

Louisiana Association of Railroad Passengers

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March-April 2020 Newsletter

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Amtrak

National Happenings

The Coronavirus impact on Amtrak has been severe and sudden – ridership declined in mid-March almost immediately on most routes to just 10% of normal, and advance bookings into the summer are down 95%. Ridership still had not recovered by the end of April, and the outlook for the rest of the fiscal year does not look good. Amtrak is not alone as the entire travel industry has suffered steep declines, and airlines have suffered a similar and sudden disappearance of passengers. Amtrak management responded by cutting back as many trains as possible, particularly multiple frequencies in corridors. Amtrak suspended the Northeast Corridor's *Acela Express* completely, and either cut back or suspended state-sponsored corridor trains. The state of Pennsylvania asked Amtrak to suspend all operations west of Philadelphia to help stop the spread of the virus. The national system has mostly kept operating, except for the *Pennsylvanian* from New York to Pittsburgh and the Denver to Oakland portion of the *California Zephyr*. But ridership has almost completely evaporated on most trains, except for the *Auto Train* from Virginia to Florida. Train consists have been reduced nationwide to about half of what they normally would be - for instance, the *Crescent* is operating with only two coaches, a lounge, sleeper, and crew/baggage. Very few passengers have been observed on the Amtrak *Crescent*. Amtrak suspended full meal service on all of the western long-distance trains in order to maintain social distancing, and to their credit, Amtrak management has kept everyone on the payroll. For what few passengers that are traveling on Amtrak they are being spaced out by the crews at least six feet apart, loading the coaches to only 50% of capacity.

Amtrak received a \$1 billion federal bailout due the loss of revenue as part of the \$2 trillion disaster relief package, and the company expects additional losses to exceed at least \$700 million for this year. The strong support for Amtrak with Republicans in the Senate, and even by Transportation Secretary Elaine Chao, was welcome in that advocates didn't have to really fight for the supplemental funding. Even though the Trump administration has repeatedly proposed eliminating Amtrak's national system, Amtrak is certainly in a much better place than the United States Postal Service that has (so far) been left out of any federal bailout and is in danger of shutting down. The USPS has many billions of debt and may run out of cash by the end of this fiscal year ending September. The airlines also got \$25 billion to help them pay employee salaries during the economic downturn, and the only part of the travel industry left out was cruise ships as they are not based in the U.S. It really was stunning how quickly the travel business was negatively impacted by the Coronavirus as Amtrak had strong ridership so far this fiscal year through February and was on track to set another ridership record and also to break even operationally.

As far as business activity is concerned, we will be referring to the Coronavirus before and then after (like we did for Hurricane Katrina) as many things will be radically different going forward. Business travelers that were resistant to using a digital means for meetings before have been forced to adapt to the new technology and some of

that travel may be permanently gone (or at least reduced). Tourist and casual travel will likely be greatly reduced for an unknown period of time, likely through the rest of this calendar year and perhaps into next year. If the Coronavirus does come back in the autumn like experts from the Centers for Disease Control believe could happen, then travel will definitely be adversely impacted into next year. Also, the fact that so many people are out of work (20 million or more) means that a sizeable segment of the population doesn't have the financial means to pay for a trip or vacation. Popular tourist destinations that draw large numbers of people are likely to stay closed at least for the next several weeks and possibly into the summer - for instance, Disney World in Florida (along with other major theme parks) closed in mid-March and are likely to stay closed into the summer travel season. It may be June or later until mass gathering restrictions are fully lifted from certain areas of the country.

Amtrak's new CEO Bill Flynn has hit the ground running as the new CEO starting March 1, and along with Stephen Gardner has taken over the operations of the company. It's been a very trying time to walk into such a terrible business situation, but so far Flynn seems to be making good decisions. Amtrak is now requiring all employees to wear masks, and the company is increasing the cleaning/sanitizing of the train equipment. Management is planning for different scenarios in how Amtrak's business will come back, either all at once or gradually. The CDC is saying that social distancing will likely continue into the summer, and if that is the case Amtrak's ridership could be adversely impacted as people will likely stay off of all modes of public transportation until conditions improve. The reality is that people won't come out and travel again until they feel safe doing so and we aren't at that point yet. We all hope for better times ahead.

The sudden economic downturn has adversely affected the freight railroads as well as carloads are down 20-25%. The railroads had all (but BNSF) implemented Precision Scheduled Railroading and had already sidelined equipment and traffic had been down already, but the sudden reduction in business activity related to the pandemic has really hit the railroads hard. Railroads have announced layoffs and management pay cuts, and with the steep decline in the price of oil it is likely that oil shipments and related supplies will also be reduced. All freight traffic is impacted from automobiles to chemicals and everything in between. With freight traffic down so much one would think that Amtrak would be operating on time, but initial reports for March show that not to be the case.

On Time Performance

January was a good month for on time performance with a total of 83.4%. The *City of New Orleans* had the best performance of all the long-distance trains. There was genuine improvement in operations across the board from all of the major host carriers – even Norfolk Southern improved to a passing “grade” from Amtrak of C. In February on time overall performance was 81.1%, and railroads again regressed in operating trains on time, particularly on Norfolk Southern (back to a grade of F)

Route Name	Jan20 OT%	Jan20 Mins Delay	Feb20 OT%	Feb20 Mins Delay
<i>CITY of New Orleans</i>	84.5%	545	78.4%	721
<i>Crescent</i>	35.6%	1502	34.0%	2013
<i>Sunset Limited</i>	23.8%	1394/1934	12.7%	1796/2255
<i>Texas Eagle</i>	48.5%	1984/1609/2113/1502	39.3%	2675/1860/2730/1643

Amtrak's goal is for less than 900 minutes of delay per train per month. Minutes of delay for the *Sunset Limited* is BNSF/UP, and the *Texas Eagle* CN/UP/TRE/BNSF. The *Sunset Limited* route on the BNSF is pretty much delayed every trip due to slow orders, and the *Texas Eagle* has some of the worst delays of any Amtrak train.

Gulf Coast Restoration/Baton Rouge

Absolutely no movement on Gulf Coast restoration or the Baton Rouge train.



Gulf Mobile & Northern's *Rebel* train at New Orleans, 1939. Photo by Otto Perry.

Odds and Ends

- LARP now has an active Facebook page with more than 1,400 followers – “Like” us on Facebook to get rapid notification of news. Our website *LARPrail.com* has also been updated recently and you can now safely **pay your dues on the website**. Check both our Facebook page and the website frequently and get up-to-date information on meeting times, notices, and blog posts.
- Brightline suspended passenger operations mid-March between Miami and West Palm Beach due the sudden ridership decline. Ridership had been up 50% in January year-over-year before the virus hit. However, construction is still proceeding on the West Palm to Orlando portion of the route and the company does plan to bring back the passenger trains once the pandemic conditions improve. Negotiations with Florida for the right of way between Tampa and Orlando have also been suspended by the state due to the virus. And it looks like construction may soon start on the southern California to Las Vegas route as California has approved the sale of bonds up to \$2.4 billion.
- The Bonnet Carre Spillway again opened up in early April due to high levels on the Mississippi River, and it has again affected Amtrak's *City of New Orleans*. Train are turning at McComb this time and passenger bused to/from there instead of Jackson like last year. The CN Railroad is building a new concrete/steel bridge to replace the 90-year old wooden trestle, but it's not completed yet.

2020 LARP Officers

John Sita President; **Andrew Lodriguss** Vice-President, **Louis Bangma** Secretary/Treasurer

Dues were payable January 1, 2020.

Join the Louisiana Association of Railroad Passengers and help reconnect our cities by passenger rail once again. Your membership helps LARP advocate for trains and also entitles you to receive a subscription to our newsletter. LARP is a non-profit consumer organization supported solely by yearly dues and contributions of its members. The **next regular LARP meeting will be at 10:00 a.m. Saturday May 2, 2020 via Zoom** – if you would like to join in send an email to jsitajr@gmail.com.



LARP Membership Application

☐ Single member \$20 ☐ Family Member \$30

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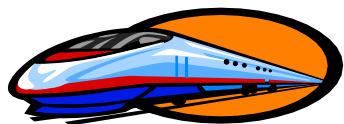
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