

A VIEW FROM ACROSS THE POND

The vultures are circling over a sickly Amtrak – and some are draped in Union Jacks. In his regular look at rail developments stateside, Michael R Weinman reports on the latest twists and turns in the Amtrak soap opera. But first he returns to the Gulf Coast to assess the fallout from hurricane Katrina.

Two months after the hurricane hit, CSX is the only rail operator still to resume services to New Orleans. Amtrak trains rolled in on 7 October (except the east-west Sunset route), but CSX, which estimates it suffered a quarter of a billion dollars in damage all along the Gulf Coast, will be out for months.

A presentation by Wick Moorman, newly elected CEO of Norfolk Southern, on the company's recovery effort in New Orleans was both fascinating and inspirational. NS trains come into the city from the northeast on a single track, eight-mile long trestle over Lake Pontchartrain. NS rebuilt this as a concrete, open-deck structure two years ago. But, as Moorman recently told the Lexington Group in Transportation History, when Katrina hit it sucked the track off the deck like a household vacuum cleaner (this clearly contradicted another NS officer who, in a talk on investment criteria, suggested that infrastructure, once bought, couldn't be moved!) Many miles of track on the land-side approaches to the lake were also storm-damaged and buried under debris.

NS brought in cranes and, assisted by divers, lifted the track out of the deep water. The track came up, continuous welded rail still attached to many of the sleepers, like a model railway track panel. Most was re-usable, and re-laid on new ballast, so that NS was able to make a

victorious return to the Crescent City less than two weeks after Katrina hit. The effort took 11,000 sleepers, 65,000 tonnes of ballast, 2,400 tonnes of rip-rap (anti-erosion stone), and saw 5,500 trees removed. Despite the inherent dangers of this work, which included finding a poisonous snake almost every foot of the way, the massive restoration was completed with no injuries! The cost of this operation is estimated to be in the tens of millions of dollars.

While we're discussing Norfolk Southern, which is quietly becoming the best managed Class 1 property in America (though Canadian National, Burlington Northern Santa Fe and Kansas City Southern are also competing for this blue riband), it's worth mentioning that the Lexington gathering provided an opportunity to meet several senior staff from NS. They are a most impressive group. Equally impressive were officers from the regional Indiana Railroad, and both the past and present leaders of the US effort to rebuild the Iraqi Railways. The Lexington Group is an old and honourable society, similar in many respects to the Railway Study Association. Grounded in erudite historical research, it is now far more forward

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thinking in its annual presentations. Despite a high-profile membership, including a number of past and present chief and senior executives, it has a very low profile amongst railway personnel in North America.

In other Lexington presentations, it was revealed that Wal-Mart, America's largest retailer with eight per cent of all US retail sales, imports 60 per cent of what they sell from the People's Republic of China, providing a hint of what's in the unending stream of double-stack container trains emanating from west coast ports. Tom Hoback, CEO of the regional Indiana Railroad,

suggested that it now costs between US\$50,000 and US\$60,000 to train a new recruit for train and engine crew service. Norfolk Southern concurred, suggesting its cost might be slightly lower, with dedicated training facilities. David A Brown II, vice president of strategic planning at NS said it takes three weeks of classroom work and five months on-the-job training to produce qualified train crew. He provided an excellent analysis of strategic capacity planning, which was a revelation, as only a few years ago, capacity reduction was the sole mantra.

Now to an interesting twist to the Amtrak saga, which is hardly resolved even at this late date (the fiscal year has begun, with Amtrak on a 'continuing resolution' pending both compromise of the budget figures proposed by the two houses of Congress, and settlement of the possible presidential veto). It seems there have been continued talks, speculation, suggestion, proposed legislation, and even some limited funding, to permit parts of the Amtrak network to be managed by other companies or agencies.

States that fund additional train services operated by Amtrak are leading the charge to be able to contract with other operators. The Amtrak Reform Council of a few years past had suggested that some separation between Amtrak as operator, as infrastructure owner, and as contractor to states and others, might be beneficial. Numerous independent companies, some of which already operate commuter trains as contractors, are anxious to expand their breadth of operation by obtaining additional work. A major issue is Amtrak's legislative 'franchise' which provides access to freight railroads (and the other side of this coin – the freight railways' anxiety over unknown or multifarious operators running over their lines, with the devil they know being preferable).

An already chaotic situation is exacerbated by Amtrak's own strategic plan, which endorses the idea of other operators managing services it currently 'monopolises', although it stops short of extending this to the train operations (i.e. provision of qualified crews and sometimes motive power). It is a situation which impacts the British railway industry, for a number of the



Rail services to New Orleans have resumed following the devastation caused by hurricane Katrina. A Norfolk Southern freight train rumbles over Lake Pontchartrain.

Bill Schafer/Norfolk Southern

proposals being tossed about involves British companies as US operators or contractors.

It is not possible to present a detailed analysis of the situation or the players at this stage, but a partial list of some of the actors might prove useful.

Several US states are major players in intercity passenger rail, with California leading the way. The states' Departments of Transportation are largely members of the American Association of State Highway and Transportation Officials (AASHTO), whose standing committee on rail transportation (SCORT) has passenger rail as a major discussion topic, and the possible fragmentation of Amtrak's operations as a primary focus.

A second state organisation, the States for Passenger Rail Coalition (S4PRC), is relatively new. It is similar in focus, with perhaps a hint of passenger rail advocacy, but most of the members of SCORT are also in S4PRC.

A former Amtrak employee, Joseph Vranich, who has written several books calling for it to be disbanded, is trying to mount an effort to launch a US Association of Train Operating Companies to bring together the firms (mostly British including some Tocs) who might stand to take over some Amtrak operations. While

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seemingly productive, the effort is simply one of many.

Herzog Transit Systems, the parent company of one operator of US commuter trains and maintenance provider, has employed a well-known Washington lobbyist to establish a similar 'trade association', known as the National Rail Construction and Maintenance Association, also with a view toward keeping Amtrak fragmentation in focus.

Both Connex, which runs commuter services in the US, and Virgin are also ready to run Amtrak-style services. Others on the list of companies keen to run their own passenger services (if fully compensated in every respect) are Bombardier, and freight railways Burlington Northern Santa Fe and Norfolk Southern.

Two new private firms, Railway Service Company, led by former Amtrak president Paul Reistrup, one of America's most knowledgeable and well-respected passenger rail executives, and Rail Infrastructure Management, headed

by Robert Serlin, have expressed a desire to play a role in any fragmentation of Amtrak services (the latter seems mostly interested in Amtrak infrastructure in the Northeast Corridor). The commuter railways would also be interested in taking a more proactive role in managing the commuter services that Amtrak either runs under contract, or which run over Amtrak Northeast Corridor infrastructure – and perhaps even assuming some of the Amtrak intercity services in their areas.

Finally, at least three lessors and financial institutions are ready to play a role in any Amtrak break-up, with particular regard to rolling stock. These are Britain's Angel Trains, which has an outpost in Chicago, Corridor Capital LLC, another Chicago firm, and Federated Railways, a division of Federated Financial Corporation in Michigan.

Doubtless, there are others whom I have unintentionally overlooked, or who have not yet raised their heads above the parapet. This particular playing field has all the characteristics of a free-for-all waiting to happen.

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