft. Madison

via - Galesburg, Quincy

Kansas City - Denver Segment

via - La Junta

via - Salina

Denver - San Francisco/Oakland Segment

via - Cheyenne, Ogden, Reno, Sacramento

via - Grand Jct., Salt Lake City, Ogden, Reno, Sacramento

via - Cheyenne, Ogden, Oroville, Sacramento

via - Grand Jct., Salt Lake City, Wells, Winnemucca, Oroville, Sacramento

Chicago - San Francisco/Oakland (cont'd)

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Chicago - Omaha Segment

<u>Via</u>	Carrier	Trains
Marion	Milw	#103,104.
Des Moines	RI	#5-9,11,6-8,12.
Ottumwa	BN	#1,11,2,12.

Omaha - Denver Segment

<u>Via</u>	Carrier	Trains
North Platte	UP	#103-111,104-112.
Lincoln	BN	#1,2,15,16.

Chicago - Kansas City Segment

<u>Via</u>	Carrier	Trains
Fort Madison	SF	#1,15,17,23,2,16, 18,24.
Quincy	BN	#5,19,6,20.

Kansas City - Denver Segment

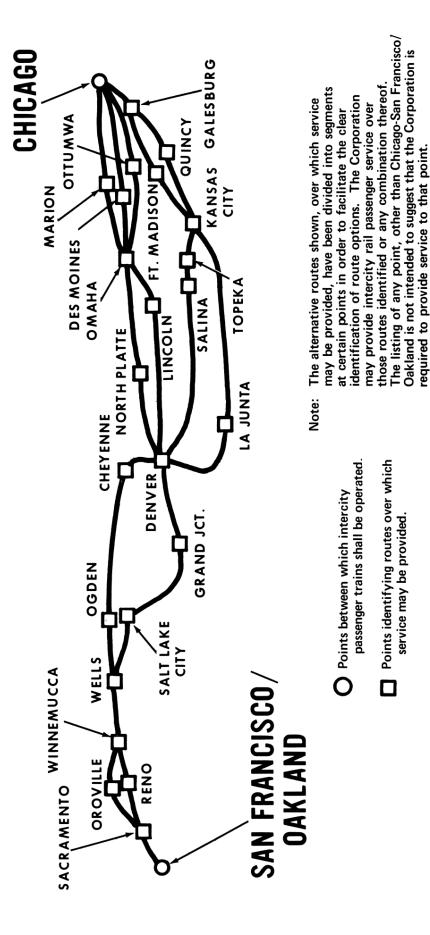
<u>Via</u>	Carrier	Trains
La Junta	ATSF	#1,15,17,23,2,16,18, 24,201-200,191-190.
Salina	UP	#9,117,10,118

Chicago - San Francisco/Oakland (cont'd)

Denver - San Francisco/Oakland Segment

<u>Via</u>	Carrier	Trains
Cheyenne, Ogden Reno, Sacramento	UP	#9-103-105,17,18, 10-104-106.
	SP	#101,102,11,12.
Grand Jct.,Salt Lak City, Wells, Winnemucca,Ogden, Reno,Sacramento	e DRGW	#17,18.
	UP	#35,36,103-9,10-104.
	SP	#11,101,12,102.
Cheyenne, Ogden Oroville, Sacramento	DRGW	#17,18.
		11-77-00

CHICAGO - SAN FRANCISO/OAKLAND



CHICAGO - LOS ANGELES

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: CHICAGO LOS ANGELES
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Chicago and Los Angeles, is not intended to suggest that the Corporation is required to provide service to that point.

Chicago - Kansas City Segment

via - Fort Madison

via - Quincy

Kansas City - Los Angeles Segment

via - Topeka, Newton, Wichita, Amarillo, Flagstaff.

via - Ottawa, Newton, La Junta, Albuquerque, Flagstaff.

via - Topeka, Hutchinson, Tucumcari, El Paso,
Phoenix

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Chicago - Kansas City Segment

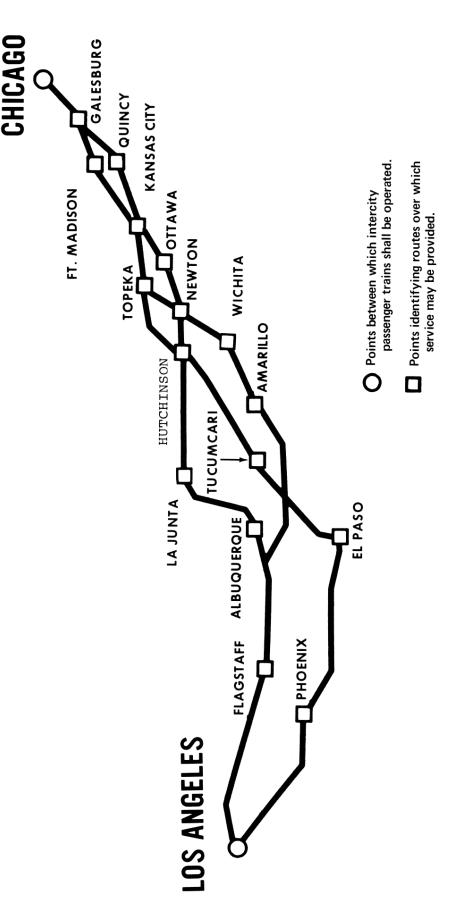
<u>Via</u>	Carrier	<u>Trains</u>
Ft. Madison	ATSF	#1,15,17,23,2,16, 18,24.
Quincy	BN	#1,5,11,19,2,6, 12,20.

Chicago - Los Angeles (cont'd)

Kansas City - Los Angeles Segment

<u>Via</u>	Carrier	Trains
Topeka, Newton Wichita,Amarillo, Flagstaff	ATSF	#1,15,17,23,2, 16,18,24.
Ottawa, Newton, La Junta, Albuquerque, Flagstaff	ATSF	#1,15,17,23,2, 16,18,24.
Topeka, Hutchinson Tucumcari, El Paso, Phoenix	ATSF	#1,15,23,2, 16,24.
	SP	#1,2.

CHICAGO - LOS ANGELES



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NEW ORLEANS - LOS ANGELES

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: NEW Orleans LOS ANGELES
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New Orleans and Los Angeles, is not intended to suggest that the Corporation is required to provide service to that point.

New Orleans - El Paso Segment

via - Beaumont, Houston, San Antonio,
via - Baton Rouge, Shreveport, Dallas,
Fort Worth

El Paso - Los Angeles Segment

via - Tucson, Phoenix

New Orleans - Ft. Worth Segment

<u>via</u> - Baton Rouge, Shreveport, Dallas via - Beaumont, Houston, Dallas

Ft. Worth - Los Angeles Segment

via - Amarillo, Flagstaff

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

New Orleans - El Paso Segment

<u>via</u>	Carrier	Trains
Beaumont, Houston San Antonio	n SP	#1,2.
Baton Rouge, Shreveport, Dalla Fort Worth	 as,	ive ses

New Orleans - Los Angeles (cont'd)

El Paso - Los Angeles Segment

New Orleans - Ft. Worth Segment

Via Carrier Trains

Baton Rouge, -- -Shreveport, Dallas

Beaumont, Houston, SP #1,2.
Dallas

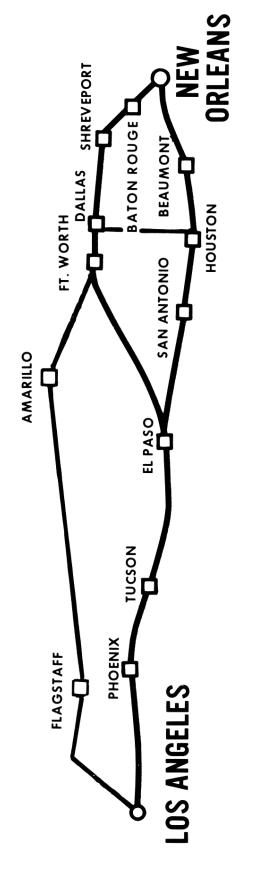
Ft. Worth - Los Angeles Segment

 via
 Carrier
 Trains

 Amarillo
 ATSF
 #1,15,17,23.

 Flagstaff
 2,16,18,24.

NEW ORLEANS - LOS ANGELES



O Points between which intercity passenger trains shall be operated.

Points identifying routes over which service may be provided.

Note: The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than New Orleans-Los Angeles is not intended to suggest that the Corporation is required to provide service to that point.

SEATTLE - SAN DIEGO

- I. POINTS BETWEEN WHICH INTERCITY PASSENGER TRAINS SHALL BE OPERATED: SEATTLE SAN DIEGO
- II. ROUTES OVER WHICH SERVICE MAY BE PROVIDED:

The alternative routes shown, over which service may be provided, have been divided into segments at certain points in order to facilitate the clear identification of route options. The Corporation may provide intercity rail passenger service over those routes identified or any combination thereof. The listing of any point, other than Seattle and San Diego, is not intended to suggest that the Corporation is required to provide service to that point.

Seattle - San Francisco/Oakland Segment

via - Portland, Klamath Falls

San Francisco/Oakland - Los Angeles Segment

<u>via</u> - Santa Barbara <u>via</u> - Fresno

Los Angeles - San Diego Segment

via - Anahiem

III. TRAINS PRESENTLY OPERATED OVER SUCH ROUTES:

Includes all trains presently operating over all or any portion of routes listed.

Seattle - San Francisco/Oakland Segment

<u>Via</u>	Carrier	<u>Trains</u>
Portland, Klamath Falls	BN	#195,199,196,198.
Manach Falls	UP	#457,458.
	SP	#11,101,12,102.

Seattle - San Diego (cont'd)

Anahiem

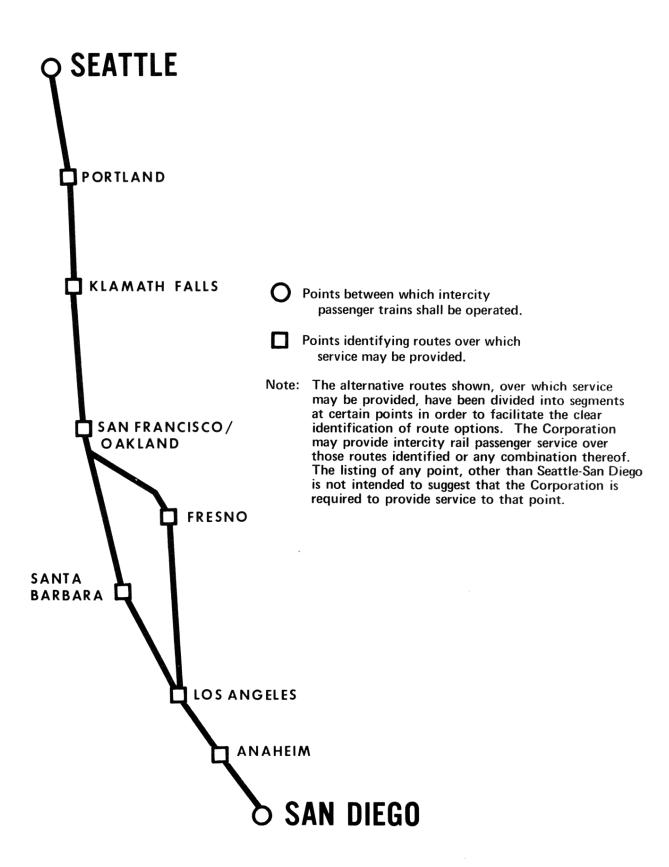
San Francisco/Oakland - Los Angeles Segment

<u>Via</u>	Carrier	Trains
Santa Barbara	SP	^{#99} ,141,98,126.
Fresno	SP	#51,52.
	ATSF	#1,2.
Los Angeles - San Diego Segment		
<u>Via</u>	Carrier	Trains

ATSF

#73,75,77,74,76,78.

SEATTLE - SAN DIEGO



Key to Abbreviations to Railroads

ATSF(SF) Atchison, Topeka and Santa Fe BN..... Burlington Northern B&O..... Baltimore and Ohio CNW..... Chicago & North Western C&O..... Chesapeake and Ohio CSS&SB..... Chicago South Shore and South Bend CofG..... Central of Georgia RI..... Chicago, Rock Island and Pacific D&RGW..... Denver and Rio Grande Western GA..... Georgia GM&O..... Gulf, Mobile and Ohio GTW..... Grand Trunk Western IC..... Illinois Central L&N..... Louisville and Nashville Milw..... Chicago, Milwaukee, St. Paul and Pacific MP..... Missouri Pacific N&W..... Norfolk and Western PC..... Penn Central RF&P..... Richmond, Fredericksburg and Potomac SCL..... Seaboard Coast Line SR..... Southern SP..... Southern Pacific

UP..... Union Pacific

APPENDIX

SUMMARY OF RECOMMENDATIONS

Procedures established in the Act for designation of the Basic System provide for review and consideration of recommendations by the Secretary prior to issuance of the Final Report. This Appendix contains a summary of these recommendations and the Department's reasons for "failing to adopt any such recommendation" as required by Section 202.

Pursuant to the provisions of Section 202, the Department received "official" comments and recommendations on the Preliminary Report from the Interstate Commerce Commission, 43 States, the Congress of Railway Unions and the Railway Labor Executives' Association, and 15 railroad companies. In addition, many U. S. Senators and Representatives submitted their own views or wrote on behalf of their constituents. Mayors, city councils, chambers of commerce, regional, State and local planning agencies, and nearly three thousand private citizens expressed their support for service in their home states or localities.

All comments and recommendations on the Preliminary Report can be broadly classified into two categories: (A) those raising systemwide issues, and (B) those recommending additions to or preferred routes in the proposed Basic System.

- A. <u>SYSTEM-WIDE ISSUES</u>. Many of the comments focused on the proposed Basic System's structure and its relationship to the language and intent of the Act. Four issues emerged as principal sources of concern:
 - -- the extent to which the proposed Basic System represented a truly national network of rail passenger service;
 - -- the amount of discretion left to the Corporation in the matter of route selection;
 - -- the precision with which basic service characteristics were prescribed; and
 - -- the degree to which profitability was considered in electron routes for the Basic System.

1. <u>Is the Basic System a truly national network of rail passenger service?</u>

Taking the comments as a whole, two implicit criticisms of the Preliminary Report were made. First, that not enough service was provided. Second, that the service was not connected into a national rail passenger network.

In the Final Report, priority was given to the addition of service which would provide key links in a truly national rail passenger network.

New York-Kansas City via St. Louis and Washington-Chicago service have been separately identified as separate service points in order to clarify the requirement that through-service will be provided as was actually intended in the Preliminary Plan. This will provide multiple access between the heavy population concentrations of the Northeast Corridor and the Midwest. Furthermore, the specification of Kansas City as a terminal point permits transcontinental travel through St. Louis without going through Chicago, as well as a more direct connection between the East and the Southwest.

Los Angeles-New Orleans service was added to provide access between the fast-growing Southwest and the West.

San Diego-Seattle service was added to maintain a rail transportation alternative to the fastest growing region of the country. It will connect the major cities of San Diego, Los Angeles, San Francisco, Portland, and Seattle. This route will connect the east-west routes terminating in the West.

Norfolk/Newport News-Cincinnati service will be added and will provide a connection for the southern half of the mid-Atlantic region with the Midwest. It will provide service in an area where other transportation modes are less developed.

Tampa-St. Petersburg service was added because it is an integral part of the rail travel pattern to Florida from northern points. The provision of service to the West Coast of Florida maintains this important link to service on the Chicago-Miami and New York-Miami routes.

These additions, along with the service provided in the Preliminary Report, insure that the Basic System will be truly national in scope.

2. Has the Corporation been improperly "delegated" responsibility for selecting the routes over which service is provided?

The Act requires the Secretary to designate the Basic System but provides considerable latitude to the Corporation with respect to route selection. That is, the Act permits the Secretary to identify a

number of alternative routes between each pair of points to which service is required, leaving the final choice to the Corporation.

The operational flexibility required for operating a National Rail Passenger Corporation compels this approach. Many comments asserted that the Secretary is required by Section 201 to identify with great specificity each route over which the Corporation would be required to provide service. Many would have the Secretary specify both "end points" and "intermediate points" between which intercity passenger trains shall be operated.

In response to these suggestions, the Final Report identifies the "routes over which service may be provided" in significantly greater detail than in the Preliminary Report. Nevertheless, the Corporation will have to decide on the basis of market potential, facilities, and cost, which of the route options will in fact receive service. Some of the comments maintained that the Corporation should not be vested with this discretion. But if the Secretary were to specify that service be provided between a great number of cities along routes on the Basic System, the requirement in Section 201 that he "identify all routes over which service may be provided" would be meaningless and indistinguishable from the requirement that he "specify those points between which ... trains shall be operated" (emphasis supplied). If he were required to leave the Corporation no discretion, then the identification of "routes" would be nothing more than a catalogue of trackage, something with which Congress can hardly have intended the Secretary to concern himself. The Act, then, clearly requires that the Corporation be given the latitude to select the routes over which it will provide service.

3. <u>Should basic service characteristics have been prescribed with greater precision?</u>

Those critical of the latitude given the Corporation in selecting routes also questioned the degree of freedom inherent in the generality of the service characteristics prescribed by the Secretary.

The law requires only that the Secretary <u>take into account</u> schedules, number of trains, connections, etc., in specifying service characteristics. The Corporation is charged with fully developing "the potential of modern rail service in meeting the Nation's intercity passenger transportation requirements." Implicit in this goal is the need for increased ridership and revenues. Quality of service is an essential element in attracting patronage and is necessarily a function of effective and responsive management. Although certain minimum service requirements have been set as a "floor," rigid and precise

standards have not been prescribed. Even if such criteria could in fact be formulated, they would hamper rather than facilitate the job which management must accomplish.

4. <u>Has potential profitability been given too much weight in</u> the designation of the Basic System?

One of the criteria set forth in Section 201 for designation of the Basic System is the "potential profitability of the service." It was claimed in some of the comments on the Preliminary Report that the Department treated profitability as the primary standard for inclusion of service in the Basic System.

The Final Report sets forth the rationale underlying the Basic System designation. Population concentration, the requirements of a total transportation system, the relationship of rail travel to other modes, and the need for efficient and flexible management were all factors carefully considered in developing the procedures for selecting the points and routes on the Basic System.

At the same time, however, it was recognized that the Rail Passenger Service Act requires the establishment of a "for profit" Corporation, and that the Corporation would be required to commence its operations with limited capital resources. This meant that each service element considered for inclusion in the Basic System had to be weighed against other candidates on the basis of its financial implications. It was deemed essential, as indicated in the Final Report, that no route place an undue financial burden on the Corporation. The Corporation must be solvent, and its ability to improve upon present levels of service must not be impaired. It is not believed that this application of the profitability criterion is either unreasonable or beyond the importance assigned to it by Congress.

B. <u>RECOMMENDED ADDITIONS AND PREFERRED ROUTES</u>. Specific recommendations for more service than that provided in the Preliminary Report were directed primarily to two issues: a) addition of certain points to the Basic System, and b) specification of a required route between designated points, thereby assuring train service to those cities on the route.

The following tables summarize the recommendations contained in the official comments of the ICC, State agencies, railroad companies, and railroad labor organizations. The tables show the disposition of each recommendation, the reasons a recommendation was not accepted (keyed to the reasons stated below), and the status of additional service or route requests in the final designation of the Basic System.

For purposes of uniformity and clarity it was necessary to classify the recommendations within the framework of the Preliminary Report. Action on each recommendation is listed under the heading "Status In The Basic System," as being adopted, included as part of an optional route, or not included. The final column refers by number, where appropriate, to one or more of the following reasons for the Department's inability to adopt certain recommendations.

1. Ridership:

Existing and projected ridership levels between the cities do not warrant designation as points between which service shall be provided.

2. Population:

Either one or both terminal cities are not major population centers (SMSA) of approximately one million or more, the minimum deemed necessary to support rail service.

3. Alternate Mode Competition:

Rail transportation is not deemed to be able to compete effectively in the foreseeable future with other modes of public transportation in terms of cost, speed, or comfort.

4. Existing Rail Facilities:

Track and other facilities are not of sufficient quality to permit continuance or initiation of passenger service without major and immediate capital improvements.

5. Profitability:

Considering the need for the Corporation to operate the system as a whole on an economically sound basis, projected revenue and cost estimates indicate that the service could not be operated without incurring substantial losses.

6. Route Selection:

The designation by the Secretary of specific routes to be served is neither required nor intended by the Act. It is important that the Corporation have the flexibility to react to market demands, use the best available rail facilities, and select the least costly service alternative if it is to improve existing service and operate a national system.

7. Foreign Points:

The Secretary has no authority to require the Corporation to serve points outside United States borders. Further, a foreign carrier serving a point in the Basic System could not necessarily be required to furnish such service until January 1, 1975, if it chose not to contract with the Corporation.

REGION: WESTERN

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RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBERS REFER TO LIST ABOVE)
I. ADDITIONAL POINTS TO BE DESIGNATED:			
Seattle-San Diego	ICC, Rail Labor, Colorado, Oregon, Washington, Calif. (PUC), Indiana; opposed by Southern Pacific (Los Angeles Portland); California Business & Trans- portation Agency not opposed to omission		
Vancouver, B.CSeattle	ICC, Washington, Oregon	Not Included	7,
Los Angeles-New Orleans	ICC, Rail Labor, North Carolina, Florida, Georgia, Colorado, New Mexico, Texas, Louisiana, Indiana	Adopted	
Chicago-St. Paul/ Minneapolis	ICC, Rail Labor, Idaho, Washington, Illinois, Minnesota Montana, North Dakota, Wisconsin, Indiana	Included as a routing point on Chicago- Seattle Servic	
Chicago-Milwaukee	Illinois, Indiana, Wisconsin; opposed by Chicago North Western	Included as route option on Chicago-Seattle Service	6
Milwaukee-Green Bay	Wisconsin, Illinois opposed by Chicago North Western	· · · · · · · · · · · · · · · · · · ·	1, 2, 3, 5

REGION: WESTERN (Cont'd)

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RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBERS REFER TO LIST ABOVE)
St. Paul/Minneapolis- Duluth	Minnesota, Wisconsin, Burlington Northern	Not Included	1, 2, 3, 5
Winnipeg Service	Minnesota; Burlington Northern	Not Included	7
Chicago-Portland (via Boise)	Oregon	Not Included	1, 5
Salt Lake City-Butte, Montana	ICC, Idaho, Montana	Not Included	1, 2, 5
St. Louis-Salt Lake City (via Kansas City, Denver		Not Included	1, 2, 5
Salt Lake City-Seattle (via Portland, Oregon)	Idaho	Not Included	1, 2, 5
Chicago-Denver	Illinois, Colorado	Adopted: Chicago-San Francisco service	
Chicago-Omaha Chicago-Des Moines	Illinois	Included as route option on Chicago-San Fran-cisco	1, 2, 5, 6
Chicago-Kansas City	Illinois	Adopted: Chicago-Los Angles service	
St. Louis-Kansas City	ICC, Rail Labor, Idaho, Missouri, Indiana. opposed by Missouri Pacific Railroad	Adopted New York- Kansas City service	

REGION: WESTERN (Cont'd)

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RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBERS REFER TO LIST ABOVE)
Kansas City-Tulsa	Oklahoma ,	Included as route option in Chicago- Houston service	, , , ,
Laredo-San Antonio (Mexican Service)	ICC, Rail Labor, Texas, Government of Mexico	Not Included	7
Chicago-Madison, Wisc.			
Chicago-Rock Island			
Chicago-Joliet		Included as route	
Chicago-Springfield	Illinois	option on other	2, 6
Chicago-Danville		services	
Chicago-Decatur			
Chicago-Peoria			
Chicago-Clinton, Iowa	Illinois	Not Included	1, 2, 3, 5
Chicago-Rockford			
II. PREFERRED ROUTE			
CHICAGO-SEATTLE			
Via Madison, Eau Claire	Wisconsin	Included as route	
Via North Dakota and Montana, using exist- ing routes across states	ICC, Rail Labor, North Dakota, Montana	options in Chicago- Seattle service	6

REGION:

WESTERN (Cont'd)

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RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBERS REFER TO LIST ABOVE)
via Rockford, Illinois	Illinois		
via Des Moines	Iowa		_
via Salt Lake City	Idaho, Utah	Not Included	1, 5
via Boise	Oregon		
CHICAGO-SAN FRANCISCO			
via California Zephyr route-Denver-Salt Lake City-San Francisco	ICC, Colorado		
via Cheyenne & Ogden	Nebraska, Wyoming		
via Des Moines	Iowa, Illinois	Included as route options	_
via Reno	Nevada	on Chicago- San Fran-	6
via Utah	Utah	cisco service	
via Kansas City, Denver, and Salt Lake City	Kansas, Idaho		
via Kansas City- Western Oklahoma	Oklahoma	Not Included in Chicago-	1, 5
via Albuquerque	New Mexico	San Fran- cisco	-, -
via Amarillo	Kansas	service	
CHICAGO-LOS ANGELES			
via Kansas City	Illinois	Adopted Chicago-Los Angeles service	
via Kansas City La Junta	Colorado	Included as option: Chicago-Los	6
via Albuquerque, N.M.	New Mexico, Kansas	Angeles service	

REGION: WESTERN (Cont'd)

	RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBERS REFER TO LIST ABOVE)
	Tucumcari, El Paso, son, Phoenix, Yuma	Arizona; opposed by Kansas, New Mexico	Included as route option Chicago-	6
via Yum	Flagstaff, Phoenix, a	Arizona	Los Angeles	
via	Cheyenne & Ogden	Wyoming	Not Included in Chicago-	1, 5
via	Salt Lake City	Idaho	Los Angeles service	
via Rou	"California Zephyr" te	Nebraska		
via	Utah	Utah		
via	Des Moines	Iowa		
CHICA	GO-HOUSTON			
	Kansas City-Oklahoma y-Dallas/Ft. Worth	Oklahoma, Kansas	Included as	
	St. Louis, Little k, Texarkana	Indiana, Arkansas opposed by Missouri Pacific Railroad	route option Chicago- Houston	6
TII. OTH	ER ISSUES			
Ser	vice to South Dakota	South Dakota	Not Included	1, 2, 4, 5
Ser	vice to National Parks	Idaho, Montana, U.S. Department of Interior, U.S. Department of Commerce	Included on route options	1, 5, 6
	•	1	•	

REGION: EASTERN

RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (Numbers Refer to List Above)
I. ADDITIONAL POINTS TO BE DESIGNATED:			
Boston-Albany (Chicago Connection)	ICC, Rail Labor, New England Regional Commission (NERC: includes Massachu- setts, Rhode Island, Connecticut, Maine, Vermont and New Hampshire), Illinois New York		1, 2, 3, 5
Boston-Bangor via Portlan d	Rail Labor, NERC	Not Included	1, 2, 3, 4, 5
Boston-Montreal via White River Junction	Rail Labor, NERC	Not Included	1, 3, 4, 5, 7
New Haven-White River Junction via Hartford, Spring- field	Rail Labor, NERC	Not Included	1, 2, 3, 4, 5
Boston-Buffalo via Fitchburg, Greenfield	NERC	Not Included	1, 3, 4, 5
Pittsfield-Danbury	NERC	Not Included	1, 2, 5

REGION: EASTERN (Continued)

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RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (Numbers Refer to List Above)
Worchester-New London	NERC	Not Included	1, 2, 3, 5
Boston-Philadelphia	NERC	Included as segments of	- - -
Boston-Washington		other routes	
Boston/NYC-Toronto	Rail Labor	Not Included	7
NYC-Montreal	ICC, Rail Labor, New York	Not Included	7
NYC-Pittsburgh	Indiana	Adop ted NYC-Kansas City service	 .
NYC-St. Louis via Pittsburgh	Ohio, Pennsylvania	Adopted N.YKansas City service	
Buffalo-Chicago via Cleveland	N.Y., Indiana	Included as optional route New	1, 3, 5, 6
Buffalo-Detroit via Canada	Michigan	York City- Chicago	
Buffalo-Detroit via Cleveland, Toledo	New York	Not Included	1, 3, 5
Buffalo-Cincinnati	Ohio	Not Included	1, 3, 5
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REGION: EASTERN (Cont'd)

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RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDE (NUMBERS REFER TO LIST ABOVE
Toronto-Detroit	ICC, Michigan	Not Included	7
Toronto-Chicago via Port Huron, Michigan	ICC, Michigan	Not Included	7
Philadelphia-Chicago	Illinois	Included as route option New York-Chicago service	6
Washington-Buffalo via Harrisburg	Pennsylvania	Not Included	1, 4,
Washington-Chicago	ICC, Rail Labor, Pennsylvania, Illinois, Indiana, Maryland	Adopted	
Pittsburgh-Cleveland	Ohio, Pennsylvania	Included as route option New York-Chicago Washington- Chicago	1, 3, 5,
Cleveland-Chicago	Illinois, Indiana, Ohio, Pennsylvania New York	Included as route option New York- Chicago and	1, 3, 5,
Pittsburgh-Chicago	Indiana, Illinois	Washington- Chicago	
Pittsburgh-St. Louis	Indiana	Adopted New York- Kansas City service	

REGION: EASTERN (Continued)

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RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (Numbers Refer to List Above)
Detroit-St. Louis	ICC, Indiana	Not Included	1, 3, 5
Detroit-Toledo	Michigan, Ohio, New York, Indiana	Not Included	1, 3, 5
Detroit-Grand Rapids Detroit-Saginaw	Michigan	Not Included	1, 2, 3, 5
<u>-</u> →			
Detroit-Cincinnati	Ohio	Not Included	1, 3, 5
Grand Rapids-Chicago	Michigan, Indiana, Illinois	Not Included	1, 2, 3, 5
Chicago-Indianapolis	Indiana Illinois	Included as route option on Chicago-Cincinnati; Chicago-Miami Service	1, 3, 5, 6
II. PREFERRED ROUTE:			
Boston-New York via Springfield via Providence	NERC, Connecticut, Massachusetts, New Hampshire	Included as route Options: New York- Boston	6
New York-Buffalo via Albany	New York	Included NYC-Buffalo	
via Binghamton via Wilkes Barre	New York, Pennsylvania	Not Included	1, 2, 4, 5
		i	

REGION: EASTERN (Continued)

RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (Numbers Refer to List Above)
New York-Chicago			
via Buffalo, Detroit	New York		
via Buffalo, Cleveland	New York, Penn., Indiana	Included as route options	
via Pittsburgh	New York, Penn., Ohio, Indiana	N.YChicago	
Washington-St. Louis	7		
via Pittsburgh	Indiana, Ohio, Pennsylvania, Maryland	Included as	
via Cumberland, Cincinnati	Maryland, opposed by C&O/	route options Washington- St. Louis	6
via Charleston, Cincinnati	Indiana, Virginia, opposed by C&O/		
Chicago-Cincinnati	B≪∪ —		
via Gary, Indianapolis	Indiana	Not Included	1, 3, 4, 5
via Logansport	Indiana	Included as route option Chicago- Cincinnati	6
Chicago-St. Louis			
via Springfield via Decatur	Illinois Illinois	Included as route options	6
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REGION: SOUTHEASTERN

RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBERS REFER TO LIST ABOVE)
I. ADDITIONAL POINTS TO BE DESIGNATED:			
Norfolk-Cincinnati	ICC, Virginia, North Carolina, West Virginia		
Service to Florida West CoastTampa/St. Peters- burg	ICC, Rail Labor, Seaboard Coast Rail- road, Florida, New York	Adopted:	
Naples-Ft. Myers exten- sion of Tampa service	Florida	Not Included	1, 2, 5
Atlanta-Jacksonville	Rail Labor	Included as optional route on Chicago-Miami service	1, 3, 5,
Jacksonville-New Orleans	Rail Labor, Florida, Louisiana, Georgia, North Carolina	Not Included	1, 3, 4, 5
Atlanta-Savannah (Nancy Hanks)	Rail Labor, Georgia	Included as optional route on Chicago- Miami	1, 2, 3, 5
Atlanta-Augusta	Georgia	Included as optional route on New York- New Orleans service	1, 2, 3, 4, 5,6

REGION: SOUTHEASTERN (Cont'd)

	RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBER REFER TO LIST ABOVE)
S	avannah-Montgomery	Georgia		
E	ristol-Chattanooga	Tennessee	Not Included	1, 2, 3, 4,
S	alisbury-Asheville, N.C.	North Carolina		5
c	hicago-Nash v ille	Illinois	Included as	
Ç	hicago-Birmingham	Illinois	optional routes in	1 2 5 6
c	hicago-Memphis	Illinois	Chicago-	1, 2, 5, 6
C	hicago-Louisville	Illinois	Chicago-New Orleans	
C	hicago-Carbondale	Illinois	service	
	ashington-Richmond High Speed Service)	Delaware, Virginia	Included in New York- Miami service	2, 3, 5
C	incinnati-New Orleans	Kentucky	Not Included	1, 3, 4, 5
C	hicago-Atlanta	Illinois	Included as optional route in Chicago- Miami service	1, 3, 5, 6
II. P	REFERRED ROUTES			
C	HICAGO-NEW ORLEANS			
	VIA St. Louis-Memphis	Tennessee, Kentucky		
	VIA Chicago-Centralia- Cairo	Illinois	route options in Chicago-New Orleans	6
	VIA Danville-Evans- ville, Nashville		service	
	Louisville-Fulton (Feeder Service)	Kentucky	Not Included	1, 4, 5

REGION: SOUTHEASTERN

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	RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBERS REFER TO LIST ABOVE)
I.	ADDITIONAL POINTS TO BE DESIGNATED:			
	Norfolk-Cincinnati	ICC, Virginia, North Carolina, West Virginia	Adopted	
	Service to Florida West CoastTampa/St. Peters- burg	ICC, Rail Labor, Seaboard Coast Rail- road, Florida, New York	Adopted:	
	Naples-Ft. Myers exten- sion of Tampa service	Florida	Not Included	1, 2, 5
	Atlanta-Jacksonville	Rail Labor	Included as optional route on Chicago-Miami service	1, 3, 5, 6
	Jacksonville-New Orleans	Rail Labor, Florida, Louisiana, Georgia, North Carolina	Not Included	1, 3, 4, 5
	Atlanta-Savannah (Nancy Hanks)	Rail Labor, Georgia	Included as optional route on Chicago- Miami	1, 2, 3, 5
	Atlanta-Augusta	Georgia	Included as optional route on New York- New Orleans service	1, 2, 3, 4, 5,6
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REGION: SOUTHEASTERN (Cont'd)

	RECOMMENDATION	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBER REFER TO LIST ABOVE)
	Savannah-Montgomery	Georgia		
	Bristol-Chattanooga	Tennessee	Not Included	1, 2, 3, 4,
	Salisbury-Asheville, N.C.	North Carolina		5
	Chicago-Nashville	Illinois		
	Chicago-Birmingham	Illinois	optional routes in	
	Chicago-Memphis	Illinois	Chicago- Miamiror	1, 2, 5, 6
	Chicago-Louisville	Illinois	Chicago-New Orleans	
	Chicago-Carbondale	Illinois	service	
	Washington-Richmond (High Speed Service)	Delaware, Virginia	Included in New York- Miami service	2, 3, 5
	Cincinnati-New Orleans	Kentucky	Not Included	1, 3, 4, 5
	Chicago-Atlanta	Illinois	Included as optional route in Chicago- Miami service	1, 3, 5, 6
II.	PREFERRED ROUTES			
	CHICAGO-NEW ORLEANS			
	VIA St. Louis-Memphis	Tennessee, Kentucky		
	VIA Chicago-Centralia- Cairo	Illinois	route options in Chicago-New Orleans	6
	VIA Danville-Evans- ville, Nashville		service	
	Louisville-Fulton	Kentucky	Not Included	1, 4, 5

REGION: SOUTHEASTERN (Cont'd)

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	RECOMMENDATIONS	RECOMMENDED BY	STATUS IN BASIC SYSTEM	REASON NOT ADOPTED AS RECOMMENDED (NUMBER REFER TO LIST ABOVE)
	CHICAGO-MIAMI			
	VIA Louisville, Montgomery, Waycross, Georgia	Alabama		
	VIA Cincinnati-Atlanta	Tennessee, Kentucky;	Included as route	
		opposed by Southern Railway		6
	VIA E va nsville	Indiana	options in Chicago-	
	VIA Louisville	Kentucky, Indiana	Miami service	
	VIA Chicago-Centralia- Cairo	Illinois		
	VIA Louisville, Bowling Green, Nashville, Chattanooga	Tennessee		
	VIA Monon, Lafayette, Bloomington and Louisville	Indiana	Not Included	1, 5,
	NEW YORK-NEW ORLEANS		·	
	VIA Washington, Charlottesville, Lynchburg, Danville, Charlotte	Virginia	Included as route option on New York-New Orleans service	6
	Nashville-Birmingham (Feeder Service)	Tennessee	Not Included	1, 3,5
III.	OTHER ISSUES			
	Designated stops in North Carolina on the New York-Miami and New York-New Orleans service		Not Included as stops	6

APPENDIX C

STATEMENT OF DAVID W. KENDALL, CHAIRMAN OF THE NATIONAL RAILROAD PASSENGER CORPORATION AT A PRESS CONFERENCE IN WASHINGTON, D.C., MONDAY, MARCH 22, 1971

Good afternoon ladies and gentlemen. On behalf of the Incorporators I want to thank you for attending this press conference.

First off, let me introduce the other seven Incorporators who with myself have been working on almost a non-stop schedule since January 1.

Today we are here to announce the details of a new, unified railroad passenger system for the United States. We believe this is one of the most significant developments in the history of American transportation -- one that offers great promise not only to provide modern, attractive, efficient rail transportation, but also to provide an offset to the mounting problems of pollution and congestion afflicting our urban areas.

We are announcing today the selection of routes and schedules which we have made after a detailed appraisal of the conditions prevailing between 21 pairs of cities throughout the United States.

Congress and the Secretary of Transportation directed us to do the best possible job of eliminating uneconomic and duplicating service and on May 1 to start operating a unified national passenger service offering the most convenient schedule feasible and utilizing the best equipment available.

Essentially, our decisions were based on the following criteria:

- 1. Current train ridership and number of trains per week.
- 2. Current operating costs on each route.
- 3. Adequacy of other travel modes.
- 4. Total population of cities along the route.
- 5. The physical characteristics of track and equipment.

During the past few months we have received some strong pleas from Congressional delegations, representatives of state and municipal governments, civic groups, and individuals to continue operating certain passenger runs.

What we are announcing today represents our best judgment. We realize that others may take issue with us. We hope that they will realize that we were confronted with enormous problems of money, track conditions, inadequate equipment, and lack of apparent potential for future passenger growth. Given existing conditions, we think we have made the best possible decisions.

In effect, we have tackled an extremely complex situation and converted it into the beginnings of an efficient system. We are taking the best equipment -- some 1,500 out of 3,300 existing railroad passenger cars -- operated by 22 different railroads, with a mass of schedules that for the most part are not coordinated with one another and losing more than \$235 million annually.

Initially, our objective is to cut these losses by over 50 per cent and we believe we have started a turn-around that will eventually provide the American people with a highly desirable service that can be profitable and which will appeal to an ever increasing number of travelers.

This system will, we hope, attract hundreds of thousands of people who have not recently -- or ever -- relied on railroad transportation. We think it will be increasingly attractive to those who travel for business and for pleasure. We think it will attract young people and older people, families and travel groups. We think this new system will gradually evolve to the point where it finds its natural place along with all the other modes in the overall transportation picture.

To summarize:

- 1. We believe the integrated network that we are announcing today provides a solid base upon which to build and expand the scope and quality of intercity passenger service for the American people.
- 2. We believe that this new service can succeed because, for the first time, it unifies all the operations of the nation's railroad passenger service. This means a single top management devoted exclusively to passenger operations. It means centralized and efficient reservations, ticketing, food and other on-train facilities, taking the best that has been developed by the airlines and other agencies of transportation and adapting them so that they are most attractive to the traveling public.
- 3. The new corporation will utilize the creative ingenuity and power of modern marketing, promotion and merchandising -- so that we will be using advertising and public relations aggressively to promote rail travel in an attractive and compelling way, nationwide and market by market.
- 4. To start out, we are selecting the best equipment, the best road beds and trackage and we are applying the techniques of modern design to refurbishing and updating equipment as quickly as possible. Centralized maintenance and services will enable us to cut costs and raise the level of cleanliness, courtesy and quality, on-train and in terminals and ticket offices.
- 5. It cannot be emphasized too strongly that Section 403 of the Rail Passenger Service Act allows the Corporation to add service where a state, regional or local agency feels strongly enough to reimburse the corporation for at least two-thirds of the cost of this service. We are exploring a number of such situations.
- 6. We will be working closely with the travel industry to provide travel packages and special promotions that we think will help to bring more and more people to the pleasures and benefits of railroad travel.

One last word: I speak for all the Incorporators in saying that we expect that this system will change and grow over the next few years. We pledge to everyone concerned that we will be open-minded and receptive to all constructive suggestions and ideas. We sincerely thank the **P**resident, the Department of Transportation, the Congress, the railroads, and all the others who have helped evolve this new system. We believe that this is a good plan, and we urge all of the American people to support it.

In your press kits are the maps and data on all of the route selections. We will now deal with any general questions you may have. Following that, individual Incorporators will be available to go into more detail on route selections in the four major sections of the country. When you may have questions for which we don't have answers, we will try to get them for you.

Thank you.

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INTERCITY PASSENGER ROUTES National Railroad Passenger Corporation Dodge City O End point cities designated by Secretary of Transportation Service from Fort Worth to Houston will be shifted from Temple route to Dalles route as soon as possible after May 1, 1971. ☐ Points identifying routes over which service will be provided SAN FRANCISCO

NEW YORK - BOSTON

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New York - Boston Segment

via - New Haven, Providence

New York - New Haven - Springfield Spur

II. FREQUENCY

Present through service will be continued except that the unprofitable overnight train, which has very low ridership, will be retired. The present frequency and schedule of service will be continued on the New York -New Haven - Springfield route.

III. REASONS FOR SELECTIONS:

The Providence route was selected because it has a shorter running time, current ridership is almost 50% greater, and Turbo-trains are now operating on it.

The New York - New Haven - Springfield Spur service will continue at the present frequency; it serves a large population and current ridership is high.

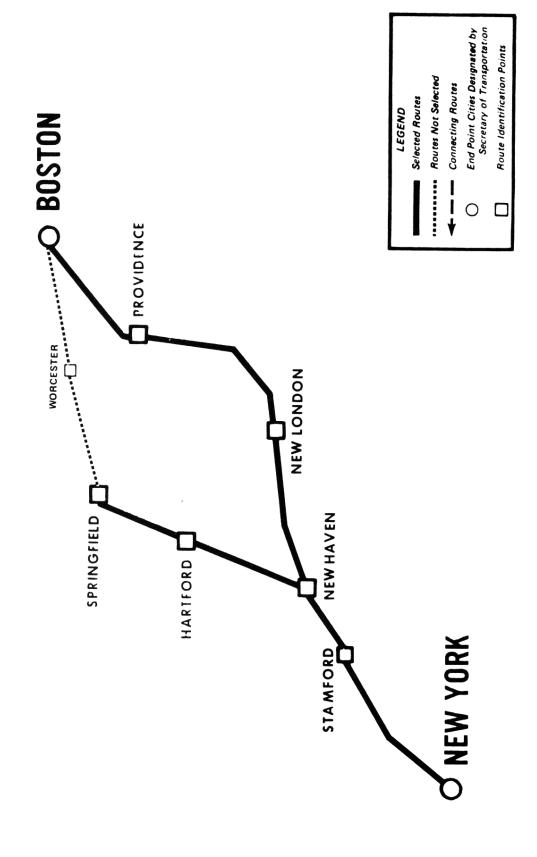
IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

<u>Springfield - Boston Segment</u>

Service on the Springfield - Boston segment was not chosen because there is no present through service between Boston and New Haven via Springfield; current ridership on intermediate trains between Springfield and Boston is very low; Worcester, the largest city between Springfield and Boston, is within commuting distance of Boston (44 miles); Springfield and Boston, only 98 miles apart, are connected by Interstate Highway I-90.

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NEW YORK - BOSTON



NATIONAL RAILROAD PASSENGER CORPORATION

955 L'ENFANT PLAZA NORTH, S.W. • ROOM 8060 • WASHINGTON, D.C. 20024 • Tel (202) 554 - 5700

New York - Boston New York (Pennsylvania Station) Stamford Bridgeport New Haven Old Saybrook (L) New London Westerly (L) Kingston (L) Providence Rt. 128 Back Bay Boston New Haven Wallingford Meriden Springfield Spur Berlin Hartford Windsor Locks) Springfield)

(L) designates a local train stop.

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/ Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

NEW YORK - WASHINGTON

I. ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New York - Washington Segment

via - Newark, Trenton, Philadelphia, Wilmington, Baltimore

II. FREQUENCY:

Service is to be provided at the present frequency except that two unprofitable trains will be retired -- the night train from Washington to Boston and the connecting train to the "Gulf Coast Special" and the "Palmland," which will no longer be running.

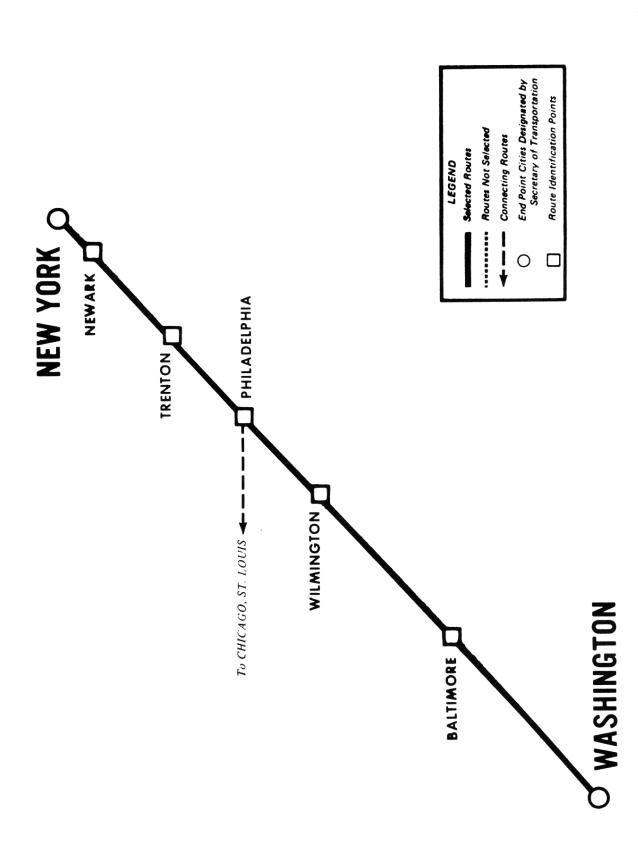
No changes are planned in the intermediate service between New York and Philadelphia.

III. ANALYSIS OF ROUTE ALTERNATIVES:

As designated by the Secretary of Transportation there are no alternative routes for Washington - New York service.

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NEW YORK - WASHINGTON



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New York - Washington

New York

Newark

Rahway (L)

Metuchen (L)

New Brunswick (L)

Princeton Junction (L)

Trenton

N. Philadelphia 30th Street

Penn Central (Philadelphia)

Wilmington

Baltimore

Capital Beltway

Washington

(L) designates a local train stop.

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NEW YORK - BUFFALO

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New York - Albany - Rochester - Buffalo

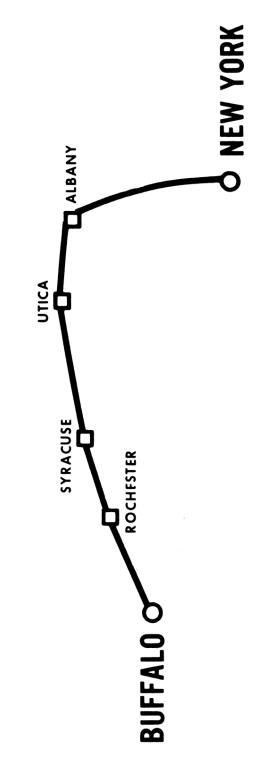
- II. FREQUENCY OF NEW YORK TO BUFFALO THROUGH SERVICE WILL BE THREE TRAINS A DAY IN EACH DIRECTION AND IN ADDITION FOUR TRAINS A DAY IN EACH DIRECTION BETWEEN NEW YORK AND ALBANY.
- III. REASONS FOR ROUTE SELECTION:

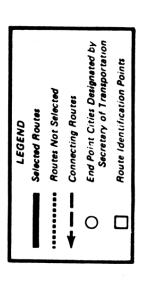
Service will be as designated by the Secretary of Transportation with no route alternatives to be considered.

Of the current frequency of five trains a day between New York and Buffalo, two are night trains with low ridership. The three trains to be continued have relatively good ridership.

#

NEW YORK - BUFFALO





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New York - Buffalo

New York (Grand Central)

Croton-Harmon

Poughkeepsie

Rhinecliff (L)

Hudson

Albany-Rensselaer

Colonie-Schenectady

Amsterdam (L)

Utica

Rome (L)

Syracuse

Rochester

Buffalo

(L) designates a local train stop.

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NEW YORK - CHICAGO

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New York - Pittsburgh - Fort Wayne - Chicago

II. FREQUENCY:

Through service will be provided at a frequency of one train per day each way. The "Broadway Limited," which has the highest ridership, will continue service. The Washington - Chicago train will be combined with the Broadway at Harrisburg for the trip into Chicago at considerable operating savings. One train per day in each direction, "The Duquesne," will provide intermediate service between New York and Pittsburgh.

III. REASONS FOR ROUTE DECISIONS:

New York - Pittsburgh - Fort Wayne - Chicago was chosen over other alternatives because of the following considerations: 1) Population served is second only to the Cleveland route (6,5 million for Pittsburgh - Fort Wayne versus 7.5 million for Pittsburgh - Cleveland and 2.6 million for Buffalo - Cleveland);
2) Running time is one hour faster than the Buffalo - Cleveland route and two hours faster than the estimated running time on the Pittsburgh - Cleveland route; 3) Current ridership is highest by far. Also, it should be noted that there is no existing service between Pittsburgh and Cleveland.

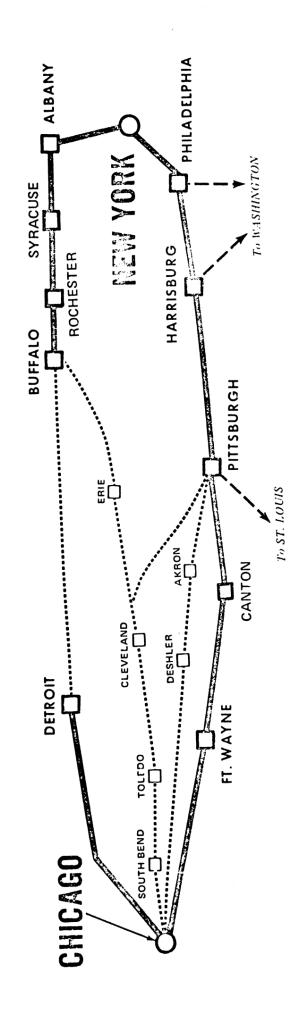
Current ridership is extremely low on the Buffalo - Cleveland - Chicago route and has consistently produced sizeable losses in the past.

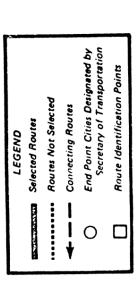
IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

Two other route segments were considered but not chosen. Buffalo - Detroit was ruled out principally because: 1) Current ridership is very low; 2) It is more than two hours longer than route through Buffalo and Cleveland.

The second alternative Pittsburgh - Deshler - Chicago, was ruled out principally because: 1) Soft-springed passenger cars cannot be run on this route because tracks are too close together (danger of sideswiping passing trains); and 2) Connection to B&O tracks from Penn Central tracks in Pittsburgh takes about 30 minutes.

NEW YORK - CHICAGO





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New York-Chicago

Philadelphia

Lima/Ft. Wayne

Ardmore (L)

Englewood

Malvern (L)

Chicago

Whitford (L)

Downingtown (L)

Coatesville

Lancaster

Mount Joy (L)

Elizabethtown (L)

Harrisburg

Lewistown (Penn State University)

Huntington

Altoona

Johnstown

Latrobe

Pittsburgh

Canton

Crestline

(L) designates a local train stop.

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

NEW YORK - KANSAS CITY

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New York - St. Louis Segment

St. Louis - Kansas City Segment

via - Jefferson City

- II. ONE TRAIN PER DAY EACH WAY WILL PROVIDE THROUGH SERVICE NEW YORK TO KANSAS CITY BY THE EXTENSION TO KANSAS CITY OF "THE SPIRIT OF ST. LOUIS"
- III. REASONS FOR ROUTE SELECTION:

The Jefferson City alternative was chosen on the basis of population served and projections of more reliable service.

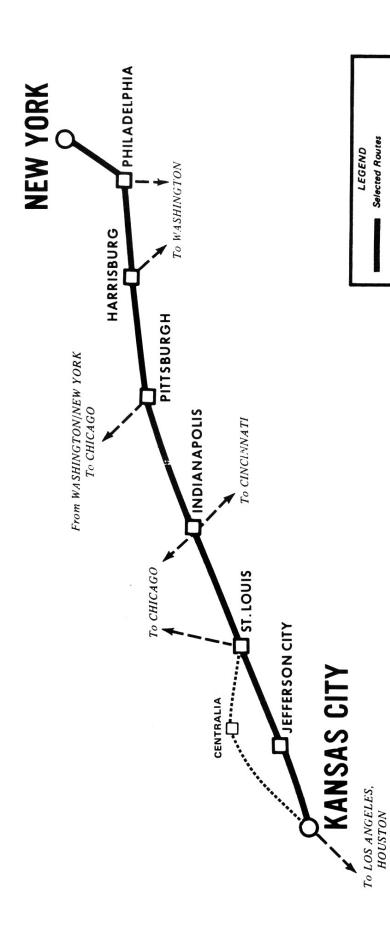
IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route from New York to St. Louis was designated by the Secretary of Transportation, with no alternatives.

Two options were available for the route between St. Louis and Kansas City; the Centralia route and the Jefferson City route. The Jefferson City route was chosen principally because: 1) Population is substantially greater along Jefferson City route; 2) Fewer anticipated delays along Jefferson City segment because that route has only half as much freight traffic and substantially greater proportion of double track; 3) There is no existing passenger service on Centralia segment, and 4) Jefferson City segment serves state capital.

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NEW YORK - KANSAS CITY



End Point Cities Designated by Secretary of Transportation

Routes Not Selected Connecting Routes Route Identification Points

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New York - Kansas City

Pittsburgh

Columbus

Dayton

Richmond

Indianapolis

Terre Haute

Effingham

St. Louis

Kirkwood

Jefferson City

Sedalia

Warrensburg

Kansas City

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New York - Richmond Segment

via - Philadelphia, Washington

Richmond - Jacksonville Segment

via - Raleigh, Columbia, Savannah

via - Charleston, Savannah

Jacksonville - Miami - Tampa/St. Petersburg Segment

via - Orlando

via - Wildwood

II. FREQUENCY OF THROUGH SERVICE WILL CONTINUE UNCHANGED AT THREE TRAINS PER DAY IN EACH DIRECTION -- THE "SILVER METEOR", THE "CHAMPION" AND THE "SILVER STAR".

III. REASONS FOR ROUTE DECISIONS:

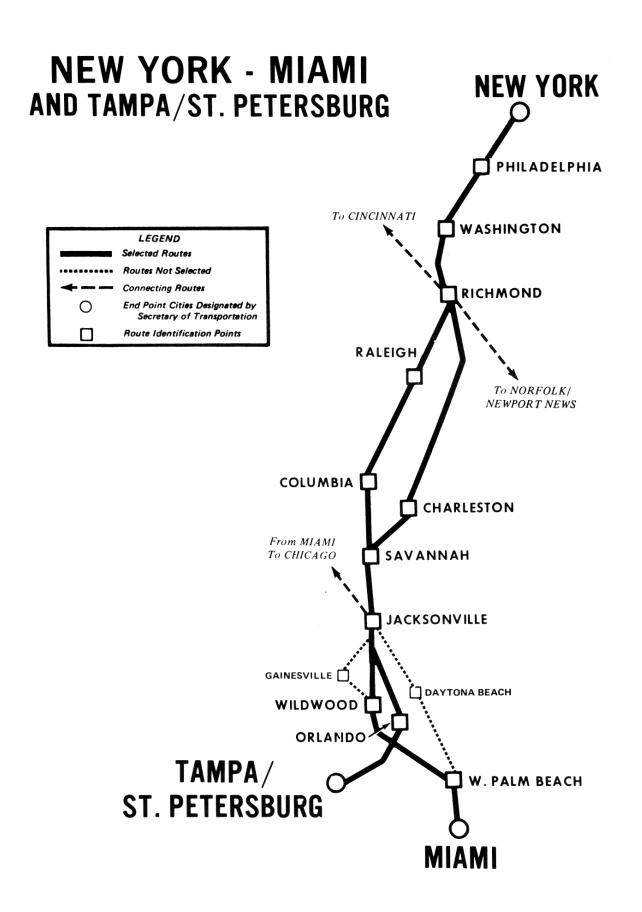
The routes from New York to Richmond and Savannah to Jacksonville were designated by the Secretary of Transportation with no alternatives.

Between Richmond and Jacksonville service has been designated for both the Charleston, Savannah and the Raleigh - Columbia - Savannah routes. Between Jacksonville and Miami - Tampa/St. Petersburg, service has been designated for both the Orlando and Wildwood routes.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

Two alternative route segments within the state of Florida were not chosen. The route through Gainesville between Jacksonville to Wildwood was not chosen principally because:

1) Routing through Gainesville adds one hour to running time from Jacksonville to Wildwood; 2) Ridership on route segment through Gainesville is low; 3) Gainesville is only 10 miles from the Jacksonville - Wildwood - Miami direct segment and can be served by that route. The route through Daytona Beach from Jacksonville to West Palm Beach was not chosen principally because of operating problems; 2) There is no existing passenger service on the Daytona Beach segment, and 3) Daytona Beach, the largest city along the route, is only 20 miles from the Jacksonville - Orlando - Miami segment.



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New	York	_	Miami	/St.	Petersburg	

Washington Waldo (L)

Alexandria Ocala (L)

Quantico (L) Wildwood

Fredericksburg (L) Winter Haven

Richmond Sebring

Petersburg (L) W. Palm Beach

Rocky Mount Delray Beach

Wilson Deerfield Beach

Fayetteville Ft. Lauderdale

Florence Hollywood

Charleston

Yemassee Deland

Raleigh

Hamlet Winter Park

Camden Orlando

Columbia

Savannah Tampa

Jacksonville Clearwater

St. Petersburg

(L) designates a local train stop.

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NEW YORK - NEW ORLEANS

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New York - Washington Segment

Washington - Atlanta Segment

via - Lynchburg, Charlotte

Atlanta - New Orleans Segment

via - Birmingham

II. FREQUENCY

Daily service will be provided between New York and Atlanta with through service continuing on to New Orleans on a tri-weekly basis. Current ridership to Atlanta is high, but ridership is very low in the Atlanta - Birmingham segment.

III. REASONS FOR ROUTE SELECTIONS:

The segment from New York to Washington was designated by the Secretary of Transportation with no alternatives.

The Lynchburg, Charlotte route was chosen over the Columbia route principally because it has substantially higher population, is shorter and faster; has higher current ridership; and the track on the Columbia route between Columbia and Atlanta is in poor condition (with difficult track connections at Columbia).

For the Atlanta to New Orleans segment, the route through Birmingham was chosen principally because it is 45 minutes faster than the estimated running time along the Montgomery route; there is no existing service between Atlanta and Montgomery on the coastal route; the track between Atlanta and Montgomery is in poor condition; and trains along the Birmingham route are currently operated by the same railroad as those along the Washington-Charlotte - Atlanta route.

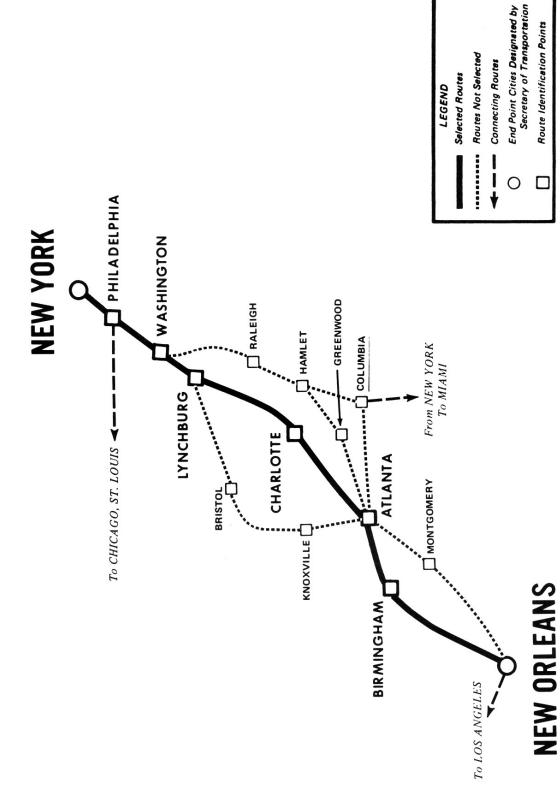
IV. ANALYSIS OF ROUTE ALTERNATIVES:

The route from Lynchburg through Bristol and Knoxville to Atlanta was not chosen principally because: 1) Population along the Bristol route is less than half as great as population along the Charlotte route; 2) Bristol route is 65 miles longer than Charlotte route; 3) Bristol route track is very circuitous and slow; and 4) there is no existing passenger service between Bristol and Atlanta.

The route from Hamlet through Greenwood to Atlanta was not chosen principally because: 1) the Greenwood route has less than half the population of the Columbia route; and 2) there is no existing passenger service along the Greenwood route.

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NEW YORK - NEW ORLEANS



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New	York	_	New	Orleans
-----	------	---	-----	---------

Washington

Alexandria

Charlottesville

Monroe

Lynchburg

Danville

Greensboro

High Point

Salisbury

Charlotte

Gastonia

Spartanburg

Greenville

Gainesville

Atlanta

Anniston

Birmingham

Tuscaloosa

Meridian

Laurel

Hattiesburg

New Orleans

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WASHINGTON - CHICAGO

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Washington - Pittsburgh Segment

via - Baltimore, Harrisburg

<u>Pittsburgh - Chicago Segment</u>

via - Fort Wayne

- II. FREQUENCY OF THROUGH SERVICE WILL CONTINUE UNCHANGED AT ONE TRAIN PER DAY IN EACH DIRECTION.
- III. REASONS FOR ROUTE SELECTION:

The Baltimore and Harrisburg route was chosen principally because the population served is approximately five times greater than the alternate Cumberland route and the track is in better condition.

The Fort Wayne route was preferred because operating time is one hour faster than the Cleveland route and current ridership is greater. Further, there is no operative passenger service between Pittsburgh and Cleveland.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

Washington - Pittsburgh Segment

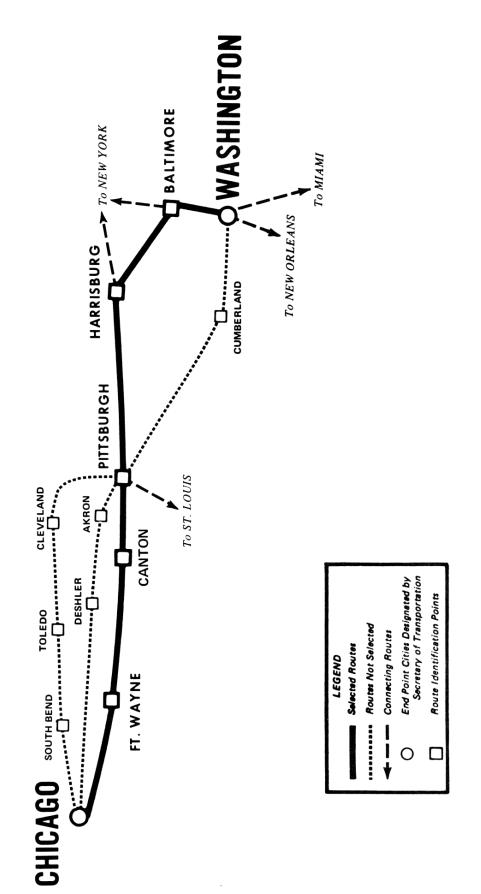
The route via Cumberland was not chosen principally because:

1) Specially suspended cars are required because of severe curvature track, and because tracks in some areas are so close together that soft-sprung cars run the danger of side-swiping trains on other tracks; 2) Population along the Baltimore route is five times as high; 3) A difficult connection at Pittsburgh requires at least 30 minutes; 4) train could not be consolidated with the premier "Broadway Limited" at Harrisburg unless operated over the recommended route.

Pittsburgh - Chicago Segment

The route through the switchpoint of Deshler was not chosen principally because: 1) Soft-springed passenger cars cannot be used because track centers are too close together; 2) Connection from the Penn Central tracks in Pittsburgh takes about 30 minutes; 3) Population centers along or near the Deshler line are also within 50 miles of the alternative route through Fort Wayne.

WASHINGTON - CHICAGO



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Washington-Chicago

Washington

Baltimore

Harrisburg

Lewistown (Penn State U.)

Huntington

Altoona

Johnstown

Latrobe

Pittsburgh

Canton

Crestline

Lima

Ft. Wayne

Englewood

Chicago

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

WASHINGTON - ST. LOUIS

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Washington - Pittsburgh Segment

via - Baltimore, Harrisburg

Pittsburgh - St. Louis Segment

via - Columbus, Indianapolis, Terre Haute

- II. FREQUENCY OF THROUGH SERVICE WILL CONTINUE UNCHANGED AT ONE TRAIN PER DAY EACH WAY.
- III. REASONS FOR ROUTE DECISIONS:

The route through Baltimore and Harrisburg was chosen principally because it serves significantly more population than either of the other alternative routes and is faster. Further, the route permits the consolidation of the Washington - St. Louis train with the New York - Kansas City train at Harrisburg.

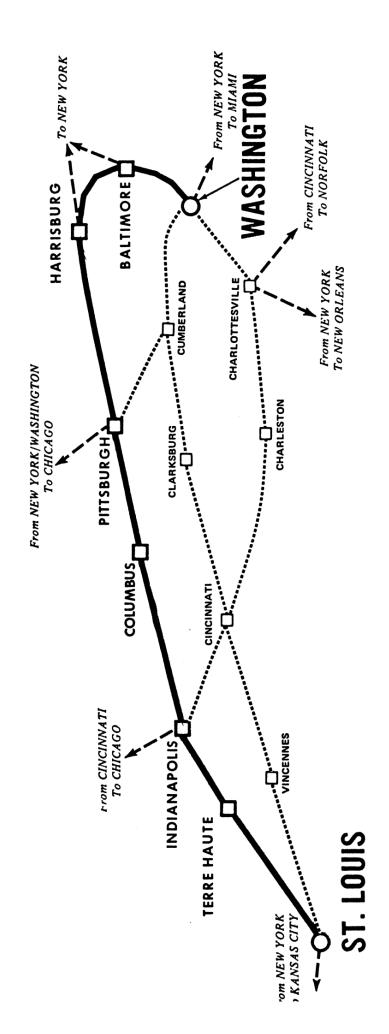
IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES

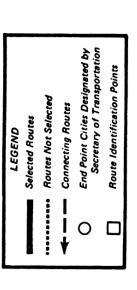
The route from Washington to Pittsburgh through Cumberland was not chosen principally because: 1) Specially suspended cars are required because tracks are too close together; 2) The track is slow and circuitous; 3) Population along the Harrisburg route is approximately five times that of the Cumberland route; 4) A difficult, time-consuming connection would be required at Pittsburgh, and 5) The use of the Baltimore - Harrisburg route will reduce costs through train consolidation and permit better on-train services.

The segment between Washington and Cincinnati through Clarksburg was not chosen principally because: 1) The Clarksburg route has very low current ridership; 2) The population along the Clarksburg route is very low, and; 3) The running time is slower.

The segment between Cincinnati and St. Louis through Vincennes was not chosen principally because: 1) The Vincennes route has very low current ridership; 2) The population through Vincennes is only one-sixth of the population through Indianapolis, and; 3) A consolidation of route mileage and costs on the Indianapolis route is possible with the New York - Kansas City service.

WASHINGTON - ST. LOUIS





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Washington - St. Louis

Washington

Baltimore

Harrisburg

Lewiston

Huntington

Altoona

Johnstown

Latrobe

Pittsburgh

Columbus

Dayton

Richmond

Indianapolis

Terre Haute

Effingham

St. Louis

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/ Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

NORFOLK/NEWPORT NEWS - CINCINNATI

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Norfolk/Newport News - Cincinnati

- via Richmond, Charlottesville, Clifton Forge, Charleston, Kenova (with through cars from both Washington and Newport News to Cincinnati)
- II. FREQUENCY OF THROUGH SERVICE WILL CONTINUE UNCHANGED AT ONE TRAIN PER DAY IN EACH DIRECTION.
- III. REASONS FOR ROUTE DECISIONS:

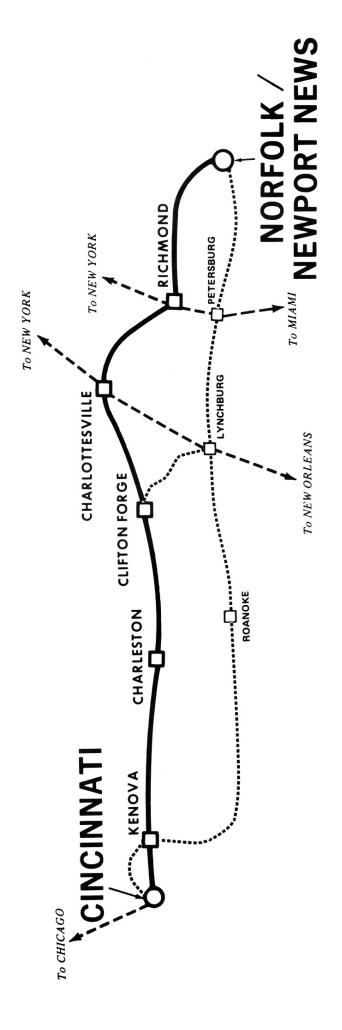
The northern route (Charlottesville - Charleston) was chosen principally because population served is almost twice that of the southern route; and is shorter; Washington to Charlottesville connecting train retained because a significant amount of current ridership to Cincinnati comes from Washington.

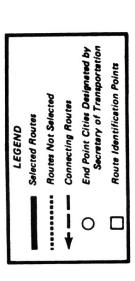
IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route between Lynchburg and Clifton Forge was not chosen principally because the track is slow; population is limited. Population along the northern (Charlottesville) route to Clifton Forge is substantially greater than through Petersburg, Lynchburg to Clifton Forge. There is no current passenger service between Lynchburg and Clifton Forge.

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NORFOLK/NEWPORT NEWS-CINCINNATI





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Newport News/Norfolk - Cincinnati

Newport News/Norfolk

Williamsburg

Richmond

Charlottesville

Clifton Forge

White Sulphur Springs

Hinton

Charleston

Huntington

Ashland

Cincinnati

Connecting service from Washington will be provided as follows:

Washington

Alexandria

Orange

Charlottesville

CHICAGO - ST. LOUIS

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Chicago - St. Louis

via - Bloomington, Springfield

- II. FREQUENCY OF THROUGH SERVICE WILL BE TWO TRAINS PER DAY IN EACH DIRECTION.
- III. REASONS FOR THE ROUTE SELECTED:

The Bloomington - Springfield route has a larger market potential and better current ridership.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route between Chicago and St. Louis that runs through Forrest, Gibson City and Decatur was not chosen because track condition and running time is not as good as that offered by the alternative routes; the population along this route is 30 percent less than the other alternatives, and past ridership is only ten percent of the other alternatives.

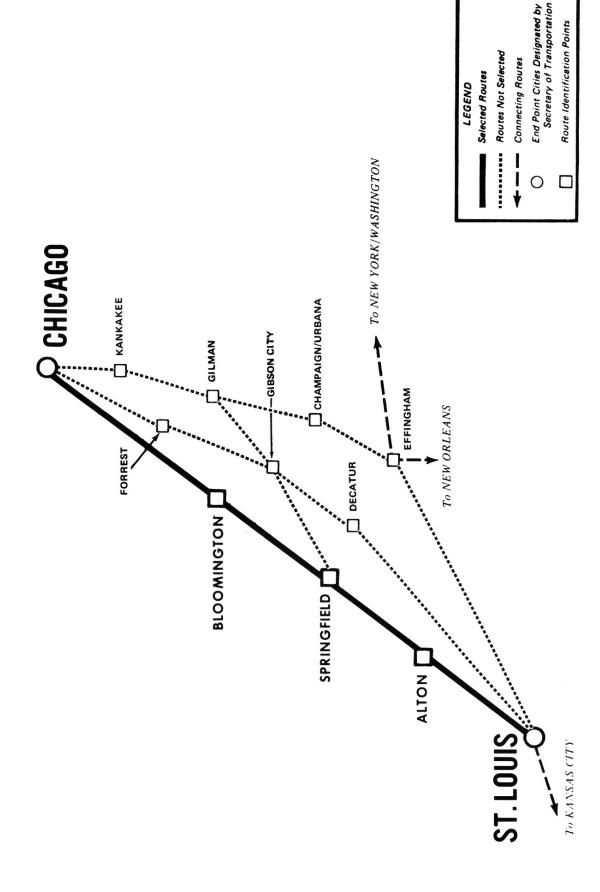
The Gilman - Gibson City - Springfield route was not chosen because population is only 40 percent of that served by the Bloomington - Springfield route, and the track condition and running time are slightly inferior to the Bloomington route.

A comparison of the two remaining alternative routes (through Bloomington and Springfield, or through Kankakee and Champaign) shows that the physical characteristics of both routes are nearly equal, with comparable running time and signal systems, but that the Bloomington route has a slight mileage advantage. The population along the Bloomington route is 50 percent greater than that for the Kankakee-Champaign route; however, past ridership is relatively equal for either route.

The route through Bloomington and Springfield was chosen for the through Chicago - St. Louis service principally because the market potential is larger; and portions of the route not chosen will be served by Chicago - Carbondale/New Orleans, New York - Kansas City, and Washington - St. Louis trains.

Current frequency of service is three trains per day; the average passenger load of the night train has been very low. The current day trains each lose money.

CHICAGO - ST. LOUIS



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Chicago - St. Louis

Chicago

Joliet

Pontiac

Bloomington

Lincoln

Springfield

Alton

St. Louis

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CHICAGO - MIAMI/TAMPA/ST. PETERSBURG

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Chicago - Nashville Segment

via - Lafayette, Indianapolis, Louisville

Nashville - Jacksonville Segment

via - Birmingham, Montgomery, Bainbridge, Waycross

Jacksonville - Miami and Tampa/St. Petersburg Segments

via - Orlando (train splits at Auburndale to serve both Miami and Tampa areas)

- II. FREQUENCY OF THROUGH SERVICE WILL CONTINUE UNCHANGED AT ONE TRAIN PER DAY IN EACH DIRECTION.
- III. REASONS FOR ROUTE SELECTION:

The selected route segments primarily follow either the best ridership figures or the areas with a population edge, which indicates potential. On some segments, running times are also better.

The route through Atlanta has high desirability because of potential ridership, but service over this route could not be initiated by the May 1 start-up date.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route segment between Chicago and Indianapolis through Logansport was not chosen principally because the alternative through Lafayette has a faster running time and current ridership is 65 percent greater via Lafayette. (See Chicago - Cincinnati end points for greater detail).

The route segment between Chicago and Nashville through Evansville was not chosen principally because that route serves only a third of the number of people compared to the alternative route; there is no present passenger service on that part of the segment between Danville and Evansville, and existing ridership between Evansville and Nashville is poor.

Of the three major route alternatives, the over-all route via Indianapolis - Nashville - Birmingham - Montgomery - Waycross was selected basically because the lack of existing through service on the two alternatives through Atlanta makes it impossible to begin operations through Atlanta by May 1. Further, routing through Atlanta would require either the use of a second terminal in Atlanta or a one-hour backing movement to get the train out of Peachtree Station and refueling in Atlanta would cause a 30-minute delay.

In light of these considerations further evaluation is being given to the costs and prospects for establishing intermediate service between Chicago and Atlanta, and the longer-term operating and economic feasibility of providing service between Chicago and Miami/Tampa/St. Petersburg through Atlanta.

The route segment between Chicago and Birmingham via Indianapolis was chosen primarily because population along the Indianapolis route is nearly eight times that along the alternative Fulton route; ridership is slightly better along the Indianapolis route, and although the present schedule via Indianapolis is 45 minutes longer, track conditions and mileage are essentially equal, which suggests that running time could be improved.

The route between Fulton and Birmingham through Memphis was not chosen principally because it would take two hours longer to reach Birmingham via Memphis, and there is no existing service between Birmingham and Memphis.

The route between Tifton and Valdosta was not chosen principally because the Tifton - Valdosta - Jacksonville segment is 11 miles longer than the Tifton - Waycross - Jacksonville segment and has a lower maximum authorized speed. Also, there is no existing passenger service between Tifton and Valdosta.

The segment between Bainbridge and Jacksonville through Tallahassee was not chosen principally because it is operationally infeasible to switch trains from the Montgomery - Bainbridge tracks to the Bainbridge - Tallahassee tracks by May 1.

The route segment between Valdosta and Jacksonville was not chosen principally because this route serves less population than the alternative route via Waycross. Also, there is no existing passenger service on this segment.

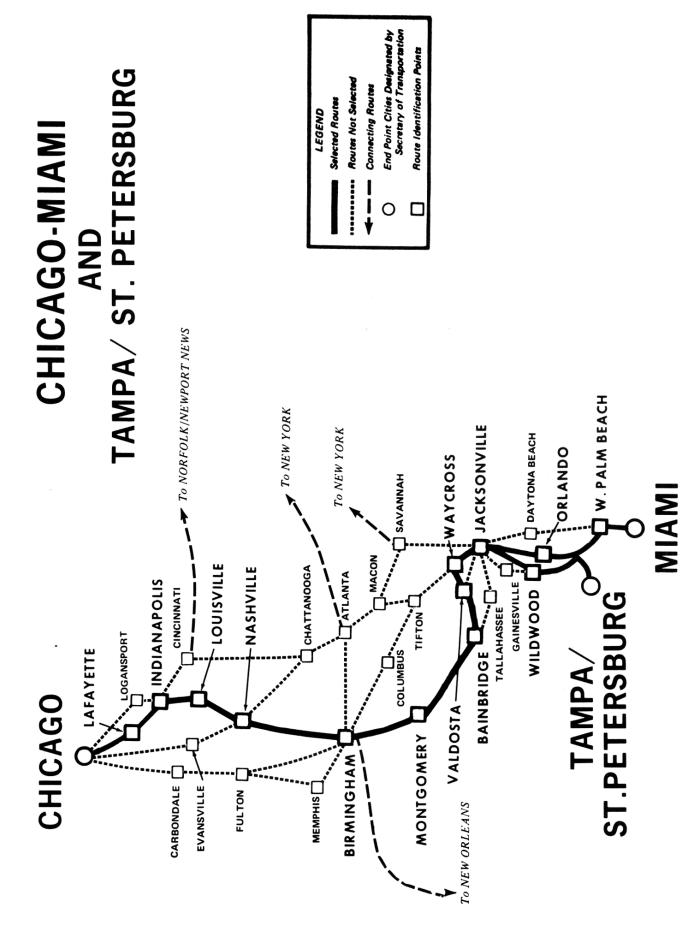
The segment between Macon and Jacksonville through Savannah was not chosen principally because it is 100 miles (and one and one-half hours)longer than the alternative through Tifton and Waycross; the train now serving this route has low average ridership, and Savannah -- a city of 114,000 -- will be accommodated by the New York - Miami service.

The route segment between Birmingham and Waycross through Montgomery was chosen primarily because the Montgomery alternative has a high average allowable speed, ridership is better, and retains the opportunity to develop the Tallahassee and Gulf Coast resort markets in the future.

Two alternative route segments within the state of Florida were not chosen. The route through Gainesville between Jacksonville and Wildwood was not chosen principally because: 1) Routing through Gainesville adds one hour to running time from Jacksonville to Wildwood; 2) Ridership on route segment through Gainesville is low; 3) Gainesville is only ten miles from the Jacksonville - Wildwood - Miami direct segment and can be served by that route. The route through Daytona Beach from Jacksonville to West Palm Beach was not chosen principally because of operational problems; 2) There is no existing passenger service on the Daytona Beach segment, and 3) Daytona Beach is only 20 miles from the Jacksonville - Orlando - Miami segment.

Through service is to be provided at the present level of one train each day in each direction.

In order to serve both the Miami and Tampa/St. Petersburg metropolitan areas, trains will be split at Auburndale (not shown on map). Those cars operating into the Tampa/St. Petersburg area will continue through Tampa into St. Petersburg.



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Chicago - Miami

Indianapolis

Louisville

Bowling Green

Nashville

Decatur

Birmingham

Montgomery

Dothan

Thomasville

Valdosta

Jacksonville

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/ Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

CHICAGO - LOS ANGELES

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Galesburg - Kansas City Segment

via - Fort Madison

Kansas City - Hutchinson Segment

via - Ottawa, Newton

<u> Hutchinson - Los Angeles Segment</u>

via - La Junta, Albuquerque, Flagstaff

II. THROUGH SERVICE WILL BE PROVIDED BY ONE TRAIN PER DAY IN EACH DIRECTION.

Operation of two trains per day during 1969 resulted in excessive losses. Additional local service over the route selected or added service over the Amarillo alternative would continue these heavy losses.

III. BASIC REASONS FOR ROUTE SELECTION:

The combination of segments chosen offer faster running times, better scenic values and enable present popular service to be continued without major adjustments.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route alternative between Hutchinson and Los Angeles via Flagstaff was chosen principally because major cities along the alternative El Paso route will be served by the New Orleans - Los Angeles route, and because there is no present passenger service on 50 percent of the alternative route (between Hutchinson and El Paso).

The route segment between Topeka and Hutchinson was not chosen principally because there is no existing passenger service and the use of the route would require the interchange of existing service to the tracks of a second carrier. The Fort Madison alternative between Galesburg and Kansas City was chosen principally because the Fort Madison route is shorter and faster than the Quincy route and the Fort Madison segment is the present route of the "Super Chief."

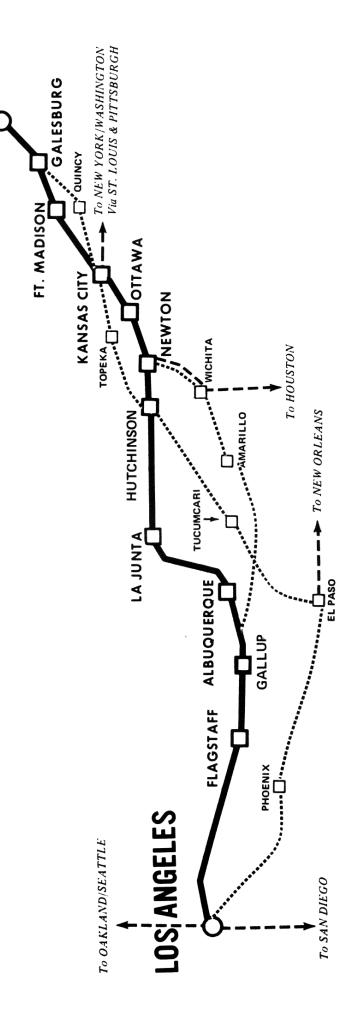
The segment through Ottawa between Kansas City and Newton was chosen principally because the Ottawa route is shorter and almost one hour faster than the Topeka route. Also, while the Topeka route serves significantly more population, the faster Ottawa route is connected by superhighway to Topeka, and local ridership from Topeka is quite small compared to through ridership. Finally, the Topeka segment will be served by Chicago-Houston trains.

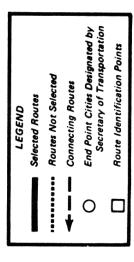
The alternative through La Junta between Newton and Gallup was chosen after data analysis determined that population served and running times would be approximately the same for either route, but that the La Junta route provides a much more scenic trip to the West than the southern route, and also that the La Junta route should provide the best on-time performance because of negligible freight interference.

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CHICAGO - LOS ANGELES

CHICAGO





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Chicago-Los Angeles

Chicago

Joliet

Streator

Chillicothe

Galesburg

Ft. Madison

La Plata

Marceline

Kansas City

Emporia

Newton

Hutchinson

Dodge City

Garden City

La Junta

Raton

Las Vegas

Lamy

Albuquerque

Gallup

Winslow

Flagstaff

Seligman

Kingman

Needles

Barstow

San Bernadino

Pomona

Pasadena

Los Angeles

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

CHICAGO - SAN FRANCISCO/OAKLAND

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

<u>Chicago - Omaha Segment</u>

via - Ottumwa

Omaha - Denver Segment

<u>via</u> - Lincoln

Denver - Wells Segment

via - Grand Junction, Salt Lake City

Wells - Sacramento Segment

via - Reno

FREQUENCY OF THROUGH SERVICE WILL BE THREE TRAINS PER WEEK EACH WAY, WITH DAILY SERVICE CHICAGO TO DENVER.

III. REASONS FOR ROUTE SELECTIONS:

The basic route through Omaha was chosen because it is shorter in miles, faster in running time and contributes more passenger miles annually.

The route through Ottumwa from Chicago to Omaha was chosen because it has the fastest running time and best track conditions of the three alternate routes.

The Lincoln segment was chosen because it has a greater population. The line has more ridership now than the alternative.

The segment through Grand Junction and Salt Lake City was chosen because of somewhat greater population, past ridership and market potential.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

Two major corridor options are presented between Chicago and Denver, with variations for particular segments. The basic route through Omaha was chosen principally because the Omaha route is shorter and faster than the best alternative through Kansas City; despite greater population along the Kansas City route, the Omaha route contributes more passenger miles annually; the Kansas City alternative will be served by the Chicago - Los Angeles service.

Of the three alternative segments between Chicago and Omaha, the segment through Ottumwa was chosen, based principally on the following considerations: The Ottumwa segment has the fastest current running time because of more double track and 79 miles per hour authorized speed (the Marion segment is slower, and the Des Moines segment is more than two hours slower); while population along the Des Moines segment is twice that of the Ottumwa segment (and three times that of the Marion segment), historic ridership has been larger on the Ottumwa segment than on the Des Moines segment; the Des Moines segment track conditions are only fair, with a 60 mile per hour maximum authorized speed.

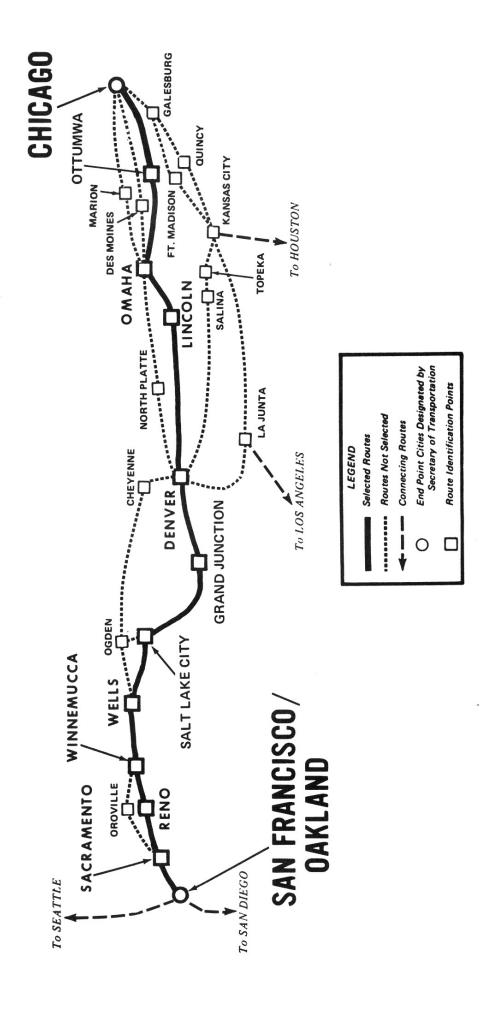
The route segment from Omaha to Denver through Lincoln was chosen principally because population along the Lincoln segment is nearly twice as large as that of the North Platte route. While the North Platte segment has more double track and higher maximum speeds, running times are equal, and ridership generated on the Lincoln segment is greater than that of the North Platte segment.

Of the two route alternatives between Denver and Wells, the Grand Junction - Salt Lake City route was chosen principally because of population, and market potential. Although the Cheyenne route is two - three hours faster, the market potential of the Grand Junction segment is seen as much greater than the Cheyenne segment because of outstanding scenery and world-famous ski resorts.

Consideration is to be given to the possibility of improving the Ogden passenger facility to permit future service to that city. Ogden is 37 miles from Salt Lake City.

The route segment between Winnemucca and Sacramento through Reno was chosen because of higher population, the potential of developing Reno traffic, and the feeling that the Donner Pass route was as scenic as the Feather River Canyon line.

CHICAGO - SAN FRANCISCO/OAKLAND



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Chicago-San Francisco

Chicago

Granby

Aurora

Bond

Mendota

Glenwood Springs

Princeton

Grand Junction

Galesburg

Helper

Monmouth

Provo

Burlington

Salt Lake City

Mt. Pleasant

Wells

Ottumwa

Carlin

Creston

Sparks

Omaha

Reno

Lincoln

Sacramento

Hastings

Oakland

McCook

Denver

Note: Because of connection service, not all stations are listed for each route. For example, on the New York/New Orleans route, only the stops after Washington, D.C. are indicated. For the stops North of Washington, D.C. on this route consult the New York/Washington, D.C. listing. Not all trains operating on the designated routes will necessarily stop at each station.

CHICAGO - SEATTLE

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Chicago - Minneapolis/St. Paul

via - Milwaukee

Minneapolis/St. Paul - Fargo

via - Willmar

Fargo - Minot

via - Grand Forks

Minot - Spokane

via - Williston, Glacier Park, Sandpoint

Spokane - Seattle

via - Pasco, Yakima

- II. FREQUENCY OF THROUGH SERVICE WILL BE ONE TRAIN PER DAY IN EACH DIRECTION, WITH THREE ADDITIONAL TRAINS EACH WAY, BETWEEN CHICAGO AND MILWAUKEE.
- III. REASONS FOR ROUTE SELECTION:

In general, the route segments selected either covered the largest population or generated the greatest ridership. However, in choosing the northern route rather than the southern, between Fargo and Spokane, the relative absence of alternative modes of transportation along the northern route, and the higher ridership of the northern route, weighed significantly in the decision.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route segment between Chicago and Minneapolis/St. Paul through Madison was not chosen principally because significantly higher population is served along the Milwaukee route, and no present rail passenger service exists between Madison and Minneapolis/St. Paul (and Madison can be served by bus connection to Milwaukee route -- 60 miles of super highway).

In addition, two other routes that do not appear on the map but were listed in the Secretary of Transportation's report were not chosen: The Chicago - Milwaukee route via the CNW line was not chosen because the Milwaukee Road is faster. No present service exists on that line to Minneapolis/St. Paul and heavy commuter train interference exists between Chicago and Milwaukee. Also this route segment serves essentially the same population as the Milwaukee Road line. The Chicago - East Dubuque line via the Illinois Central was not chosen because of lack of present service to Minneapolis/St. Paul.

Of the two remaining alternatives for service between Chicago and Minneapolis/St. Paul, the route through Milwaukee was chosen principally because: the Milwaukee route serves three times more population and contributes much higher ridership than the East Dubuque route; and the Milwaukee segment is 17 miles shorter and is entirely double track.

The choice of going through Willmar rather than Detroit Lakes between Minneapolis/St. Paul and Fargo was based on patronage. The Willmar route contributes 20 million more passenger miles annually.

The route segment between Minneapolis/St. Paul and Fargo through Fergus Falls was not chosen principally because the Willmar route-segment alternative is superior from the standpoint of tracks and scheduling, and patronage.

The key decision between Fargo and Spokane is whether to operate the northern route (through Minot, Williston and Glacier Park) or the southern route (through Bismarck, Billings and Missoula). The northern route contributes much higher ridership than the southern route (although the southern route has a 50 percent population advantage); it is shorter and more than one hour faster, and the intermediate cities (and Glacier Park) have little other transportation available to them, while the southern route is served by an interstate highway and good air service. The northern route serves Glacier Park directly.

For the basic northern route service the alternative through Grand Forks between Fargo and Minot was chosen although the New Rockford route is shorter, principally because the Grand Forks route covers more population and has more ridership. The route segment between Billings and Shelby (where the line connects with the norther route) running through Great Falls was not chosen principally because the track condition and signaling system are not as good as the other alternatives, and the combination of longer track and lower maximum speeds would add eight hours to long-haul trips. Moreover there is no present passenger service on the segment.

The route segment between Missoula and Spokane (via the Milwaukee Road) was not chosen principally because although this segment is 29 miles shorter than the alternatives, it would require about one hour for switching in the Missoula freight yard, resulting in 30 minutes longer running time, and no present service exists on the segment.

The route between Sandpoint and Spokane through Athol (shown schematically on the map as the straight dashed line) was not chosen principally because the remaining alternate route is faster and has better population coverage.

The two routes shown for Spokane to Portland to Seattle (via Hinkle or via Pasco) were not chosen principally because either of the segments would add more than three hours to the long-haul schedules to Seattle, and the Portland - Seattle corridor will be served by the Seattle-San Diego route.

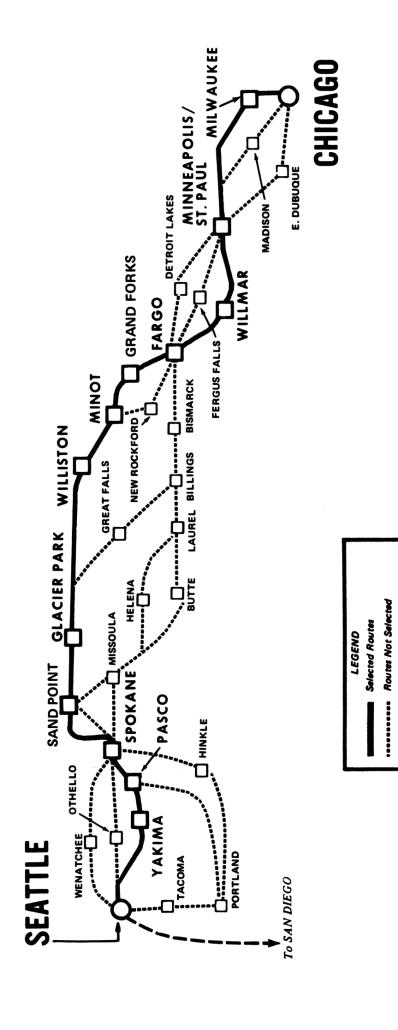
The segment through Yakima was chosen for the route from Spokane to Seattle although the alternative through Wenatchee is shorter and faster, principally because the Yakima segment serves more than twice as much non-suburban population as the Wenatchee segment and contributes 15 million more passenger miles annually.

The route between Spokane and Seattle through Othello was not chosen principally because of low population and absence of existing through service. Also, use of this segment would require switching to a different carrier.

The current through-train frequency is two per day. Even the best train, the "Empire Builder," suffered substantial losses in 1969. Intermediate service will be provided between Chicago and Milwaukee at a rate of three trains per day each way (in addition to the through train).

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CHICAGO - SEATTLE



End Point Cities Designated by Secretary of Transportation Route Identification Points

Connecting Routes

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Chicago - Seattle

Chicago Glacier Park

Glenview Whitefish

Milwaukee Libby

Columbus Troy

Portage Sandpoint

Wisconsin Dells Spokane

Tomah Pasco

La Crosse Yakima

Winona Ellenburg

Red Wing E. Auburn

Minneapolis/St. Paul Seattle

Willmar Minot

Morris Williston

Breckenridge Wolf Point

Fargo Glasgow

Grand

Devils Lake Shelby

DETROIT - CHICAGO

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Detroit - Battle Creek Segment

via - Jackson

Battle Creek - Chicago Segment

via - Kalamazoo

- II. FREQUENCY OF THROUGH SERVICE IS TO BE TWO TRAINS PER DAY EACH WAY. THE PRESENT FREQUENCY IS FIVE TRAINS PER DAY, BUT CURRENT RIDERSHIP CANNOT JUSTIFY THIS FREQUENCY (EVEN THE BEST TRAIN HAS A LOW AVERAGE NUMBER OF RIDERS.) THE TWO TRAINS WILL OFFER CONVENIENT DEPARTURES FROM BOTH DETROIT AND CHICAGO.
- III. REASONS FOR ROUTE DECISIONS:

The Jackson - Kalamazoo route was chosen principally because it is the shortest and fastest route and offers the greatest potential for high-speed corridor service.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

Through Fort Wayne

Although projected running time could be fastest through this route, there is no existing through train, existing ridership is low and the total population along the route is less than other alternatives.

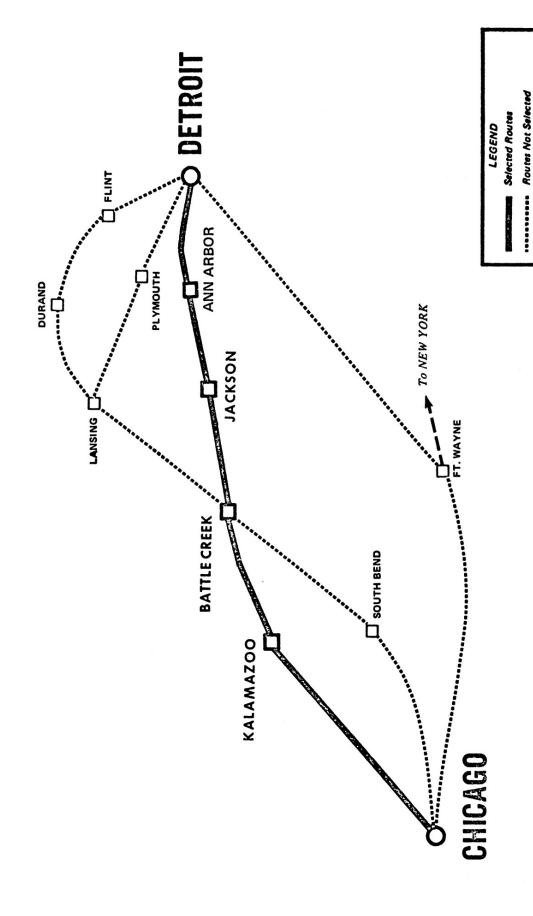
Durand - South Bend

Although the track along this route is in excellent condition, the route is 38 miles longer than the one selected. The segment from Battle Creek to Chicago through South Bend has significantly less population than the Kalamazoo route. Further, most of the population along the segment Battle Creek - South Bend - Chicago resides between Michigan City and Chicago which is already served by frequent commuter trains.

Lansing - Plymouth - Detroit

The route between Lansing and Detroit through Plymouth was not chosen principally because there is no existing track connection at Lansing; the track is slow; the population advantage is with the Jackson route, and existing trains over the segment (Detroit to Grand Rapids) have low ridership.

DETROIT - CHICAGO



End Point Citles Designated by Secretary of Transportation

Connecting Routes

Route Identification Points

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Detroit - Chicago

Detroit

Ann Arbor

Jackson

Battle Creek

Kalamazoo

Niles

Chicago (Union)

CHICAGO - HOUSTON

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Chicago - Kansas City Segment

via - Fort Madison

Kansas City - Oklahoma City Segment

via - Wichita

Fort Worth - Houston Segment

via - Temple, to be shifted to Dallas as soon as possible after May 1, 1971

- II. THROUGH SERVICE IS TO BE PROVIDED AT THE CURRENT FREQUENCY OF ONE TRAIN PER DAY EACH WAY.
- III. REASONS FOR ROUTE SELECTION:

The route through Kansas City, Wichita and Fort Worth was chosen because of greater population and higher ridership (no existing through service on alternative routes).

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route from Chicago through St. Louis to Houston was not chosen because the alternative route through Kansas City has nearly twice as much population; no current passenger service exists on the St. Louis route below Texarkana; and the "Texas Chief," which currently runs on the chosen route, has high ridership.

The route between Kansas City and Oklahoma City through Tulsa was not chosen principally because the alternative through Wichita serves a larger population; although estimated running time would be approximately the same for both segments, the Wichita segment has better track (higher maximum speeds and better signals); and there is no current passenger service south of Tulsa on this route alternative.

Of the two alternative routes between Galesburg and Kansas City (through Fort Madison or through Quincy), the Fort Madison route was chosen because the Fort Madison segment is shorter and faster; the Fort Madison route has higher authorized speed and more double track, although the

Quincy alternative has higher population, past ridership has been approximately equal; and the Chicago -Los Angeles route runs over the Fort Madison segment, which will permit cost consolidations (i.e., common track and stations).

Of the two alternative routes between Fort Worth and Houston (through Dallas or through Temple), the Dallas route was favored for service because of its much greater market potential, but a close examination disclosed that service through Dallas cannot be established by May 1. There is no present passenger service on the Dallas route; negotiations will involve four different railroads, and a new passenger station must be built to replace Dallas Union Station (which has been retired). The Temple Segment is the current route of the "Texas Chief" and can be used as the May 1 start-up route with minimal adjustments.

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CHICAGO - HOUSTON



HOUSTON

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Chicago - Houston

Chicago

Joliet

Streator

Chillicothe

Galesburg

Fort Madison

La Plata

Marceline

Kansas City

Lawrence

Topeka

Emporia

Newton

Wichita

Arkansas City

Ponca City

Perry

Oklahoma City

Norman

Purcell

Ardmore

Gainesville

Fort Worth

Cleburne

Temple

Bellville Yard

Houston

CHICAGO - NEW ORLEANS

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Chicago - Carbondale Segment

via - Centralia

Carbondale - New Orleans Segment

via - Memphis, Jackson

- II. THROUGH SERVICE WILL BE PROVIDED BY ONE TRAIN PER DAY IN EACH DIRECTION. ONE ADDITIONAL TRAIN PER DAY WILL PROVIDE INTERMEDIATE SERVICE BETWEEN CHICAGO AND CARBONDALE.
- III. REASONS FOR ROUTE SELECTION:

This route through Centralia was chosen because it is shorter and faster and has greater ridership.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The Centralia route was preferred because it is much shorter and one and one-half hours faster than the alternative; also, past ridership on the Centralia route has been many times better; the St. Louis route will be served by Chicago-St. Louis trains as designated by the Secretary of Transportation (see separate map) and southbound passengers can connect with the selected route by bus to Carbondale (as is presently the case -- there is no existing rail passenger service from St. Louis to Carbondale); the Centralia route has more double track and a better signalling system, and the successful "City of New Orleans" train can remain in service.

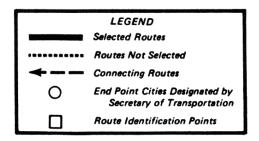
Through service is to be provided at a frequency of one train per day each way (current frequency is two per day). The train to be retired ("The Panama Limited") is a night train that suffered large losses in 1968.

One additional train per day will provide intermediate service between Chicago and Carbondale. The additional trains operating only to Carbondale are unprofitable; retiring two of these will greatly reduce these losses.

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CHICAGO - NEW ORLEANS





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Chicago - New Orleans
Chicago
Homewood
Kankakee
Champaign-Urbana
Mattoon
Effingham
Centralia
Du Quoin
Carbondale
Cairo
Fulton
Memphis
Batesville
Grenada
Winona
Durant
Canton
Jackson
Brookhaven
McComb
Hammond
New Orleans

CHICAGO - CINCINNATI

I. THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

Chicago - Cincinnati

via - Indianapolis and Lafayette

- II. FREQUENCY OF THROUGH SERVICE WILL BE ONE TRAIN PER DAY IN EACH DIRECTION.
- III. REASONS FOR THE ROUTE SELECTED:

Passenger ridership is substantially higher, the population is greater, via Lafayette, and the track is in better condition.

IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

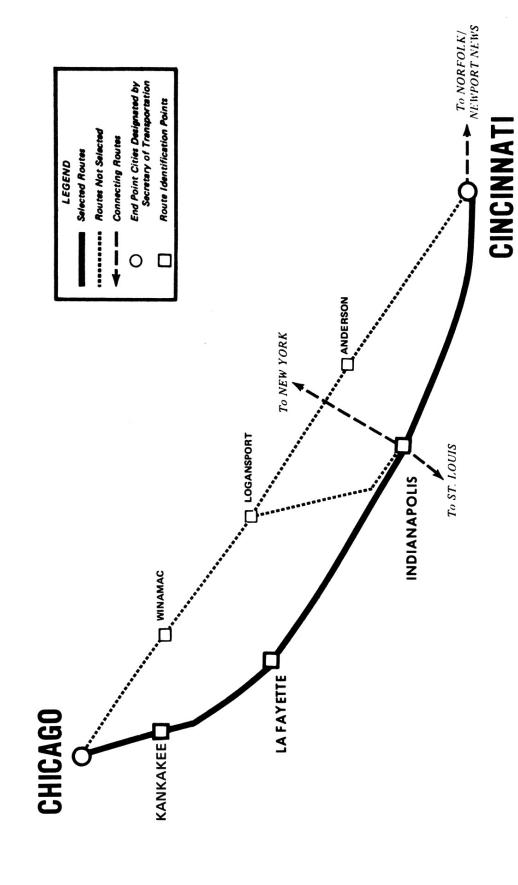
The route segment between Logansport and Cincinnati through Anderson was not chosen principally because the track is slow (50 mph maximum) so that running time is about one hour longer than the running time for the Lafayette route; the segment has low ridership, and the population along the Chicago - Cincinnati route that includes this segment is less than half of that of the other two alternative routes.

Of the remaining two alternative routes between Chicago and Indianapolis (via Winamac and Logansport or via Kankakee and Lafayette), the Lafayette route was chosen principally because that route has 40 percent greater population than the Logansport route; and the average number of passengers per train is much higher on the Lafayette route.

The present frequency of service is two trains a day, one via Lafayette and one via Logansport. However, only the "James Whitcomb Riley" will be continued because current ridership does not warrant an additional train at this time.

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CHICAGO - CINCINNATI



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Chicago - Cincinnati

Chicago (Central)

Homewood

Kankakee

Lafayette

Indianapolis

Cincinnati

NEW ORLEANS - LOS ANGELES

THE ROUTES OVER WHICH SERVICE WILL BE PROVIDED:

New Orleans - Los Angeles

- II. FREQUENCY OF THROUGH SERVICE WILL CONTINUE UNCHANGED AT THREE TRAINS A WEEK IN EACH DIRECTION.
- III. REASONS FOR ROUTE SELECTION:

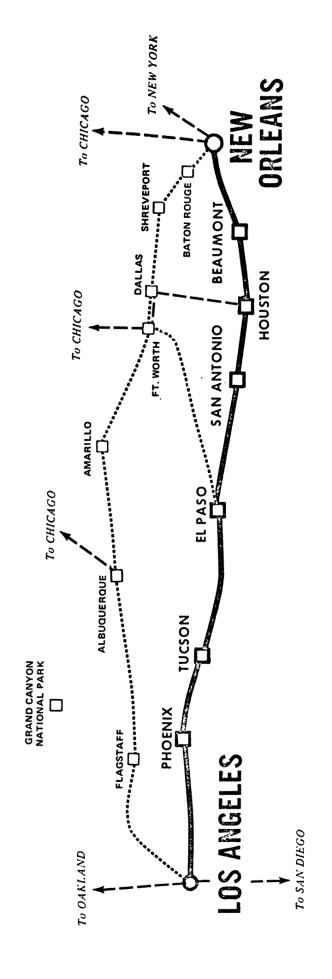
The "Sunset Route" was chosen primarily because it serves a larger population and has a faster running time.

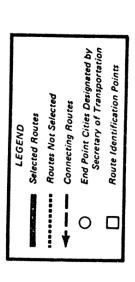
IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The route segment between New Orleans and El Paso through Dallas/Ft. Worth was not chosen principally because there is no current passenger service connecting New Orleans - Fort Worth - El Paso; and rebuilding patronage levels would therefore be costly. The Ft. Worth - Amarillo alternative was rejected because it would add six hours to the New Qrleans - Los Angeles service; there is passenger service on the Fort Worth route between New Orleans and Amarillo, and the Dallas/Fort Worth area will be connected to the southern route by the Chicago - Houston service.

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NEW ORLEANS - LOS ANGELES





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New Orleans - Los Angeles

New Orleans

New Iberia

Lafayette

Lake Charles

Beaumont

Houston

San Antonio

Del Rio

Sanderson

Alpine

El Paso

Lordsburg

Tucson

Phoenix

Yuma

Indio

Pomona

Pasadena

Los Angeles

SEATTLE - SAN DIEGO

I. THE ROUTE OVER WHICH SERVICE WILL BE PROVIDED:

Seattle - San Diego

via - Santa Barbara

- II. FREQUENCY OF THROUGH SERVICE IS TO BE THREE TRAINS PER WEEK IN EACH DIRECTION. THERE IS NO CURRENT THROUGH SERVICE.
- III. REASONS FOR ROUTE DECISION:

The coast route south of San Francisco/Oakland through Santa Barbara to Los Angeles was chosen for several reasons: 1) it serves more population than the valley alternative through Fresno; 2) it is two hours faster; 3) it is more scenic; and 4) ridership is almost twice that of the valley route with much greater through ridership.

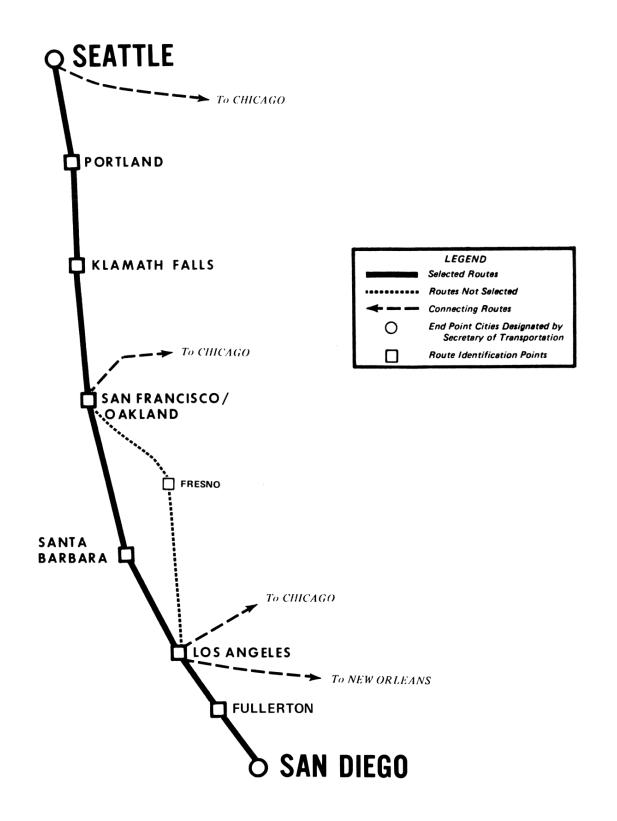
IV. DETAILED ANALYSIS OF ROUTE ALTERNATIVES:

The corridors between Seattle and Portland; Oakland and Los Angeles; and Los Angeles and San Diego will be served more frequently by intermediate trains. In addition to through service, two trains will be operated daily between Portland and Seattle service at the present frequency of three intermediate trains had substantial losses in 1969 and retiring the third intermediate train will reduce the losses significantly. One train per day will be operated between Oakland and Los Angeles. Intermediate service between Los Angeles and San Diego will be provided by two trains daily. Service at a three-train-daily level lost money in 1969, and retiring the third train will reduce these losses, while still providing convenient morning and afternoon service.

Present Portland - Oakland service is tri-weekly. This frequency of service will be continued unless market tests indicate greater potential.

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SEATTLE - SAN DIEGO



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<u>Seattle - San Diego</u>

Seattle

Tacoma

East Olympia

Centralia

Kelso

Vancouver

Portland

Salem

Eugene

Klamath Falls

Dunsmuir

Gerber

Davis

Oakland

San Jose

Salinas

San Luis Obispo

Santa Barbara

Oxnard

Los Angeles

Fullerton

Santa Anna

San Clemente (L)

Oceanside

Del Mar

(L)

San Diego

(L) designates a local train stop.