

**A REVIEW OF  
AMTRAK'S ON-TIME PERFORMANCE**

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Report to Congress

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Federal Railroad Administration  
Office of Railroad Development

May 1995



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

June 13, 1995

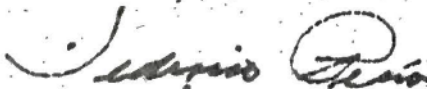
The Honorable Mark O. Hatfield  
Chairman, Subcommittee on Transportation  
and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

The enclosed report is submitted in response to Senate Report 103-310 accompanying the Department of Transportation and Related Agencies Appropriations Act, 1995. In that report, the Committee requested that the Secretary report on the historic and current on-time performance of Amtrak trains, and identify and quantify the results of his efforts with the freight railroads to improve Amtrak's on-time performance.

An identical letter has been sent to Chairman Wolf, Senator Lautenberg and Congressman Coleman.

Sincerely,

  
Federico Peña

Enclosure



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

June 13, 1995

The Honorable Frank R. Wolf  
Chairman, Subcommittee on Transportation  
and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

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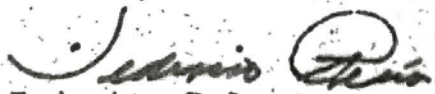
The Honorable Frank R. Lautenberg  
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United States Senate  
Washington, D.C. 20510

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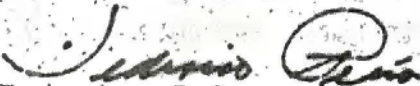
The Honorable Ronald D. Coleman  
Subcommittee on Transportation  
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Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Coleman:

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## EXECUTIVE SUMMARY

After the second quarter of FY 1994 produced some of the worst on-time performance in Amtrak's history, Secretary of Transportation Federico Peña wrote each of the chief executive officers (CEOs) of the freight railroads over whose tracks Amtrak runs to underscore his commitment to Amtrak and seek their support in improving Amtrak's on-time performance.

The freight railroads have been responsive. Recent statistics suggest a reversal in declining on-time performance trends. In each of the last three quarters, systemwide on-time performance has improved over the previous year. Also encouraging is preliminary data showing reductions of delays caused solely by Amtrak or by a freight railroad. By contrast, it appears that delays are increasing in areas where responsibility is less clear. Additional confirmation of the improvement in Amtrak's performance has been the increase in Amtrak's incentive payments over the last several quarters. During the last two quarters combined, the first quarter of FY 1995 and the fourth quarter of FY 1994, Amtrak paid \$12.1 million in incentives, compared to \$8.3 million for the same two quarters a year ago.

### Background

The report of the Senate Committee on Appropriations accompanying the Department of Transportation and Related Agencies Appropriations Act for Fiscal Year 1995 directs the Secretary of Transportation to submit a report to the Senate and House of Representatives Committees on Appropriations detailing the historic and current on-time performance of Amtrak trains and the results of the Secretary's efforts with the freight railroads to improve Amtrak's on-time performance.

Amtrak's financial condition has deteriorated over the last several years. Between FY 1991 and FY 1994 Amtrak's revenues were \$600 million below projections. A contributor to the decline in revenues, cited by Amtrak and other sources such as the General Accounting Office, has been the decline in the quality of Amtrak's service. At the forefront of this decline has been the inability of Amtrak's trains to provide service consistent with their schedule--their on-time performance.

Intercity rail passenger service is and should be an integral part of this Nation's intermodal transportation system. As such, Amtrak must provide cost-effective transportation service of high quality, including consistent on-time performance. Both the Department and the Congress are debating the future direction of the Federal role toward Amtrak. For that reason, this report is particularly well timed.

### Incentives for On-Time Performance

Section 402(e) of the Rail Passenger Service Act (49 U.S.C. §24308(c)) provides that "Except in an emergency, intercity and commuter rail passenger transportation provided by

or for Amtrak has preference over freight transportation in using a rail line, junction, or crossing unless the Secretary orders otherwise under this subsection." In addition, most contracts between Amtrak and the major freight railroads over which it operates provide incentive payments for delivering passenger trains on schedule. Nonetheless, delays under the control of the freight railroads represent a major challenge to operating passenger trains on schedule outside the Northeast Corridor (NEC).

### On-Time Performance Trends

Amtrak's primary on-time performance measure uses standards prescribed by the Interstate Commerce Commission (ICC). On this basis, Amtrak's systemwide on-time performance has shown a small decline over the last 14 years, although there have been noticeable declines and improvements in specific years. The systemwide performance data, however, mask a significant and largely continual decline in the on-time performance of long-distance trains.

Since 1981, Amtrak's systemwide on-time performance reached a high of 82 percent in 1983 and a low point of 71 percent in 1988. Over the last two years, levels have remained just above 72 percent. Long-distance routes were also at their highest in 1983 at 82 percent but plunged to 47 percent in 1993. On-time performance on all short-distance routes, including the NEC, has fluctuated between a high of 81.9 percent in 1990 and a low of 75.5 percent in 1986.

### The Causes Of Poor On-Time Performance

The causes of Amtrak train delays are complex and difficult to measure and to accurately assign responsibility. Amtrak's delay monitoring system allocates delays among 11 major categories. They include: those controlled by Amtrak, such as equipment failures; those controlled by the freight carriers, such as slow orders; those for which responsibility is less clear, such as commuter train interference; and those clearly beyond the control of either Amtrak or the freight carriers, such as earthquakes or bad weather.

Amtrak's monitoring of passenger train delays on freight railroads outside the NEC suggests that factors under Amtrak's control account for 20 to 25 percent of all delays. By contrast, over 40 percent of delays outside the NEC are caused by events within the control of the freight railroads.

Since the Staggers Rail Act of 1980, the freight rail industry has prospered in comparison to other modes of transportation. The railroads have reduced costs through several measures, including abandoning large amounts of redundant trackage. They have also aggressively marketed their services to receptive shippers, setting new records in the amount of freight shipped in each of the last eight years. Between 1980 and 1993, freight shipped on American railroads (as measured in revenue ton-miles hauled) increased by 21 percent while



the miles of track owned by the major (Class I) railroads declined by 31 percent. This has made it increasingly difficult for freight railroads to accommodate the schedule of Amtrak trains.

#### Current Efforts To Improve On-Time Performance

Amtrak and the freight railroads have established an expanded framework for enhanced cooperation and planning to improve coordination and reduce conflicts and delays. This new partnership between Amtrak and the freight railroads has been characterized by quarterly executive meetings and several pilot programs, designed to promote the sharing of information and thus contribute to problem solving. Without a doubt, these efforts have contributed to the recent improvements in on-time performance. This cooperation will also facilitate coordination among the railroads to address delays for which it is difficult to determine whether Amtrak or the host freight railroad is responsible.

The Department recognizes the challenges facing Amtrak and the freight railroads as well as the progress that the parties are making. The Department will continue to monitor Amtrak's on-time performance and work with both Amtrak and the freight railroads to identify steps that might be taken to bring about needed improvements.

## I. INTRODUCTION

The Senate Committee on Appropriations, in its report (Senate Report 103-310, 103rd Congress 2nd session) accompanying the Department of Transportation and Related Agencies Appropriations Act for FY 1995, requested that the Secretary of Transportation submit a report to the House and Senate Appropriations Committees, which "details the historic and current on-time performance of Amtrak trains, and identifies and quantifies the results of [the Secretary's] efforts with the freight railroads to improve Amtrak's on-time performance."

This report reviews Amtrak's on-time performance, and specifically: (1) provides background information on the manner in which Amtrak's on-time performance is measured; (2) presents the historical performance of different categories of Amtrak routes; (3) evaluates the various factors which contribute to performance; and (4) discusses a number of steps Amtrak and the freight carriers are taking to improve future performance. The report also addresses Amtrak's recent improvement in on-time performance following the Secretary's efforts to encourage freight railroads and Amtrak to cooperatively address on-time performance problems.

### A. BACKGROUND

The National Railroad Passenger Corporation (Amtrak) was created in 1971 by the Rail Passenger Service Act (RPSA). Prior to the creation of Amtrak, U.S. rail passenger service was performed by the private sector railroads as part of their common carrier obligation. Both the amount and the quality of rail passenger service in the two decades prior to the creation of Amtrak had declined as this service incurred increasing levels of financial losses and contributed to the general decline in the financial condition of the rail industry as a whole.

RPSA granted Amtrak the right to operate over the property of the private freight railroads, and required the freight railroads to give preference to intercity passenger trains over their own freight operations. More specifically, section 402(e) of the RPSA, recodified as 49 U.S.C. §24308(c), provides:

**"Except in an emergency, intercity and commuter rail passenger transportation provided by or for Amtrak has preference over freight transportation in using a rail line, junction, or crossing unless the Secretary orders otherwise under this subsection."**

In 1976, as part of the restructuring of the bankrupt railroads in the northeast, Amtrak acquired the main line of the Northeast Corridor (NEC) between Washington, D.C., and New Rochelle, New York, and between New Haven, Connecticut, and the Rhode Island--Massachusetts state line. The remainder of the NEC was acquired by the states in which it is located for use by Amtrak and commuter railroads.

As a consequence of the public acquisition of the NEC, Amtrak operates in two different regimes. On the NEC, Amtrak operates 457 miles of rail line that is publicly owned and maintained, where there is a comparatively small volume of freight traffic and where, to a very large extent, operations are controlled by Amtrak. Amtrak operates approximately 90 trains per day over the NEC or about 36 percent of the total number of trains scheduled daily in Amtrak's entire system.<sup>1</sup> This accounts for approximately 46 percent or 10 million of Amtrak's 21.8 million passengers.

Outside the NEC, Amtrak operates over approximately 23,500 miles of rail line that is predominately owned, maintained and controlled by private sector freight railroad companies. Amtrak contracts with 14 freight railroads to cover the operation of 160 trains per day along 24 long-distance routes and 36 short-distance routes.<sup>2</sup> Approximately 11.8 million passengers or 54 percent of Amtrak's total passengers moved in the off-corridor market.

## B. ON-TIME PERFORMANCE MEASUREMENT

In its most basic form, on-time performance is the measure of Amtrak's ability to provide service consistent with its published schedules. There are two standards for measuring Amtrak's on-time performance: (1) a uniform customer based Interstate Commerce Commission (ICC) performance standard and (2) an individual responsibility standard based on freight railroad incentive contracts.

**1. ICC performance standard:** To provide a uniform standard for measuring Amtrak's on-time performance, the ICC on December 27, 1973, issued on-time performance tolerances in ICC Ex Parte 277 Sub.1, entitled Adequacy of Intercity Rail Passenger Service (344 I.C.C. p. 809). That order established tolerances for actual versus scheduled arrival times related to trip length, up to a maximum of 30 minutes.

The ICC tolerances are:

<u>Trip Length:</u>	<u>Tolerances:</u>
0 - 250 miles	10 minutes
251 - 350 miles	15 minutes
351 - 450 miles	20 minutes
451 - 550 miles	25 minutes
551 or more miles	30 minutes

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<sup>1</sup> During FY 1994, Amtrak scheduled a total of 89,963 trains over its system. Of that total, 32,720 trains moved over the NEC, and 57,243 trains moved outside of the NEC.

<sup>2</sup> The 14 railroads include: The Atchison, Topeka, and Santa Fe Railway Company; Burlington Northern Railroad; Central Vermont Railway; CN North America; Consolidated Rail Corporation; CSX Transportation, Delaware & Hudson Railway Company; Grand Trunk Western Railroad; Illinois Central Railroad; Norfolk Southern Railroad; San Diegan Line; Soo Line Railroad Company; Southern Pacific Lines; and Union Pacific Railroad.

Amtrak monitors on-time performance under the ICC performance standard in two ways, route performance and railroad performance.

The Route Performance standard is based on ICC tolerances and measures the end-to-end (not intermediate point) performance of a entire route, regardless of the number of participating carriers or the cause of the delay. Under this standard, the amount of time of the total trip from origin to final destination less the applicable ICC tolerances (up to 30 minutes late depending on distance) is compared to the scheduled time to determine whether the train is on time. This standard is one of the key measures by which passengers evaluate the reliability and quality of Amtrak service.<sup>3</sup>

The Railroad Performance standard is also based on tolerances and measures the end-to-end performance of an Amtrak train while on a particular railroad but also includes deductions for late delivery from connecting rail lines or late departures from initial terminals. Other deductions for delays at specific locations along the railroad's line also are made. Examples include equipment servicing and mail handling.

The on-time performance data primarily used in this report are based on the ICC route performance standard.

**2. Railroad performance incentive contracts:** Amtrak has negotiated individual contracts with most of the major freight railroads over which it operates including measures of on-time performance that can be quite different from the ICC standard.<sup>4</sup> These contracts contain two basic components (1) a standard formula, and (2) individual, specifically negotiated tolerances.

The formula component generally permits a maximum of 5 minutes lateness for any train under 400 miles in operation, and 10 minutes for trains above 400 miles. The specifically negotiated tolerance include such factors as Amtrak requested holds, delays relating to customs and immigration matters, and in some cases passenger related delays or mechanical and servicing delays.

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<sup>3</sup> Amtrak computes the on-time performance as the ratio of the total number of trains considered on time to the total number of trains scheduled on a particular route or several routes combined.

<sup>4</sup> No incentive contract has been negotiated with Conrail.

Achievement of specific levels of performance under the contract determines incentive payments paid by Amtrak. Thus, if the amount of payment for achieving an 80-percent on-time record remains level, as it has, the trend in the incentive payments for a specific railroad contract can be a good measure of the trend in that railroad's performance.

Amtrak monitors on-time performance under the railroad incentive performance standard by tracking individual carrier performance under the terms of each contract. These contracts, while containing more restrictive time tolerances than the ICC standard, generally exclude causes of delay beyond the carriers' control. Thus, the performance results calculated according to this standard may often be higher than those measured under the ICC performance standard.

### **C. IDENTIFICATION OF THE CAUSES OF DELAY**

In addition to monitoring the actual number of trains or routes that were considered "late" during any given time period, Amtrak also collects data on the number of minutes a train was delayed, and the general cause of delay. Amtrak's delay monitoring system identifies delays among 11 major categories. These include: those controlled by Amtrak, such as equipment failures; those controlled by the freight carriers, such as slow orders; those for which responsibility is less clear, such as passenger (commuter) train interference; and those clearly beyond the control of either Amtrak or the freight carrier, such as bad weather.

The 11 delay categories are:

- (1) Equipment Malfunctions--includes delays caused by any mechanical failure to Amtrak cars or locomotives;
- (2) Maintenance of Way/Slow Orders--includes delays caused by any type of slow order due to deteriorated track, as well as any restrictions caused by the presence of a maintenance gang;
- (3) Servicing in Stations--includes delays caused by servicing (i.e., fuel, water, and minor repairs) to Amtrak cars or locomotives;
- (4) Passenger Train Interference--includes delays caused by commuter or other Amtrak trains given priority over and thereby delaying the given Amtrak train;
- (5) Freight Train Interference--includes delays caused by freight trains given priority over and thereby delaying the given Amtrak train;
- (6) Waiting for Connections--includes delays caused by waiting for connecting trains, buses or feeder buses;

- (7) Passenger Related Delays--includes any delays caused by passengers, including such items as unusually heavy passenger or baggage loading and unloading, emergency medical treatment, and similar passenger related delays;
- (8) Signal Delays--includes delays caused by restrictive signals caused by the presence of other traffic in the area, as well as faulty signals;
- (9) Running Time Delays--this seldom used category includes delays from the overall slowing of the freight carrier's system, so that Amtrak crews would have to report insufficient time to get from one point to the other on time;
- (10) Weather Related Delays--includes delays attributable to severe weather conditions, including flooding, earthquakes, and other "Acts of God"; and
- (11) Miscellaneous--includes all delays not included in the other categories, such as delays due to accidents at grade crossings, draw bridge malfunctions, vandalism, and unusual circumstances such as fire hoses or other objects on the tracks.

## II. ON-TIME PERFORMANCE TRENDS

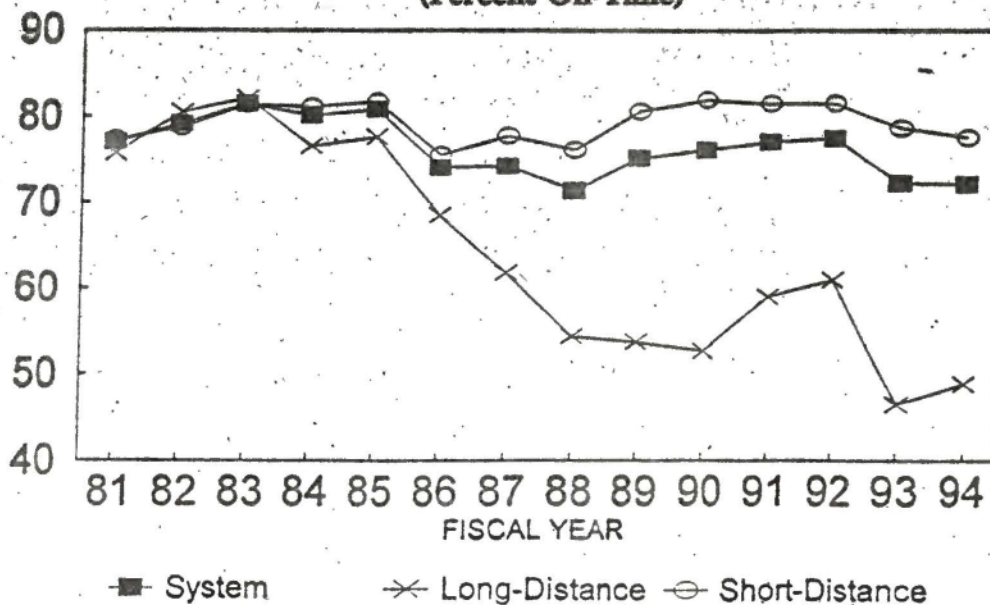
This section presents trends in Amtrak's on-time performance based on the ICC route performance standard. It reviews annual data for short-distance and long-distance trains for the 14-year period from FY 1981 through FY 1994 and looks at performance for off-corridor trains operating over the freight railroads since 1989.<sup>5</sup> It also examines quarterly data for the latest 13 quarters, beginning in the first quarter of FY 1992 through the first quarter of FY 1995. Finally, this section discusses the causes of recent delays.

### A. LONG TERM PERFORMANCE

When viewed over the last 14 years, Amtrak's systemwide on-time performance has declined slightly. This systemwide data, however, masks the much more dramatic decline in the performance of long distance trains. Since 1992, however, Amtrak's performance both systemwide and for the short-distance trains has also declined. This latter downturn has been the focal point of much public debate because it occurred during a period of financial difficulty for Amtrak.

Figure 1 and Table 1 present the on-time performance of Amtrak on a systemwide basis and broken down into short-distance and long-distance trains. The long-distance routes experienced a major decline between FY 1983 and FY 1990, with only a limited recovery in

Figure 1  
Amtrak's On-Time Performance: FY 1981 to FY 1994  
(Percent On-Time)



<sup>5</sup> Amtrak defines long-distance trains as those travelling over 600 miles, and short-distance trains as those travelling under 600 miles.

FY 1991 and FY 1992. This was followed by a dramatic drop in FY 1993 to Amtrak's all-time worst performance of 46.5 percent. Short-distance routes, with the NEC included, experienced less severe rises and falls, reaching a peak of 81.9 percent on-time in FY 1990 and ending with 77.5 percent in FY 1994--close to the same level as in FY 1981.

The relative stability of short-distance route on-time performance may be attributable to two factors. One is the shorter distances and trip times. Both tend to reduce the opportunities for delay. The shorter the route, the lower the chance for mishap or delays. Another factor is the inclusion of the NEC within short-distance routes. Historically, NEC routes have consistently experienced less volatility as well as higher on-time performances compared to off-corridor routes.

**Table 1**  
**Long-Term On-Time Performance**  
**Amtrak System and Route Components**  
**(percent)**

<u>FISCAL YEAR</u>	<u>SYSTEM:</u>	<u>LONG-DISTANCE ROUTES</u>	<u>SHORT-DISTANCE ROUTES</u>
1981	77.0	75.7	77.3
1982	79.1	80.5	78.7
1983	81.5	82.1	81.4
1984	80.1	76.5	81.1
1985	80.8	77.6	81.7
1986	74.0	68.5	75.5
1987	74.2	61.8	77.7
1988	71.4	54.4	76.1
1989	75.1	53.7	80.6
1990	76.1	52.7	81.9
1991	77.0	59.0	81.5
1992	77.4	61.0	81.5
1993	72.2	46.5	78.6
1994	72.1	48.9	77.5
Avg. Annual Rate of Change: (FY81-92)	0%	-1.3%	0.4%
Rate of Change: (FY92-93)	-5.2%	-14.5%	-2.9%
Rate of Change: (FY93-94)	-.1%	2.4%	-1.1%

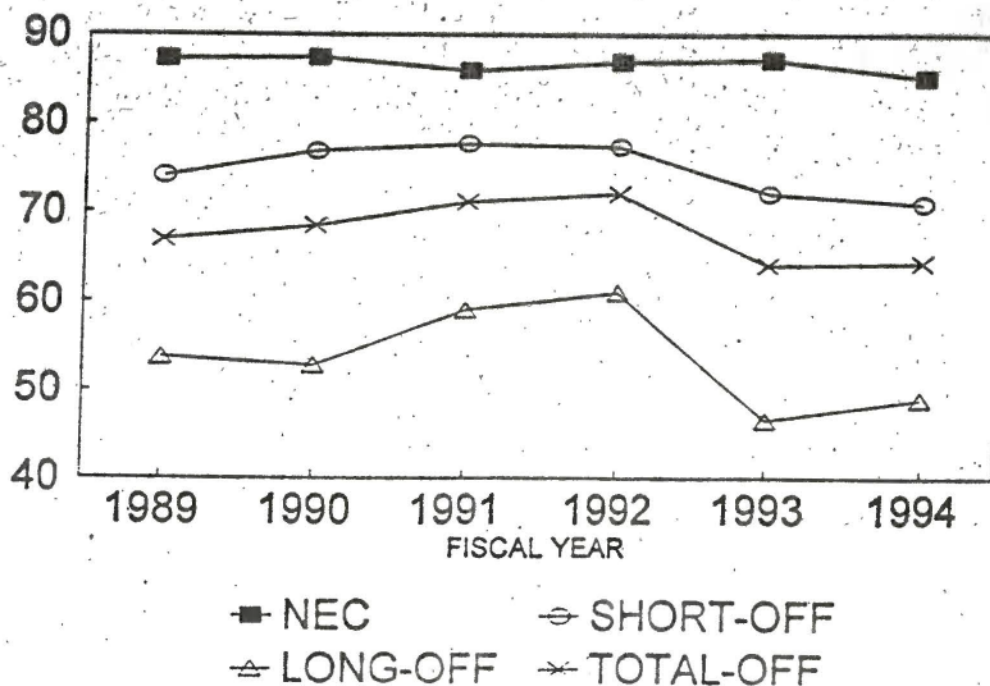


## B. OFF-CORRIDOR PERFORMANCE

Amtrak's off-corridor routes consist of all long-distance routes and those short-distance routes which do not operate along the NEC. Figure 2 and Table 2 depict the performance of NEC and the off-corridor short- and long-distance routes between FY 1989 and FY 1994 (the years for which such data are available). They show that on-time performance trends of off-corridor short- and long-distance trains tended to move in the same direction, although performance on short-distance routes still varied less and fell less sharply than did performance on long-distance routes.

On-time performance of the NEC routes, on the other hand, exhibited little change over the five-year period depicted in Table 2, and demonstrated significantly higher performance levels. The NEC routes have traditionally experienced higher on-time performances compared to the off-corridor routes which operate primarily over the freight railroads. There are many reasons for this, including less freight traffic, control of operations by passenger

**Figure 2**  
**On-Time Performance of NEC and Off-Corridor Routes**  
**FY 1989 to FY 1994**  
(PERCENT)



railroads (primarily Amtrak), and superior infrastructure (the NEC has the highest track quality in the nation).<sup>6</sup>

**Table 2**  
**NEC vs. OFF-CORRIDOR ROUTES ON-TIME PERFORMANCE**  
**(PERCENT)**

<u>FISCAL YEAR</u>	<u>NEC</u> <u>TOTAL</u>	<u>OFF-CORRIDOR</u>		
		<u>SHORT</u>	<u>LONG</u>	<u>TOTAL</u>
1989	87.2	74.0	53.7	66.9
1990	87.4	76.1	53.0	68.4
1991	85.9	77.6	59.0	71.1
1992	86.9	77.3	61.0	72.0
1993	87.1	72.0	46.5	64.0
1994	85.1	70.9	48.9	64.3

### C. RECENT PERFORMANCE

This section examines Amtrak's most recent on-time performance in greater detail. It reviews the on-time performance over the past 13 quarters, beginning with the first quarter of FY 1992 and ending with the first quarter of FY 1995. As shown in Figure 3 and Table 3, Amtrak's quarterly on-time performance for off-corridor routes exhibited substantial volatility over the period. The quarterly data depicted in Figure 3 show three distinct phases: a "decline phase" between the second quarter of FY 1992 and the fourth quarter of FY 1993; a "bottom phase" which ended in the third quarter of FY 1994; and a "recovery phase" between the third quarter of FY 1994 and the first quarter of FY 1995.

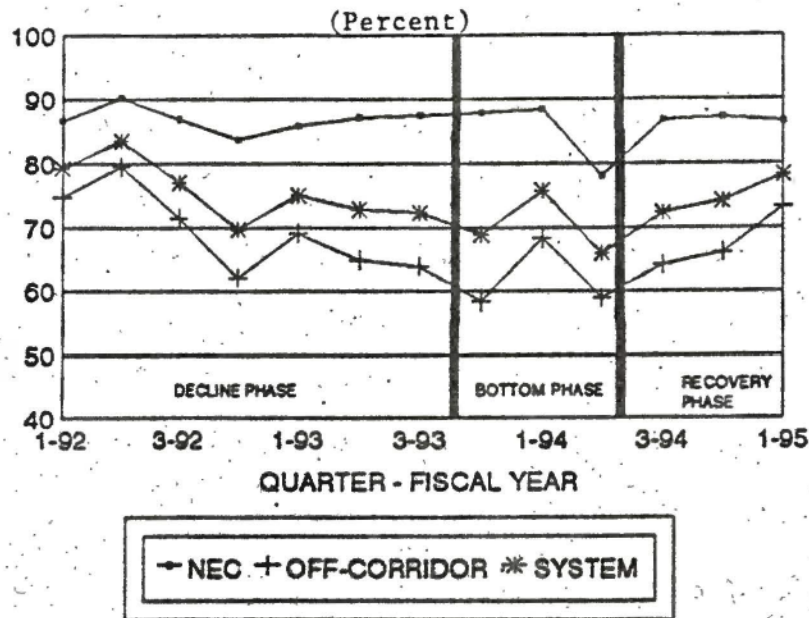
A recovery is also apparent when performance levels of recent quarters are compared with those of a year ago, as shown in Table 3. The performance of off-corridor routes improved 7.8 percentage points in the fourth quarter, and 4.9 percent in the first quarter of FY 1995.<sup>7</sup>

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<sup>6</sup> Along the NEC trains are able to use a minimum of 2 and as many as 6 reverse signalled, CETC (Centralized Electrification and Traffic Control System) controlled main tracks with high-speed crossovers connecting these tracks every 4 to 8 miles, so that adjacent tracks are easily used to eliminate or minimize delays due to track maintenance or other trains. Off-corridor trains, on the other hand, typically must operate over single track railroads with intermittently spaced passing tracks for meeting or passing other trains.

<sup>7</sup> Despite small declines in the on-time performance of the NEC in recent quarters, performance levels there remain and are expected to continue at very high levels.

**Figure 3**  
**Amtrak's On-Time Performance By Quarter**  
**First Quarter of FY 1992 to First Quarter of FY 1995**



**Table 3**  
**Quarterly Performance of NEC and Off Corridor Routes**  
**(Percent)**

<u>FY 1993</u>	<u>NEC</u>		<u>Off Corridor</u>		<u>System</u>	
1st. Qtr.	85.8		69.1		75.0	
2nd. Qtr.	87.2		64.9		72.8	
3rd. Qtr.	87.5		63.9		72.3	
4th. Qtr.	87.9		58.3		68.9	
<u>FY 1994</u>	<u>NEC</u>	<u>Change from A Year Ago</u>	<u>Off Corridor</u>	<u>Change From A Year Ago</u>	<u>System</u>	<u>Change From A Year Ago</u>
1st. Qtr.	88.4	2.6	68.3	-0.8	75.7	0.7
2nd. Qtr.	78.1	-9.1	58.9	-6.0	66.0	-6.8
3rd. Qtr.	86.7	-0.8	64.1	0.2	72.3	0.0
4th. Qtr.	87.2	-0.7	66.1	7.8	74.1	5.2
<u>FY 1995</u>	<u>NEC</u>	<u>Change from A Year Ago</u>	<u>Off Corridor</u>	<u>Change From A Year Ago</u>	<u>System</u>	<u>Change From A Year Ago</u>
1st. Qtr.	86.8	-1.6	73.2	4.9	78.4	2.7

The quarterly data in Table 3 also reflect several recent events that affected Amtrak's on-time performance. One was the floods in the midwest during July of 1993, which required the rerouting or cancellation of numerous Amtrak trains through that area. This had an obvious adverse impact on Amtrak's on-time performance during the fourth quarter of FY 1993. A second event was the severe winter weather experienced by most of the Nation in 1994, which delayed trains and froze up equipment, and had a serious impact on Amtrak's performance in the second quarter of FY 1994.

#### D. CAUSES OF DELAY

The causes of delays and the responsibility for those delays are complex and difficult to measure, and are often interrelated. For example, Amtrak collects data by train. While the data may account for total system delay, the data may not fully reflect the original cause of a delay which can cascade through multiple trains.

It is generally accepted that Amtrak controls three of the 11 causes by which it monitors delays: (1) Equipment Malfunctions, (2) Servicing in Stations, and (3) Passenger Related Delays. On the other hand, three categories are considered under the control of the freight railroads: (1) Freight Train Interference, (2) Slow Orders, and (3) Signal Delays. Three categories: (1) Passenger Train Interference, (2) Waiting For Connections, and (3) Running Time Delays, are currently not regarded as within the full control of either Amtrak or the freight railroads but rather are shared somehow by them. The remaining two categories: (1) Weather and (2) Miscellaneous, which includes delays due to such things as grade crossing accidents, emergencies and vandalism, are beyond the control of Amtrak and the freight railroads.

Table 4 presents the major causes of delays and the total number of minutes delayed by each category for all of Amtrak's off-corridor trains for the first quarter of FY 1994 and the first quarter of FY 1995. The comparison shows that two-thirds of all delays are considered within the control of either Amtrak or the freight railroads.

Table 4 indicates that Amtrak controlled delays and freight railroad delays declined by over 15 percent and over 13 percent, respectively. There were major improvements in key areas. Delays due to Amtrak equipment related causes were reduced by over one-third. Freight railroad delays due to freight train interference and to slow orders, the two largest delay categories, each fell by over 20 percent.

Causes of delay which are not considered within the full control of either Amtrak or the railroads or cannot clearly be attributed to one or the other will also have to be reduced substantially if performance is to be improved permanently. This is where many of the cooperative efforts between the freight railroads and Amtrak could be directed. The section that follows will address this issue.

Table 4  
 Delay Comparisons For Off-Corridor Routes By Major Category:  
 First Quarter of FY 1995 vs. First Quarter of FY 1994  
 (1000 minutes)

<u>Delay Category:</u>	<u>1st Qtr.</u> <u>FY 94</u>	<u>Percent</u>	<u>1st Qtr.</u> <u>FY 95</u>	<u>Percent</u>	<u>% Change</u> <u>Otrs.</u>
<u>Amtrak - Controlled</u>					
- Equipment Malfunction	34.0	9.1	21.5	6.3	-36.8
- Servicing in Station	20.4	5.5	19.4	5.7	- 5.1
- Pass-related Delays	<u>29.5</u>	<u>7.9</u>	<u>30.4</u>	<u>9.0</u>	<u>3.1</u>
Total	83.9	22.5	71.3	21.0	-15.0
<u>Freight Railroad - Controlled</u>					
- Freight Train Inter.	65.6	17.6	51.1	15.1	-22.1
- Slow Orders	61.4	16.5	47.7	14.1	-22.3
- Signal Delays	<u>47.0</u>	<u>12.7</u>	<u>51.9</u>	<u>15.3</u>	<u>10.3</u>
Total	174.0	46.8	150.7	44.5	-13.3
<u>Shared Railroad Responsibility<sup>8</sup></u>					
- Pass/commuter train	40.8	11.0	52.3	15.4	28.3
- Connections	14.7	3.9	5.3	1.6	-63.8
- Running Time Delays	<u>11.7</u>	<u>3.1</u>	<u>16.8</u>	<u>4.9</u>	<u>43.4</u>
Total	67.2	18.0	74.4	21.9	10.7
<u>Outside Railroad Control</u>					
- Weather	1.9	0.5	1.1	0.3	-40.7
- Miscellaneous	<u>44.6</u>	<u>12.0</u>	<u>41.7</u>	<u>12.3</u>	<u>6.6</u>
Total	46.5	12.7	42.8	12.6	- 7.9
Total Delays	371.6	100.0	339.2	100.0	- 8.7

<sup>8</sup> Includes delays due to intercity passenger or commuter train interference, waiting for other trains or buses, grade crossing accidents, etc.

### **III. FREIGHT CARRIER PERFORMANCE AND PERSPECTIVE**

Over 70 percent of Amtrak service (as measured in passenger miles) is provided over the tracks owned by private freight railroads. These railroads are experiencing substantial growth in their freight business. This development, in combination with the significant downsizing of their plant, equipment, and employment which has occurred since 1980, creates a challenge to the abilities of Amtrak and the freight carriers to provide first-rate passenger service, particularly long-distance passenger service.

In June 1994, the Secretary of Transportation wrote the chief executives of these railroads seeking their personal commitment to improve the timeliness of Amtrak trains without adversely affecting freight service. The responses uniformly reiterated the commitment of these industry leaders to providing quality service to their customers, including Amtrak. Several outlined their intense level of monitoring and rapid response to specific problems, cited already close working relationships with Amtrak, and/or committed to a renewed effort to work with Amtrak to deliver Amtrak trains on time. Others outlined the major capital investments being made to improve infrastructure condition and capacity. (See Appendix A.)

The commitment of the host freight railroads to the timeliness of Amtrak trains is essential. Amtrak data on the causes of non-NEC train delay attribute some 40 to 50 percent of the delay to factors within the control of the freight railroads. This section further discusses the performance of the freight railroads.

#### **A. FREIGHT CARRIER PERFORMANCE**

Table 5 depicts the most recent trends in on-time performances (as based on the ICC railroad performance standard) of the 14 carriers which provide Amtrak service. As shown in the table, all but two carriers exhibited higher on-time performances in the first quarter of FY 1995 compared to the same quarter a year ago, and thereby underscoring the improvement by most freight carriers in their on-time performances over recent quarters. Even the two carriers that experienced a decline in their on-time performances over the four quarters did manage to achieve performance levels above 80 percent in the first quarter of FY 1995.

**Table 5**  
**On-Time Performances of Railroads with Amtrak Operations: 1Q-94 to 1Q-95**  
**(percent)**

Railroad:	1Q-94 OTP(%)	2Q-94 OTP(%)	3Q-94 OTP(%)	4Q-94 OTP(%)	1Q-95 OTP(%)	(%) Change Four Quarters (1Q-95 v 1Q-94)
Santa Fe	77.8	75.8	67.2	64.2	81.5	3.7
BN	61.2	53.7	65.8	72.0	80.2	19.0
Central Vt	84.2	77.9	86.8	89.1	93.9	9.7
CNNA	72.0	67.8	65.0	70.8	76.8	4.8
Conrail	76.8	57.9	66.0	71.6	77.4	0.6
D&H	62.5	60.6	47.8	53.2	64.7	2.2
GTW	85.9	68.3	73.1	80.8	83.7	-2.2
IC	77.6	78.2	86.2	85.9	85.1	7.5
San Diegan	83.4	87.9	84.1	84.7	80.9	-2.5
SOO	94.2	87.9	94.0	89.1	95.0	0.8
CSXT	74.0	58.8	69.8	72.2	78.7	4.7
SP	66.3	67.5	65.6	66.7	72.7	6.4
NS	75.0	83.3	78.3	81.5	86.4	11.4
UP	65.2	71.6	67.8	73.5	75.4	10.2

Several freight railroads also provided the Federal Railroad Administration with on-time performance data not based on the ICC standard, but based on factors solely within their control pursuant to their contract with Amtrak. Not surprisingly, these data indicate a much higher percentage of trains on-time. In fact, during FY 1994 the system as a whole accomplished a 9.2 percent higher performance level under the contract performance standard than under the ICC railroad performance standard. For example, Table 6 compares the recent percentages of CSX Transportation (CSXT) under both the contract and ICC railroad performance measures. This table shows that for the last three fiscal years, approximately 15 to 17 percent more Amtrak trains on the CSXT system were considered on time under this approach than using the ICC railroad performance standard. Clearly the freight railroads can argue, based on this data, that they should not be held out as the primary cause of Amtrak's on-time performance problem. The ICC railroad performance standard is clearly the measure of concern to the customer, but not the best measure of individual carrier performance. Data from other carriers seemed to support this point.

Another measure of carrier performance is the level of incentive payments earned by the freight railroads for minimizing delays within their control. Incentives are earned for contract-based on-time performance exceeding 80 percent and equivalent deductions are made for falling below 70 percent. Figure 4, shows that total incentive payments to freight railroads have been increasing since the fourth quarter of FY 1993 (i.e. since Sept. 30, 1993).

**Table 6  
CSXT On-Time Performance  
(Percent)**

	FY 1992	FY 1993	FY 1994
Contract based	94%	89%	86%
ICC based	79%	72%	69%

**Figure 4  
Amtrak Quarterly Incentive Payments to Major Freight Carriers  
First Quarter FY 1992 to First Quarter FY 1995  
(\$ Millions)**

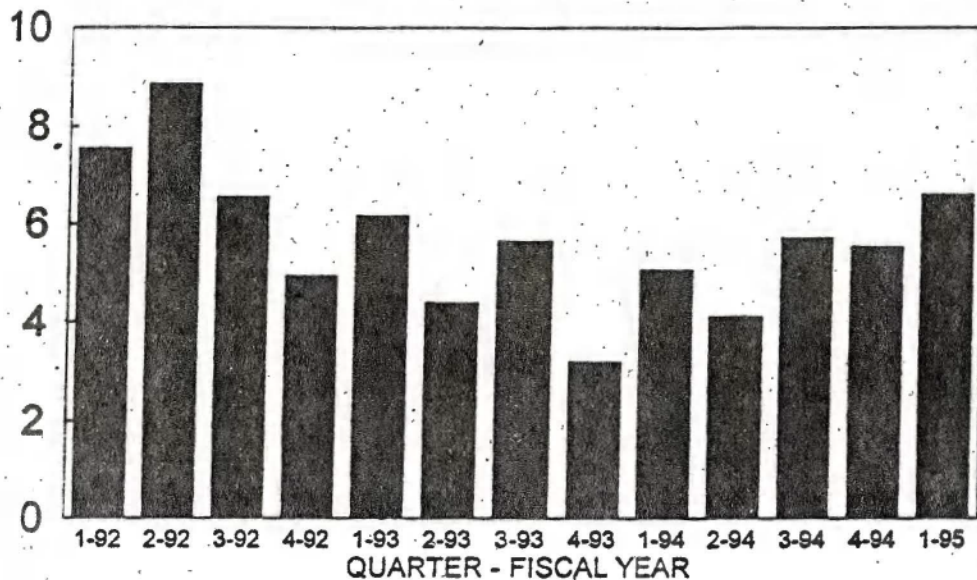


Table 7 compares Amtrak incentive payments for the most recent three calendar quarters with those payments for the same period one year earlier. It shows first the totals for all freight carriers with incentive contracts followed by the payments to each of the 9 carriers which provide the greatest share of Amtrak service under incentive contracts. For the latest period, the first quarter of FY 1995, the total incentive payments to all freight railroads, amounting to \$6.6 million, increased by \$1.54 million or 30 percent over the first quarter of FY 1994 payments of \$5.1 million. This increase occurred despite no significant changes in the incentive payment rates over the period, as well as in the total number of trains scheduled.

It also can be seen that for most of the 9 major carriers the level of incentive payments has improved in recent periods. For example, the incentive payments to the BN increased from \$200,000 in the fourth quarter of FY 1993 to \$900,000 in the fourth quarter of FY 1994 and



from \$410,000 in the first quarter of FY 1994 to \$1.2 million in the first quarter of FY 1995.

**Table 7**  
**Amtrak Incentive Payments to Freight Railroads**  
**(\$ Millions)**

	3rd FY93	4th FY93	1st FY94	3rd FY94	4th FY94	1st FY95
All Carriers	5.66	3.20	5.07	5.72	5.54	6.61
<hr/>						
Selected Carriers						
Santa Fe	0.66	0.31	1.17	1.59	1.55	1.22
BN	1.09	0.20	0.41	0.46	0.90	1.20
D&H	0.01	0.06	0.08	--	0.04	0.12
IC	0.11	0.24	--	0.14	0.14	-0.04 <sup>9</sup>
SOO	0.14	0.14	0.24	0.26	0.08	0.11
CSXT	1.76	1.61	1.59	1.73	1.59	1.88
SP	0.45	0.52	0.59	0.80	0.22	0.89
NS	0.18	0.37	0.46	0.48	0.31	0.46
UP	1.10	0.05	0.38	0.11	0.54	0.60

The conclusion that can be drawn from this data is that freight carrier performance in delivering Amtrak trains on-time is generally improving.

## B. FREIGHT RAILROAD PERSPECTIVES

In preparing this report, the Federal Railroad Administration sought further input from the freight railroads for their perspective on this issue, including information on recent initiatives to improve on-time performance. All carriers responded and their responses were helpful in the preparation of this report.

Several carriers expressed concern that any public information regarding the on-time performance of Amtrak trains over a specific railroad should clearly reflect the extent of delays caused by the freight railroad versus other causes. ICC data can cause a railroad's

<sup>9</sup> Incentive payments are paid by Amtrak for on-time performance levels exceeding 80 percent. However, equivalent deductions also are made, usually from future incentive payments, for on-time performance levels that fall below 70 percent, shown as negative payments in the table.

on-time performance to look bad even though much of the delay is due to Amtrak problems or reasons beyond the control of either Amtrak or the freight railroad.

Most carriers presented information on existing and new programs that have been implemented on their railroad to provide high-quality service for Amtrak trains, including investments in infrastructure to improve condition and capacity. Common themes included close monitoring of Amtrak operations, various Amtrak/railroad communication enhancements, and employee training to improve operations.

Some carriers have daily conference calls with Amtrak, others at least weekly, in addition to less frequent monthly and/or quarterly meetings. One monitoring tool is railroad management or Amtrak and freight railroad management together riding Amtrak trains. The Atchison, Topeka and Santa Fe Railway (Santa Fe) indicated that under their "Partners for Performance" concept, they hold periodic meetings with Amtrak service and operating personnel to enhance the lines of communications with Amtrak. The Santa Fe credits the October 1993 centralization of dispatching as significantly enhancing Amtrak on-time performance.

Finally, several carriers suggested that good on-time performance is also good business and maximizing incentive payments from Amtrak can be consistent with operating an efficient freight railroad. Some carriers commented that they include compensation incentives in relevant employee performance agreements, based on performance levels achieved in the handling of Amtrak trains.

#### **IV. CURRENT EFFORTS**

##### **A. THE DEPARTMENT'S INITIATIVE**

The recent decline in Amtrak's on-time performance undoubtedly exacerbated Amtrak's financial difficulties. Between FY 1989 and FY 1992, Amtrak had made gradual but steady improvements in its on-time performance, reaching a systemwide seven-year high of 77.4 percent for its system by the end of FY 1992. In fact, the 83.5 percent systemwide level reached in the second quarter of FY 1992 marked the highest quarterly on-time performance level in recent times. But by the end of the second quarter of FY 1994 (end of March 1994), Amtrak's systemwide on-time performance had fallen to 66 percent, the lowest quarterly level in recent times. Only 59 percent of the non-NEC trains were on-time. Shortly after that, the Secretary of Transportation became involved in this important issue.

On June 16, 1994, Secretary Peña communicated his concern about the freight railroad's role in Amtrak's deteriorating on-time performance to the chief executives of the participating freight railroads, and asked each to help improve the quality of Amtrak's service.

The Secretary also placed Amtrak's on-time performance on the agenda for the Department's Rail Safety Summit held in Washington in late August 1994. The summit proved a useful forum for constructive dialogue on this issue, and the participants generally agreed that the solution to this problem lay in the collective approach.

These efforts by the Secretary to facilitate a reversal in the recent deterioration in Amtrak's on-time performance are having positive results. The Secretary's concerns have contributed to the growth of new partnerships between Amtrak and the freight railroads that participate in providing Amtrak passenger service, as described below. These new partnerships seem to be addressing the basic underlying causes of Amtrak's poor on-time performance, rather than offering temporary solutions.

##### **B. JOINT AMTRAK-FREIGHT RAILROAD PROGRAMS**

Amtrak relies on the freight carriers to help it offer high quality intercity passenger service. Over the past several months, Amtrak and the freight carriers have made a number of changes, particularly in the areas of improved communications.

A vital part of the new partnership between Amtrak and the freight carriers consists of developing new programs and expanding others in order to improve the bottom line on-time performance. These programs include:

- (1) Quarterly Executive Meetings,
- (2) Joint Pilot Programs, and
- (3) Quarterly Staff Meetings.

**Quarterly Executive Meetings:** Amtrak reports that the establishment of individual quarterly meetings between senior management<sup>10</sup> of Amtrak and of freight railroads has been very effective in a number of areas. These meetings are used to ensure Amtrak's on-time performance and Amtrak's concerns over carrier-specific issues affecting this performance are brought to the attention of the senior management of the freight railroads. The freight railroads, in turn, use these meetings to discuss with Amtrak's senior management issues related to Amtrak's performance as well as to identify specific actions that might address problems affecting on-time performance.

These meetings started in the summer of 1994 with five freight railroads: the Burlington Northern, Conrail, CSXT, Union Pacific, and the Atchison, Topeka, and Santa Fe. Today eight carriers are participating. The carriers which recently joined the original five are the Union Pacific, the Southern Pacific, and the Grand Trunk Western. Two additional railroads, the Illinois Central and the Norfolk Southern, are evaluating participation.

**Joint Pilot Programs:** CSXT, over whose track 35 Amtrak trains run daily, has recently launched several initiatives, in cooperation with Amtrak, designed to return the carrier to historic contract-based on-time performance levels of 94 percent.

A joint operational study was initiated by CSXT in the spring of 1994. This led to a team of Amtrak and CSXT passenger service and engineering representatives riding 118 trains in July 1994 to carefully analyze both the operations and the data collection. The CSXT team found the responsibility for delays was shared about equally between Amtrak and CSXT.

As a result of this joint analysis, several potential areas of improvement were identified and are being implemented. These include changes in communications and operating procedures and some specific capital investments. After analyzing delay reporting, the team concluded that the conductor's delay report is the best vehicle for accurately monitoring the extent and cause of delays.

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<sup>10</sup> The Executive Vice President--Chief Operating Officer levels of management.

CSXT also implemented a self-analysis reporting system characterized by daily morning conference calls between senior management at CSXT's Operations Center in Jacksonville, Florida, and those at Amtrak headquarters. These calls take place 7 days a week, and focus on problems or issues that emerged the previous 24 hours. Amtrak reports that these CSXT/Amtrak programs have improved performance as well as improved delay reporting.

**Quarterly Liaison Staff Meetings:** A third joint program implemented in October 1994, is the quarterly meetings of the liaison staff members of freight railroads with Amtrak. These meetings are attended by most participating rail carriers and Amtrak representatives. Although these meetings are not at the highest corporate levels, as are the quarterly executive sessions, they offer a number of useful benefits. Unlike the executive level meetings, which are held separately with Amtrak on a bilateral basis, the liaison personnel of all carriers attend each meeting. This multilateral format offers a useful forum for the exchange of ideas and sharing of information among the freight carriers.

A useful feature of these meetings has been presentations by individual carriers to raise important issues, discuss possible solutions, and above all share information with other freight carriers. For example, at a recent liaison meeting, CSXT personnel gave a presentation on CSXT's Self-Analysis Report while, at a previous meeting, Union Pacific staff reported on how a carrier can maximize incentive payments, paid by Amtrak for superior on-time performance.

### C. AMTRAK MANAGEMENT ACTIONS

**Equipment Performance:** One of the key factors in Amtrak's on-time performance decline and recent improvement has been the age, condition, and failure rate of its equipment. As Amtrak has put new locomotives in service and phased out its oldest cars, equipment related causes of delay have fallen drastically. Between May and December 1993, Amtrak placed 44 new AMD-103 locomotives into service to replace part of an aging, high-mileage fleet of F-40 locomotives. Also, Amtrak is continuing to place into service new Superliner cars, particularly sleepers, to replace 40- to 50-year old equipment that it inherited from the freight railroads in 1971. Between August 1993 and February 1995, 87 of the 195 Superliners on order were delivered.

An indication of how improved equipment can affect on-time performance occurred in late summer of 1993 when Amtrak replaced the 15-year-old high-mileage F-40 locomotives on its Crescent service between Washington, D.C., and New Orleans with modern AMD-103 locomotives. On-time performance on this train immediately improved from below 50 percent in FY 1993 to over 70 percent in FY 1994.

Amtrak has also improved its overhaul program to reduce failure rates of existing equipment. Equipment that is not overhauled or provided servicing on a regular basis has a higher incidence of failure. Due to a high backlog of equipment requiring overhauls in FY 1994, Amtrak implemented a progressive overhaul/maintenance program. This program is designed to maximize the use of funds available for both overhauls and equipment maintenance, by relying more on annual inspections and targeted component replacements. During FY 1994, failure rates of the F-40 locomotives declined by 22 percent, and for the first quarter of FY 1995, the total number of locomotive failures declined by close to 30 percent below the failure rate in the preceding year.

## V. CONCLUSIONS

Outside the Northeast Corridor, Amtrak operates over the tracks of private freight railroads whose primary business and interest is moving freight. Given the increasing success of the freight railroads in both attracting traffic and shedding redundant facilities, and thereby concentrating more freight traffic on remaining lines, maintaining consistently timely passenger service will be a continuing challenge.

Part of the solution to meeting this challenge lies with the modernization of Amtrak's operating equipment to eliminate the delays brought on by the frequent breakdowns of its aging fleet. Since 1992, the Administration has requested significant levels of appropriations for capital investment to help address this need. In addition, the Department of Transportation, as part of its restructuring of the Department and Federal transportation funding programs, will propose providing the states with greater flexibility in the use of Federal transportation funds so that they can assume a greater role in supporting the Amtrak service that is important to them.

The other part of meeting the challenge of on-time performance is improved cooperation between Amtrak and the freight railroads over which it operates. Recent months have seen renewed efforts on the part of these railroads to cooperate in providing timely rail passenger service. In the long run, the success of these efforts will be the major factor in determining Amtrak's ability to provide high-quality service on time.



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20580

JUN 16 1994

Mr. Dick Davidson  
Chairman and Chief Executive Officer  
Union Pacific Railroad  
1416 Dodge Street  
Omaha, NE 68179

Dear Mr. Davidson:

President Clinton supports Amtrak as a vital part of our Nation's transportation system. That is reflected in my own strategic plan for the Department of Transportation which sets an objective to move Amtrak toward financial stability and world-class passenger service. Timeliness is clearly necessary for both financial stability and world-class service.

I write out of deep concern that Amtrak trains are not operating on time on your railroad. As you can see on the enclosed Amtrak press release concerning on-time service, Amtrak trains are not meeting their schedules often enough. I believe that, with commitment from leaders like you, all of the railroads hosting Amtrak service can help Amtrak meet or exceed on their railroads the best on-time performances reflected in the press release.

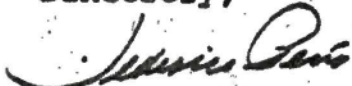
As you know, I serve on Amtrak's Board of Directors. In my dual role, I feel a special responsibility to Amtrak's more than 50 million customers to see that Amtrak provides good service. To that end, I respectfully ask you to intervene personally to see that your railroad does all that it can to help Amtrak provide timely service over your lines.

I view our Nation's transportation system for both passengers and freight, as an integrated national system in which modes of transportation play complementary roles. Clearly, the partnerships many railroads are building with truckers and the increasing emphasis many railroads are placing on intermodal traffic reflect something of the same view. Rail passengers are also among the many customers our railroad network accommodates. On-time service to them is good business. In addition to the incentive payments Amtrak makes for timely service, many potential shippers may see the timeliness of passenger trains as indicative of the timeliness of railroad service generally.



I am confident that you can help improve the timeliness of Amtrak service on your railroad without adversely affecting your freight service. Please extend your vision to include world-class intercity passenger service over your railroad and to help bring reliable service to the American people.

Sincerely,



Federico Peña

Enclosures

**SANTA FE PACIFIC**  
CORPORATION

June 22, 1994

<b>ACTION</b>	
is assigned to	
FNR	
CONTROL NO	
940705-046	
SIMS	S-10

The Honorable Federico Peña  
Secretary of Transportation  
U.S. Department of Transportation  
400 Seventh Street, S.W.  
Washington, D.C. 20590

Dear Secretary Peña:

I received your June 16, 1994 letter regarding helping Antrak provide timely service on the Santa Fe. I can assure you that all of us at Santa Fe understand the necessity to do just that, and we are dedicated to seeing that Antrak trains are not delayed due to circumstances within our control. We are well aware of the incentive payments Antrak makes for timely service, and that is an additional reason why we give Antrak priority over our freight trains.

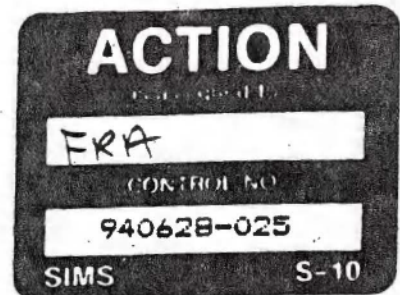
We have renewed our efforts to help Antrak meet its customers' expectations, and, in fact, I just received a letter from Tom Downs congratulating us for the 90% on-time performance of trains 3 and 4 across our railroad.

Sincerely,

**CONRAIL**

**JAMES A. HAGEN**  
CHAIRMAN, PRESIDENT  
AND CHIEF EXECUTIVE  
OFFICER

June 24, 1994.



The Honorable Federico Pena  
Secretary of Transportation  
400 7th Street, S.W.  
Suite 10200  
Washington, DC 20590

Dear Secretary Pena:

This is in response to your letter of June 22, 1994, regarding the on-time performance of Amtrak trains operating over Conrail facilities. Please be assured that we will work with Amtrak to determine the root causes of delays to Amtrak trains on our lines and that we are committed to moving all aspects of our relationship with Amtrak toward that of a true customer.

Thank you for your interest in this matter.

Sincerely,

A handwritten signature in cursive script that reads "J. A. Hagen".

cc: Mr. Thomas M. Downs  
President  
AMTRAK

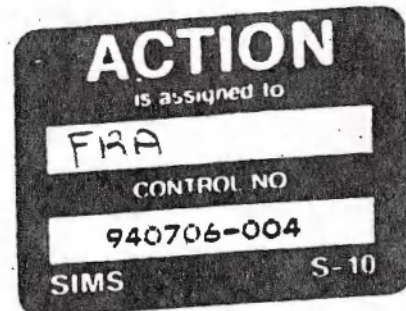
UNION PACIFIC RAILROAD COMPANY

DICK DAVIDSON  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

1414 BOULEVARD STREET  
OMAHA, NEBRASKA 68179



June 29, 1994



The Honorable Federico Peña  
Secretary  
U.S. Department of Transportation  
400 7th Street, SW  
Washington DC 20590

Dear Secretary Peña:

I want to assure you that we will do all we can to help Amtrak provide timely service over our lines. In your letter to me of June 16th, you highlighted several issues and I want to give you an overview of the steps we are taking to ensure the timely dispatch of Amtrak.

First, let me assure you that through the use of Union Pacific's computer-aided dispatching capabilities, Amtrak trains are accorded priority one for preferred routing. That's a first step. We review specific routes to identify problems. Our Amtrak performance is monitored on a daily basis. Delays to trains are reviewed by key operating personnel in the field and in the Harriman Dispatching Center to determine what happened and what we need to do to prevent recurrence.

We have initiated a process whereby we are sending key operating personnel from our Harriman Dispatching Center to problem solve with Amtrak personnel at Washington, D.C. and Philadelphia. These sessions have proved to be beneficial to both parties in our efforts to increase on-time performance through improved communications and by better understanding each company's operational issues.

As you know, the railroad industry has capacity issues on certain routes. We are working hard on ours. In 1993, we spent over \$400 million to maintain track and signals across the system. Our lines in Wyoming, Nebraska, Kansas and in the Pacific Northwest across the Blue Mountain range are getting special attention with the construction of many new sidings, and in some cases, additional main tracks. We will spend approximately \$75 million in 1994 for such capital improvements. I might add all this is done with Union Pacific funds. As you know, we receive no federal or state funds for any of this work.

Future investments we are making include redesign of our computer-aided dispatching systems to better dispatch all of our trains. And, as you know, we are beginning an investigation of Positive Train Separation systems with the BN in the Pacific Northwest. While the primary purpose of PTS should be safer operations, there is also a possibility that we will see an increase in our through put capacity.

I hope our commitment and the efforts I have outlined to meet that commitment are responsive to your concerns. We will continue to closely monitor our Amtrak performance. I appreciate the personal interest you have taken in this issue and the many other issues of vital importance to America's railroads.

Very truly yours,

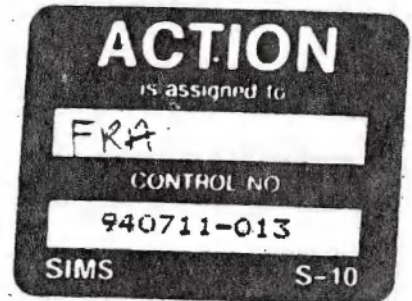
A handwritten signature in black ink, appearing to read "Jack". The signature is written in a cursive style with a large, sweeping initial letter.



Alvin R. "Pete" Carpenter  
President and Chief Executive Officer

500 Water Street  
Jacksonville, FL 32202  
(904) 359-7599

June 30, 1994



The Honorable Federico Pena  
Secretary  
Department of Transportation  
400 7th Street, S.W.  
Room 10200  
Washington, DC 20590

Dear Secretary Pena:

Thank you for your letter of June 16 concerning CSX Transportation's service to Amtrak. Please let me assure you that there is absolutely no higher priority at CSX Transportation than providing safe, reliable service to all customers, including Amtrak. In fact, service is this railroad's primary focus; and we are continually undertaking major initiatives to improve our performance.

CSXT measures the on-time performance of all trains operating on our system on a daily basis. Each Monday morning at my senior management meeting, service reliability is at the core of the agenda. Amtrak performance very often receives special scrutiny at that meeting and always receives significant attention throughout the normal course of business.

The depth of our commitment to service reliability is evident in the way we work with Amtrak. Currently, CSXT and Amtrak employees hold daily conference calls and quarterly meetings to discuss performance concerns and develop the means to address them. To my knowledge, we are the only Amtrak service provider scheduling daily calls. We have conducted extensive training for the supervisors, dispatchers and all other personnel in the CSXT operations center to enhance communication and coordination with Amtrak and to reinforce policies to improve on-time passenger service. In July, 12 representatives from our passenger services and engineering departments will join six Amtrak representatives on a 30-day blitz, actually riding trains to identify problem areas and corrective actions. This is in addition to our routine Amtrak train riding and monitoring activities. Surely the number of CSXT participants in this special project says a great deal about this company's emphasis on world-class service.

The Honorable Federico Pena  
June 30, 1994  
Page Two

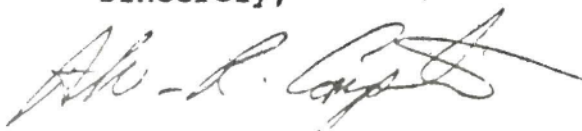
Though we are working continually to improve it, we stand behind our Amtrak service record. In 1992 and 1993, our on-time performance average was in the 90 percent range. Service levels suffered during winter weather of unprecedented harshness, but even the most biased observer must admit that the American public was well-served by a rail transportation system that continued to function despite emergency conditions during an entire quarter when air travel in the Northeast and Midwest was often shut down or severely affected.

There has always been a spirit of mutual cooperation between Amtrak and the freight railroads and we look forward to continuing that long tradition. As CSXT and Amtrak continue to work together to improve service reliability, I believe it essential that you have an accurate picture of the reasons for the delays this past winter. Amtrak's April press release, which you enclosed in your letter, implies real concern about the level of freight railroad performance. Unfortunately, the release does not communicate an entirely clear picture of the relationship between Amtrak and CSXT and the other roads.

For example, while the Amtrak press release specifies that freight carriers are only responsible for 36 percent of Amtrak delays, it also makes the assertion that CSXT provided on-time service only 58.8 percent of the time. The fact is that a large portion of the service failures counted in that measurement have to do with variables such as weather conditions, trains that may be held at stations by Amtrak, delays caused by passengers, and Amtrak equipment and power failures -- factors over which we have no control. Our own measurements, designed to track service failures which are clearly within our control, indicate that CSXT's on-time record during the same time period was closer to 80 percent. Our performance has improved as the weather has returned to normal and year to date is in excess of the 85 percent level. This improvement is particularly noteworthy given the fact that CSXT operates more Amtrak passenger train miles than any railroad in the country, which makes operating our system particularly challenging. While I am pleased with our efforts, we will continue to strive to reach 100 percent service on-time reliability.

As part of its overall service reliability initiative, CSXT will continue to work to improve our services to Amtrak and to foster the atmosphere of partnership and cooperation that will be key to that effort.

Sincerely,



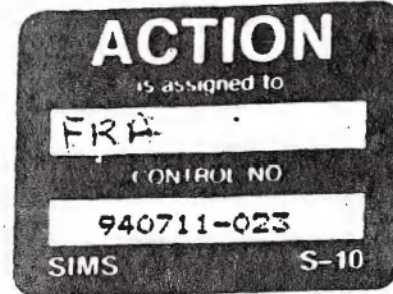
BURLINGTON NORTHERN INC.

GERALD GRINSTEIN  
Chairman and  
Chief Executive Officer

3800 Continental Plaza  
777 Main Street  
Ft. Worth, Texas 76102-5384  
(817) 333-2272

July 1, 1994

The Honorable Federico Pena  
Secretary  
Department of Transportation  
400 Seventh Street  
Washington, D.C. 20590



Dear Secretary Pena:

While I appreciate your thoughts about my personal intervention to assure on-time Amtrak service, the root cause of delays to passenger trains defies a wave of the hand and edicts directed at our people in the field.

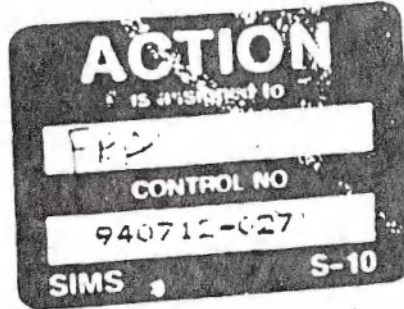
Looking back over the last 30 days' performance, three problems seem to give rise to most delays: slow track, freight train interference and Amtrak equipment failures. The equipment failures are something over which BN has no control. With respect to slow track, one can expect such this time of year as hot weather slow orders are put out from time to time and as our maintenance of way forces replace rail, ties and ballast in order to maintain a safe and comfortable ride for the people who travel by passenger train over our Amtrak routes.

However, in light of ever increasing volumes of freight traffic, track maintenance work or an equipment failure can translate into additional delays due to freight train movements. Such capacity-related delays are being addressed on our two long distance Amtrak routes through BN's investment of millions of dollars in signal, switch, siding track and yard improvements. Furthermore, the state of Washington is helping finance passenger-related improvements to the Portland to Vancouver, B.C., corridor. Unfortunately, while some capacity improvements will come on line late this year, most won't be completed before next year.

In the mean time, we are examining each Amtrak schedule to determine the best way to remove slow orders and improve reliability. Our findings will be shared with Amtrak toward the end of the month. To the extent you or your staff want to gain a better understanding of what we're planning, please let me know. A private briefing can surely be arranged.

Sincerely,





Representing  
Grand Trunk Western  
Central Vermont  
Duluth, Winnipeg, and Pacific

Corporate

Robert A. Walker  
Vice President, Corporate

CN North America  
1333 Brewery Park Blvd.  
Detroit, MI 48207-2689  
Telephone: (313) 396-6565  
Facsimile: (313) 396-6089

July 7, 1994

Mr. Frederico Peña  
Secretary of Transportation  
Department of Transportation  
Washington, DC 20590

Dear Secretary Peña:

I am responding to your letter to Mr. Tellier, Chairman and President, Grand Trunk Western and CN North America, in which you outlined your concern that Amtrak trains are not operating on time on our railroad, and provide information that the railroad industry on-time performance is not up to the standards that meet the Department's expectations. As you know, Grand Trunk Western Railroad and the Central Vermont Railroad both provide trackage and services for Amtrak in Michigan and New England. The management of both companies maintain a high priority on all Amtrak services to ensure that schedule expectations are met at the highest level possible.

We at Grand Trunk and the Central Vermont work very closely with Amtrak to ensure that delays are kept to a minimum, and to ensure that the delays caused by extensive track work that can only be performed during the summer months cause the minimum delays possible to Amtrak trains. During 1993, Grand Trunk Western Railroad and Central Vermont both ranked third and fourth in on-time performance, of the fifteen railroads that Amtrak operates on. Our performance in the first part of 1994 is comparable, but unfortunately, will be affected by the requirement of summer track work in specific locations.

I appreciate your bringing these concerns to our attention and we will continue to work toward ensuring the timeliness of Amtrak trains.

Sincerely,

  
Robert A. Walker

cc: Paul M. Tellier