Superliner not a new issue

Run-through plan attempted to improve capacity, usage in 1996-97

by Mark S. Cane

capacity

Having dropped off passengers at Chicago Union Station, the *Texas Eagle* is wyed on July 11, 1998, en route to a trip through the washer and into the coach yard for servicing. Later that year, run-through operation with the *Capitol Limited* began, ending this layover. Bob Johnston

Train No. 51, the westbound *Cardinal,* exits a tunnel at Fort Spring, W.Va., on Aug. 30, 1998. The triweekly train between Washington, D.C., now a single-level train, used Superliner equipment at the time. Ron Flanary

Throughout 2023, *Trains* reported on a shortage of Amtrak long-distance Superliner equipment and its impact on the company's ability to meet customer demand and generate revenue. Yet this isn't a new phenomenon. Locomotive and car capacity challenges have afflicted Amtrak's long-distance trains for decades.

I had first-hand experience with this challenge after I became President-Amtrak Intercity in February 1996, following a 17-year career with the Burlington Northern Railroad. During that time, when I had responsibility and accountability for all service outside of the Northeast and West Coast Interstate 5 corridors, Amtrak was operating under a cloud that it would lose federal operating subsidies by the end of fiscal year 2000. (This became a Congressional mandate in December 1997, but the deadline was extended to the end of fiscal 2002.) Meanwhile, we were also not getting the capital investment support required to comply with our mandate to provide comprehensive national passenger rail service.

Being free of operating subsidy was considered a pipe dream in 1996 because Amtrak hadn't come close to running subsidy-free since its inception in 1971. By 1996 it had received federal grants of $19 billion for operating support, plus capital for the purchase of locomotives and Superliner I and Amfleet cars. Yet, no passenger railroad is able to break even on ticket revenue alone.

That didn't matter to Congress and the Clinton administration. The fiscal 1996 intercity budget I inherited called for an operating deficit not to exceed $188 million, and we were running at a pace $30 million worse than that. Part of the reason is that a year before I arrived, Amtrak accepted an outside consultant's recommendation and reduced long-distance train frequencies to help cut the deficit. Running triweekly or four-times-a-week was a serious mistake, since seven days of route and asset costs were being spread against fewer revenue-generating days. The savings that less-than-daily frequencies were supposed to generate were exceeded by higher-than-expected lost revenue. We had to turn over every rock to see if we could change what we did to generate quantum levels of performance improvement, to rapidly put us on a path to bring our operating loss to zero.

Based at Chicago's Union Station, I spent a great deal of time immediately after my arrival talking to as many people as possible about what could be done more efficiently and effectively. One thing that caught my eye was that our Chicago coach yard was packed every night with Superliner cars, then emptied during the day. It didn't seem to make sense to have those tracks overflowing overnight with idle cars, each costing more than $2 million, while not serving customers and earning revenue.

The main reason, of course, was that our Superliner trains

A aged SW1 shuffles Superliners into the Chicago car shop in summer 1997. Recognition that the bi-level cars were sitting more than they were generating revenue prompted efforts for better car utilization. Two photos, Bob Johnston

to both coasts originated and terminated at Chicago. The cars would be cleaned and prepared overnight for the following day's trip. Full sets of equipment for these same trains would also be idled overnight at their other terminals: Los Angeles; Oakland, Calif.; Seattle; New Orleans; and Washington, D.C.

Keep equipment working

What could be done? At Burlington Northern, I was a part of the novel Intermodal Business Unit starting in 1981. As cited in my book, "Against All Odds — The History of Burlington Northern Railroad's Innovative Intermodal Business" (Amazon.com, 2023), we capitalized — due to competitive necessity — on the deregulation freedoms of the Staggers Rail Act of 1980. The Act enabled us to implement multiple new ways of doing things to intensely focus on improved service and profitability including implementation of rigorously scheduled operations that also generated improved equipment productivity.

I subsequently succeeded Hunter Harrison as vice president, service design. This was the laboratory where these concepts were developed to become the template for what we believed today's Precision Scheduled Railroading should have really become. I followed those experiences as BN's vice president, equipment management, and then returned to the IBU as its leader. In both of those capacities, we significantly improved BN's rolling-stock productivity and velocity, which were critical contributors to our success. Our BN Intermodal plan included the combination of our geographically weak BN franchise with those of the Santa Fe Railway and Norfolk Southern to create a truly comprehensive, unconstrained, and seamless transcontinental service for our customers.

Amtrak already had the transcontinental footprint I dreamed of at BN. Why were we operating as if we were limited by the Chicago barrier individual railroads had faced when they ran pre-Amtrak passenger trains? I asked our Intercity team what prevented our train consists from running through Chicago as consists of connecting trains to improve passenger service and vastly improve our equipment productivity?

I got the expected "we have never done it that way" reply, but there were also practical challenges:

- Car interiors would have to be cleaned at Chicago Union Station platforms.
- Amtrak's assigned CUS tracks would be occupied for longer stretches.
- Programmed maintenance work on the cars would have to be shifted from Chicago to the Northeast Corridor and Amtrak West business units.
- The 1995 long-distance train frequency reductions made it difficult to match up trainsets.
- Freight railroad on-time performance might be too unreliable to count on inbound consists becoming the outbound consist for a different train the same day.

Those reasons were valid, but what was the payoff if we found ways to overcome them? At BN, I was passionate about equipment "time being money." Because Amtrak had been borrowing money to acquire rolling stock, I asked Carol Dillon of Amtrak's corporate Treasury team how much we were paying per car for daily principle and interest (P&I) costs. She told me

A Sightseer Lounge is part of a *Texas Eagle* consist at a Chicago Union Station platform in March 1996. Run-through operation meant trains would have to be rapidly cleaned and restocked at Union Station instead of the coach yard.

Winter has arrived as the eastbound *Empire Builder* passes the Browning, Mont., depot — where no one is waiting to board and no one will disembark — on Oct. 12, 1997. Weather is one obvious reason on-time operation was difficult for the *Builder* as a run-through operation. David R. Busse

Superliner-equipped trains at Chicago, 1996

Train	Route	Frequency	Alternates with
Empire Builder	Chicago-Seattle/Portland, Ore.	4 days per week	*Pioneer*
Pioneer	Chicago-Denver-Seattle	3 days per week	*Empire Builder*
California Zephyr	Chicago-Salt Lake City-Oakland	4 days per week	*Desert Wind*
Desert Wind	Chicago-Salt Lake City-Los Angeles	3 days per week	*California Zephyr*
Texas Eagle	Chicago-St. Louis-San Antonio	3 days per week	
City of New Orleans	Chicago-New Orleans	5 days per week	
Cardinal	Chicago-Cincinnati- Washington, D.C.	3 days per week	
Southwest Chief	Chicago-Los Angeles	Daily	
Capitol Limited	Chicago-Cleveland-Washington, D.C.	Daily	

we were spending $400 per day for each new (1996) Viewliner sleeping car, and $643 and $615 per day for each new (1993-96) Superliner II sleeper and coach. In comparison, the daily P&I cost for each new (1993) P40DC locomotive was $595 per day. I couldn't believe the daily ownership costs of our cars were actually higher than those for our locomotives. At BN, we could buy more than 20 high-capacity grain covered hoppers or aluminum coal cars for the cost of one locomotive. I was astounded to learn a Superliner II car cost more than two of our locomotives. The fact that idle equipment doesn't serve customers and generate ticket revenue raised the stakes even more.

Less-than-daily train frequencies also led to more equipment idle time in Chicago due to inconsistent operations. Bob Johnston, *Trains* correspondent, notes that in the summer of 1996, 14 complete Superliner trainsets, listed in the table on page 19, spent one extra layover night not earning revenue.

This is the puzzle we confronted in 1996 when attempting to develop run-throughs.

I asked our Intercity team to think of ways we could better utilize our cars to significantly improve asset productivity. Given the incredibly high cost of our equipment, and looking at the reasons for not running through Chicago, why not substitute a modest level of operating costs and trade off labor for capital? Freeing up cars by eliminating overnight layovers at Chicago meant: 1.) the two components of the run-throughs would both have to operate daily, and 2.) freight railroads would have to perform within an acceptable schedule performance window.

After a month on the job, I

***Southwest Chief*s pass just outside Chicago Union Station in July 1998. The switcher at right waits to add express boxcars to the rear of the outbound train. Potential mail and express revenue influenced decisions relating to train frequency.**
Bob Johnston

The 14 trainsets laying over more than one night in Chicago, summer 1996

Day	No.	Trains
Monday	2	*California Zephyr, Cardinal*
Tuesday	2	*California Zephyr, Empire Builder*
Wednesday	2	*Desert Wind, City of New Orleans*
Thursday	3	*California Zephyr, Empire Builder, Texas Eagle*
Friday	1	*Desert Wind*
Saturday	3	*California Zephyr, Pioneer, Texas Eagle*
Sunday	1	*Desert Wind*

told my boss [Amtrak President] Tom Downs we were going to look at the possibility of increasing the *Empire Builder* to daily operation so it could be paired with another train. We needed more cars to do that, so I said we were considering elimination of the *Pioneer* to enable it. Both trains ran between Chicago and Seattle/Portland, and the *Empire Builder* had the shorter and faster route and a better ratio of costs to revenue and mail and express (M&E) potential. With minor schedule adjustments, a daily *Builder*'s equipment could run through as the *Coast Starlight* to and from Los Angeles. A different possibility for the *Starlight* was to run it through Los Angeles as the *Sunset Limited*, but that would have required making the *Sunset* daily. Amtrak West killed the idea of touching its *Starlight*, so those ideas were quickly discarded. That didn't discourage us from looking at other opportunities to free up whole train consists by eliminating overnight trainset dwells, as well as other ways to reduce our required subsidy.

Projected fiscal 1997 impact of proposals

(Assuming implementation on Oct. 1, 1996)

	Projected savings (in millions)
Route and service	$17.8
Pricing and yield management	10.0
Productivity	
• Support facilities	22.6
• P42 locomotives	3.7
Total	**$54.1**

Living the Vision

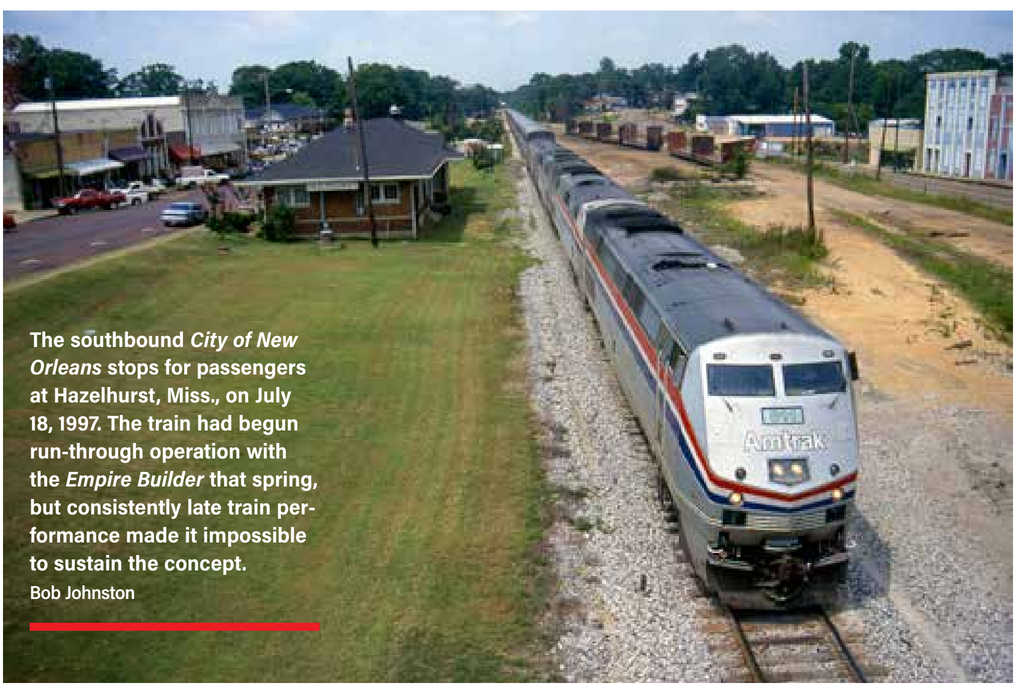
Clearly, a more comprehensive game plan was needed. By June it was becoming clear that Intercity's fiscal 1997 operation was projected to generate an $87 million post-subsidy budget deficit. Our team (without help from outside consultants) was chomping at the bit to be able to unleash creative innovation to run the business more effectively. We completed a turnaround restructuring proposal that I presented to the Amtrak board of directors on July 13, 1996. The goal of this plan, called "Living the Vision," was to make it easier for passengers to use us, drive capacity to the best passenger and M&E market opportunities, achieve higher asset utilization, and improve overall cost productivity. Our comprehensive proposal covered route eliminations/restructurings and varied ways of reengineering our services and operating methods that were projected to cut Intercity's projected FY 1997 post-subsidy deficit in half.

Included in the plan were several Chicago run-through options that could achieve substantially improved utilization of Superliner cars. These included:

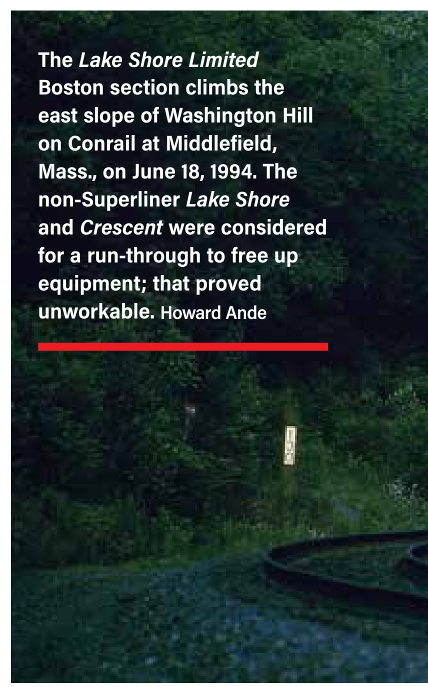
• ***Capitol Limited-Southwest Chief.***

The schedules of the *Chief* and *Capitol* matched up well, and both operated daily. *Chief* cars laid over in Chicago for 24 hours while the *Capitol*'s con-

Amtrak's 'Living the Vision' Superliner plan, 1996



The southbound *City of New Orleans* stops for passengers at Hazelhurst, Miss., on July 18, 1997. The train had begun run-through operation with the *Empire Builder* that spring, but consistently late train performance made it impossible to sustain the concept. Bob Johnston



The *Lake Shore Limited* Boston section climbs the east slope of Washington Hill on Conrail at Middlefield, Mass., on June 18, 1994. The non-Superliner *Lake Shore* and *Crescent* were considered for a run-through to free up equipment; that proved unworkable. Howard Ande

sist sat idle more than 36 hours. Eleven sets of equipment were utilized for both combined routes. The cars spent 108 hours en route but 110 hours sitting in yards — 50 in Washington or Los Angeles and 60 in Chicago. Eliminating Chicago as a turning point would reduce the number of sets in service for both trains. With implementation of uniform train consists, we could free up 19 cars to generate revenue elsewhere. Responsibility for primary equipment maintenance would have to shift to Washington or LA.

• ***Empire Builder-City of New Orleans.***

A modest *Empire Builder* schedule change and uniform train consists would allow a run-through opportunity that would save two equipment sets and 24 cars. The primary maintenance base would have to shift from Chicago to New Orleans. Both trains would need to operate daily, and the *Builder* would need coaches and a sleeper for its Portland, Ore., section added

The westbound *Desert Wind* has less than a year of operation remaining as it passes through Erda, Utah, on July 20, 1996. Of the four long-distance trains targeted for elimination under the "Living the Vision" plan, it was one of only two that did not survive. James Belmont

and subtracted at Chicago.

A run-through operation for these four trains alone would free 43 cars, which at roughly $2 million per car was like receiving a one-time capital grant exceeding $86 million. That is the equivalent of $168 million in 2024 dollars.

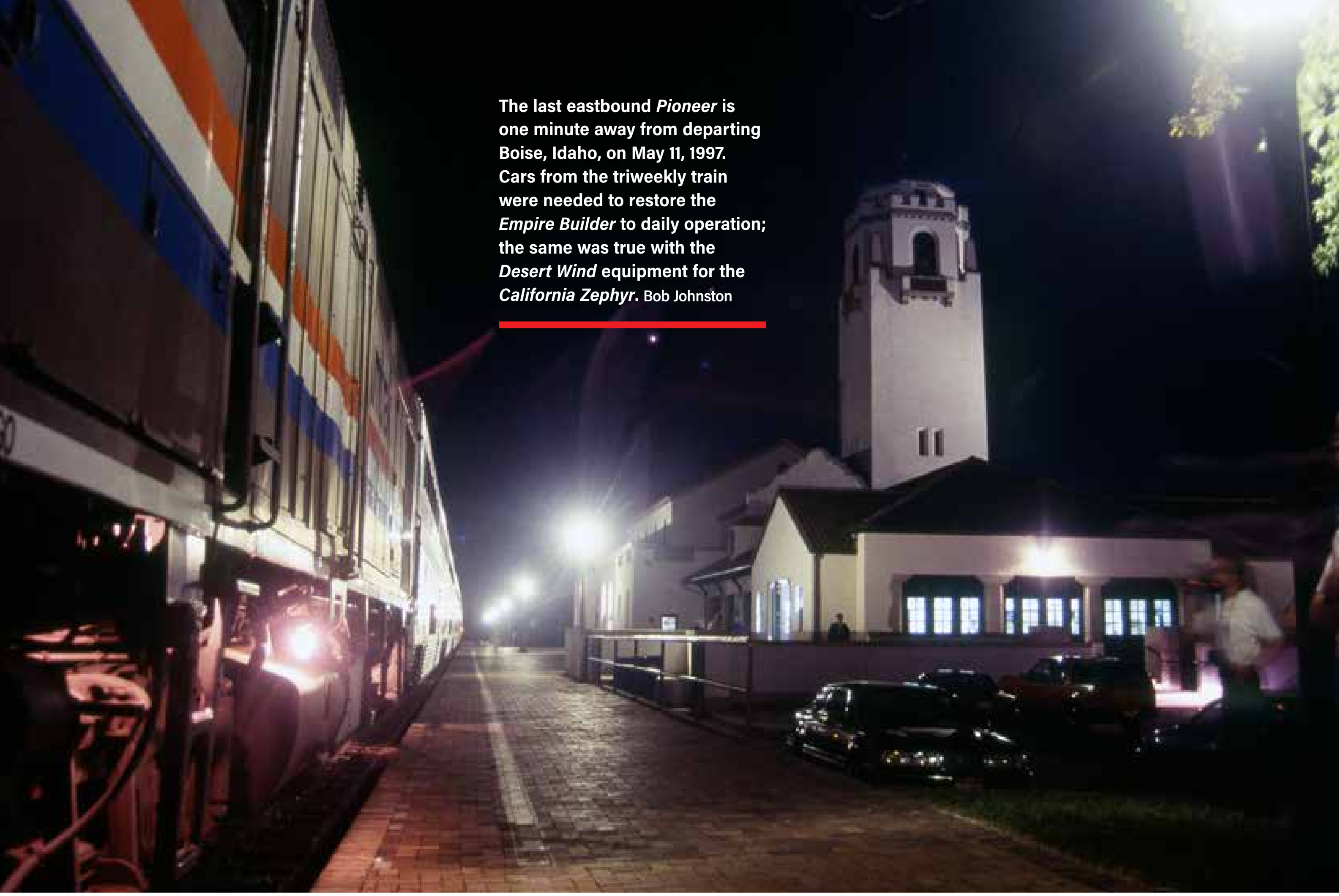
We also planned to implement changes to other trains, including the *Sunset Limited* and the single-level network we operated east of Chicago, including a *Lake Shore Limited-Crescent* run-through at New York. In total, our initiative package represented the opportunity to create a growth pool of 76 Superliner cars. It would also give us the ability to store 46 former Santa Fe high-level cars, plus 62 heritage single-level cars acquired by Amtrak from freight railroads 25 years earlier. They were all unreliable and extremely expensive to maintain.

The relentless pressure we were under from Congress to fulfill an underfunded mandate to operate a national network while eliminating operating subsidies meant "business as usual" would not work. But the plan also required gut-wrenching trade-offs: elimination of the *Pioneer*, *Desert Wind*, *Cardinal*, *Texas Eagle*, Boston-Albany section of the *Lake Shore Limited*, and the *Gulf Coast Limited*. Although these trains were among the worst financially performing trains in our portfolio, no eliminations were desired — it was a matter of financial solvency and Amtrak's ultimate survival given our impending legislative mandate. The overall "Living the Vision" plan had an estimated annual recurring bottom-line value of $54 million.

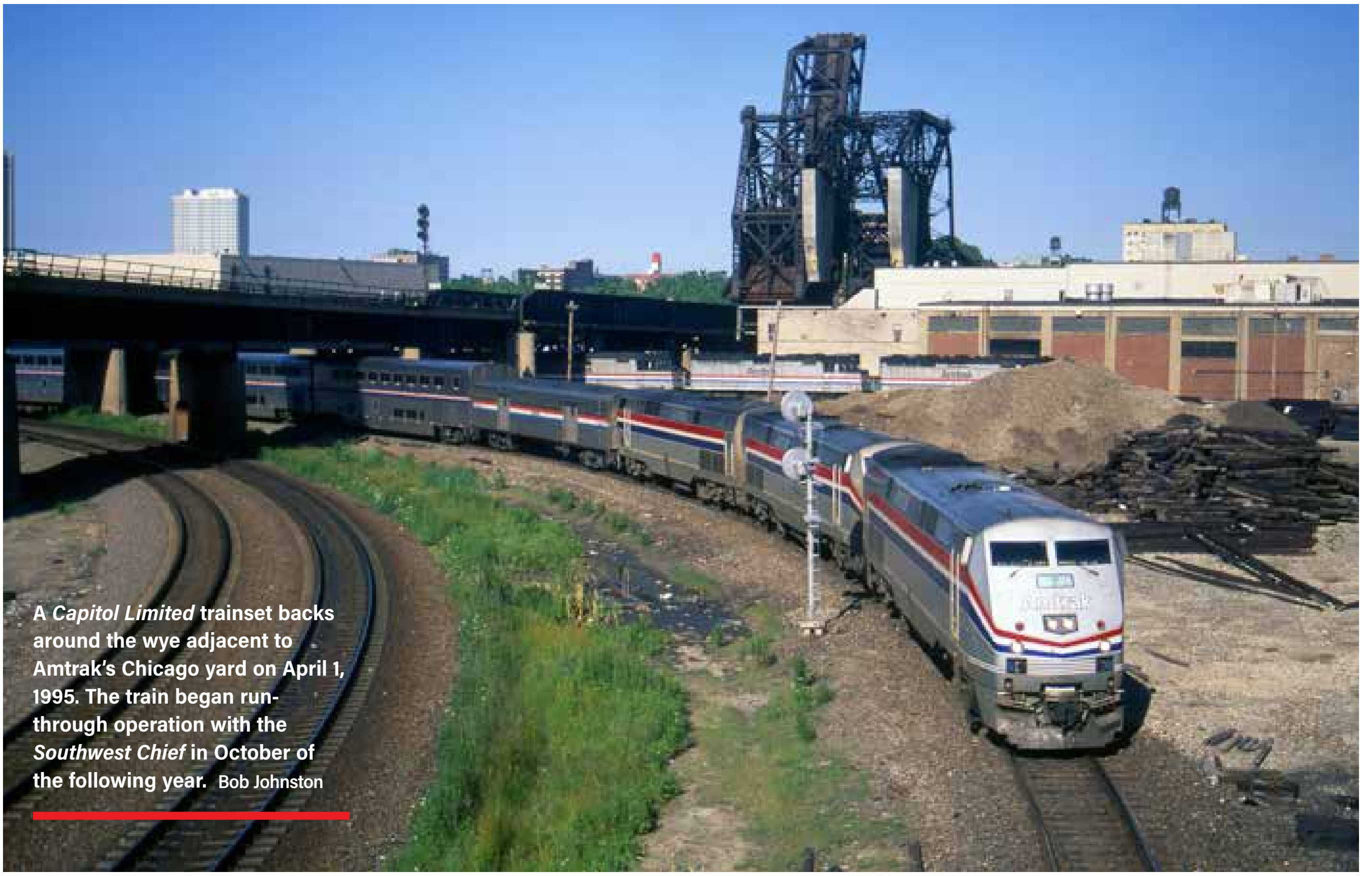
Aftermath

When the planned restructuring was announced it created a political firestorm and implementation of our plan was legislatively blocked. To make a long and frustrating story short, on Oct. 14, 1996, Congress passed a continuing resolution which forced the retention of the *Cardinal* indefinitely, the *Gulf Coast Limited* until March 31, 1997, and the other trains until May 10, 1997. The continuation of these trains past those dates would depend on financial support from states.

The resolution included a



The last eastbound *Pioneer* is one minute away from departing Boise, Idaho, on May 11, 1997. Cars from the triweekly train were needed to restore the *Empire Builder* to daily operation; the same was true with the *Desert Wind* equipment for the *California Zephyr*. Bob Johnston



A *Capitol Limited* trainset backs around the wye adjacent to Amtrak's Chicago yard on April 1, 1995. The train began run-through operation with the *Southwest Chief* in October of the following year. Bob Johnston

The *Texas Eagle* stops in Austin, Texas, on May 28, 2022, shortly after Amtrak's latest effort to operate a run-through consist, this time joining the *Eagle* with the *Capitol Limited*. Launched in March of that year, it lasted only until early May. Norm Schultze

supplemental appropriation of $22.5 million but, as with all things related to Amtrak, it wasn't enough. A General Accounting Office study verified that Congressional intervention increased our costs by $36.1 million and our FY 1997 deficit by $13.6 million. Those who were holding Amtrak's feet to the financial fire exercised their right to keep routes intact. Yet, we were widely criticized for being poor financial stewards of taxpayer money.

We were able to execute a *Southwest Chief-Capitol Limited* run-through on Oct. 18, 1996, that freed up 19 Superliner cars. Congress subsequently failed to appropriate additional funds while keeping the "break-even" mandate in place, and the states did not provide financial support, so the *Pioneer* and *Desert Wind* died on May 10, 1997. They were chess pieces traded in exchange for deficit reduction and restoration of daily service on the *California Zephyr*, *Empire Builder,* and *City of New Orleans* on that date. The *Builder-City* run-though operations soon commenced. The *Texas Eagle* survived the chopping block as a triweekly train thanks to the efforts of passionate small-town civic leaders in Texas who helped Amtrak obtain a loan from the state, along with the promise of growing M&E revenue.

I left Amtrak in October 1997 and returned to private industry. Sadly, even the best plans can fall victim to circumstances outside of one's control. The run-through train operations we initiated proved to be unsustainable, primarily due to chronically late and inconsistent train performance from Amtrak's freight-railroad hosts.

The idea did not die, however. The *Texas Eagle* was restored to daily operation between Chicago and San Antonio in 1998 to support growing M&E business. This enabled a run-through of the *Texas Eagle* and *Capitol Limited* consists in 1998. Unreliable freight railroad performance doomed it, too, but it was replaced by a *Texas Eagle/City of New Orleans* run-through that continued until 2013. A *Texas Eagle-Capitol Limited* pairing was resuscitated in March 2022 by current Amtrak management as a way to convert both trains to daily operation post-COVID-19. Unfortunately, that effort was also short-lived, primarily due to chronically late and inconsistent train performance from freight-railroad hosts.

History is cyclical, however. Perhaps run-through operations can resume if Amtrak is eventually able to take full advantage of the collateral benefits of its host railroads' massive technology investments in positive train control and customer-service/asset-velocity related fruits of true PSR that we envisioned at BN in the late 1980s. Aside from dramatically improving customer service, consistent on-time execution could release an incredible amount of capacity through better equipment utilization.

Meanwhile, Amtrak continues to be capacity-challenged. The "costs" associated with customer dissatisfaction when passengers are turned away due to oversold trains, lost revenue opportunities, and unproductive capital are astounding. Idle assets are dead money. Amtrak's owners — the taxpayers — deserve more.

Mark S. Cane served as president-Amtrak Intercity in 1996-97 after a 17-year career in operations, planning, and marketing with Burlington Northern Railroad that culminated with leadership of its Intermodal Business Unit and pursuit of BN's merger with Santa Fe.