

INTERSTATE COMMERCE COMMISSION



REVIEW OF PRELIMINARY REPORT

ON

BASIC NATIONAL RAIL PASSENGER SYSTEM

Submitted by Interstate Commerce Commission in Accordance with Sec. 202, P.L. 91-518

Washington, D.C. December 29, 1970



INTERSTATE COMMERCE COMMISSION

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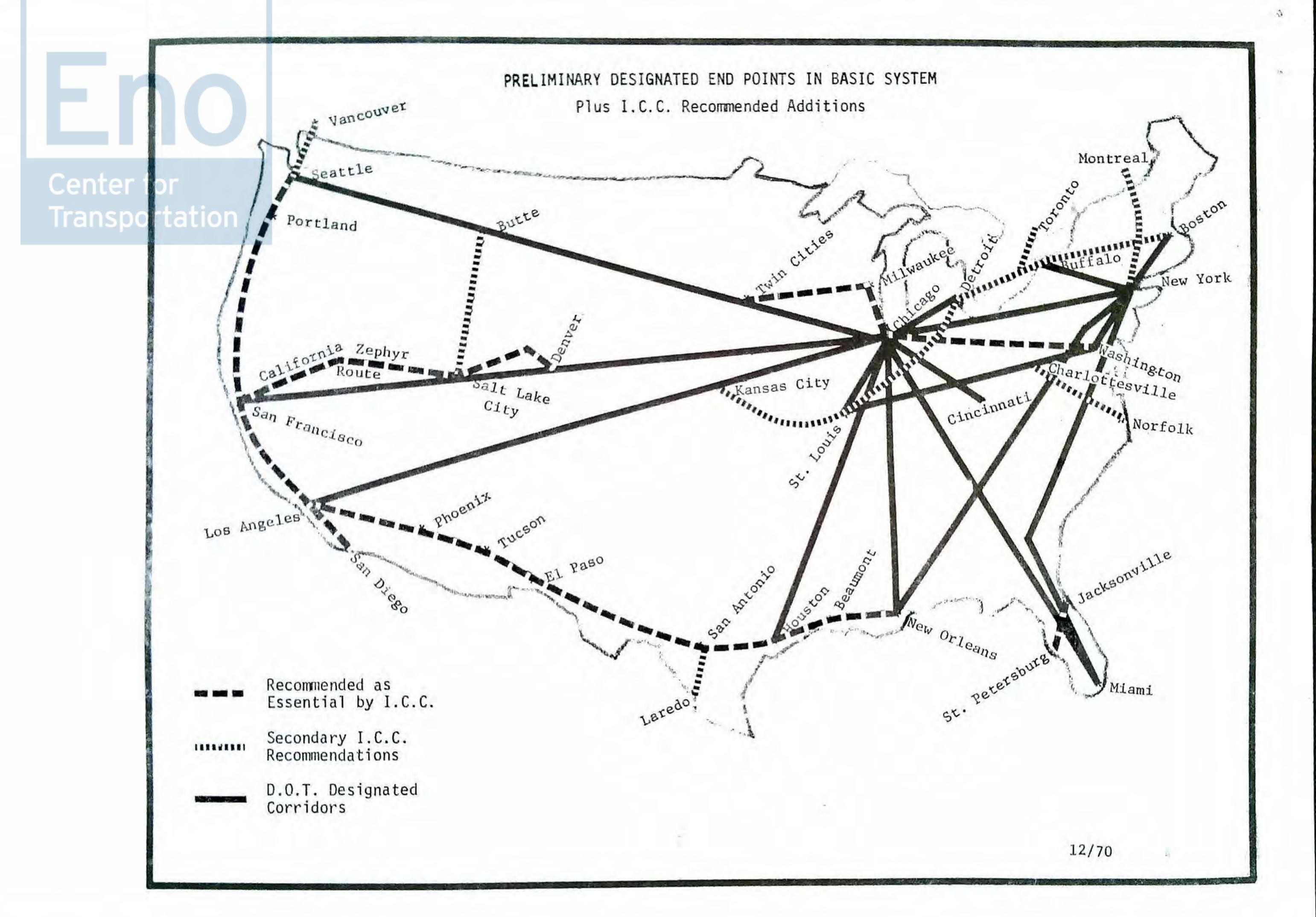
TO: Secretary Volpe

The Commission recognizes that your preliminary designation is the culmination of a most difficult and controversial task. We commend you on the achievement of setting forth a plan upon which there can now be built a system of rail passenger service. Without this, such an effort would not be made, and rail passenger cervice in this country would have been destined to disaster. Within the limitations and objectives of the Rail Passenger Service Act of 1970, the initial success of the new system will require a substantial cut back in existing passenger Keeping these things in mind, we have carefully analyzed your preliminary designation. We have unavoidably reached the conclusion that it omits certain links, segments and other specifications essential in our view to a meaningful national rail passenger system. Absent those links and segments, the preliminary designation leaves whole regions of the country without service and this service our findings indicate is clearly needed. If added to the system even though some of the additional service would undoubtedly be financially marginal, we believe the system would then, on balance. more nearly meet the requirements of the statute.

Our attention was drawn to ambiguities in the manner of presentation and the layout of the preliminary designation. by which the public might be misled into thinking that every route shown will be operated. The fact is that of the many routes

you have identified between the specified end points, the National Railroad Passenger Corporation created under Title III of the Act would elect that route or routes to be operated. Route selection is a Corporation function. Point designation is the enter for Secretary's function. No one knows, at this point, which route will be selected; but a more specific designation of the intermediate points between which service must be performed, would provide a clearer guide for route selection.

Our recommendations as to the basic system. summarized here as "essentials," are set forth in detail in Appendix A. Other recommendations for the institution of service in excess of the basic system (under Section 403 of the Act) are set forth as "secondary" in Appendix B. The flexibility of Section 403, as opposed to the rigidity of Section 404, will permit these "secondary" trains to be tested in the light of actual experience. We urge that they be so tested, in conjunction with the basic system for at least one year. Following the termination of that period the Corporation should study the operations of the system as a whole in order to make the determination as to which of the "secondary" routes should be retained. The "essentials" and "secondary" suggestions are illustrated on the following map:



In reaching our conclusions we have drawn extensively upon our own records

Center developed in passenger train cases over the last twelve years. These proceedings

Transportation

Transportation the relative demand for passenger service between points, and the

extent to which other modes of transportation are available. Among them is the

record compiled just last month in extensive hearings conducted along the Southern

Pacific's "Sunset" route between Los Angeles and New Orleans primarily to develop

data for this review. We have considered population statistics, air line "pair"

statistics, existing bus and air schedules, various maps and atlases, the Department

of Transportation's 1968 "Corridor Task Force" report, information received in the

course of a briefing of our staff by the Department on December 17, 1970, and

other pertinent matter.

Initially, we are concerned about whether your design fully satisfies the statutory mandate. You have specified the ultimate termini between which intercity passenger trains shall be operated and have identified all routes over which service may be provided (this latter subject of identification of routes is more fully discussed below). These two requirements -- specification of points and identification of routes -- are set forth in Section 201 "Designation of System." But we raise two basic questions as to your method of point specification and route identification: First, does it meet the requirements of Section 101. "Congressional Findings and Declaration of Purpose"?

And second, does it meet the Section 201 requirement that the points between which the trains shall operate be designated?

Center of the Section 101 standards. The Corporation is given such wide latitude of route Transportation choices between some widespread end points that some vast areas of the country may be left without service and the Corporation cut off from revenues available in those areas. By operating only the smallest number of train miles in the name of expediency -- using a route common to sets of end points -- the Corporation could, with the one route, satisfy its obligation as to several sets of end point pairs, yet entirely avoid operating through whole regions, for example, through the northern and southern tier states. 1/ This is too wide a latitude of choice. Vast areas are in danger of losing all passenger service by rail. 2/

Skeletalized in that fashion, the operations would not comport with the intent stated in Section 101. There the Congress found that

. . . the public convenience and necessity require the continuance and improvement of such service . . . between crowded urban areas and in other areas of the country; . . . (emphasis supplied)

^{1/} Chicago-Seattle; Chicago-San Francisco; and Chicago-Los Angeles all have -- as one alternate route -- the 1,302 miles between Chicago and Green River, Wyo., from where separate trains could be operated to the destinations. If this occurs, there would be service only through a central corridor.

^{2/} For example, the end points of Chicago-Detroit; Chicago-New York; and New York-Buffalo could all be handled as a single operation leaving unserved a wide belt across Indiana, Ohio and Pennsylvania now traversed by several New York-Chicago routes. To save train miles, the operation between the end points of Chicago-Cincinnati could be fitted into the St. Louis-Washington, D. C., and Chicago-Miami end points thereby eliminating six other possible routings between the latter two pairs.

With the wide latitude afforded by the preliminary designation, the Corporation could provide service between the crowded urban areas (the end points) but neglect the "other areas of the country." By failing to provide for the latter service we think the enter for proposed design does not fully satisfy the stated Congressional intent. To meet this "other areas" requirement, we believe it was intended that you specify the points between which the trains shall operate, and not merely the end points on long distance routes.

Turning next to the route identification, we respectfully submit that, as given, it is not really an identification in the sense intended by Congress. The "routings" are written only as "via" certain points, without the customary railroad-by-railroad point-by-point descriptions. As a result, the identification is sometimes ambiguous, particularly when the accompanying maps do not clearly show rail routes. For example, one of the Chicago-San Francisco routes is described as "via Omaha-Ogden/Salt Lake" (Preliminary Report, p. 26). But there are at least 3 routings between Chicago and San Francisco via Omaha:

- 1.) The Burlington Northern-Denver & Rio Grande Western-Western Pacific (the former "California Zephyr");
- 2.) The Milwaukee-Union Pacific-Southern Pacific (the "City of San Francisco");
- 3.) The "interchange" route presently operated by the Burlington Northern, Rio Grande and Southern Pacific.

Yet it is impossible to determine from the preliminary designation which of the Cente Chicago-San Francisco routes are being designated as available to the new ransportation

Corporation. Neither the list of "identified" routes nor the list of all extant routes would appear to satisfy the requirement of Section 201 that an appraisal be made and judgment be exercised on the basis of the statutory criteria -- which include, among others, "service to more centers of population" and "joint operation . . . of facilities of two or more railroad companies."

This ambiguity is of substantial importance to members of the travelling public -- who should be able clearly to tell just what options are open to the Corporation. The matter is also significant to the carriers, because the payments they will make to the Corporation may be computed by their intercity losses sustained "over the routes between those points" specified by the Secretary (Sec. 401(a)(3)(B)). Moreover, specification of points between which trains shall operate would also assure the public that certain stops will be established. In this connection, it is our understanding that the "intermediate points" shown on the preliminary designation were used for identification only and do not guarantee service at the cities named.

As we understand the statute, the intended description of "service characteristics" calls for a degree of specificity not reached in your preliminary report. In explaining the bill, the House Committee Report states that the Secretary's preliminary report would specify "* * * points between which intercity passenger trains would be operated, routes over which service will be provided, and the schedules and equipment characteristics of trains operating between those points." House Report No. 91-1580,

91 Cong., 2nd Sess. (1970), p. 5. To meet the intent so expressed, something more is required, in our opinion, than a statement of general service characteristics.

At least to some extent, there should be an indication of what equipment and services content for should be in the make-up of the trains as they operate between named cities. For example the history of the Act shows that Congress envisioned "overnight runs between major centers of population, such as New York-Chicago" as included in the plan. 3/
Similarly any rational system would require more frequent service between New York and Washington than between Chicago and San Francisco -- where we have found triweekly operations sufficient to meet travel needs. Minute details as to every operation would be impractical, of course; yet, we feel it would be more consistent with the legislative purpose, more useful to the travelling public and helpful to the carriers, too, if your final report were more particularized as to service characteristics between specified points.

We recognize that the designation of "service characteristics" assigned to you by Section 201 to some extent overlaps our responsibility under Section 801 of the Act to prescribe regulations dealing with "adequate service, equipment, and facilities for intercity rail passenger service." The task assigned to this Commission, we view as a continuing one, and we shall shortly begin with a rulemaking proceeding in which the Corporation and other interested persons may be expected to participate.

^{3/} Sen. Report No. 91-765, 91st Cong. 2d Sess. (1970), p. 9; Cong. Rec., May 5, 1970, p. S6652.

Our contribution in this regulatory area would be more helpful toward the

Center development of a successful rail passenger system if we -- and the public as well -
Transp had the benefit of a more precise indication than appears in the preliminary

designation of the "service characteristics" you deem appropriate, in the present

circumstances, between particular points.

Addressing the cost aspects, it is our judgment, if passenger revenues and carrier costs alone were determinative, there would be a serious question as to whether a basic system of any kind could be sustained. Government help is required, and that provided by the new legislation presents a wholly new picture. Now, cost considerations, while of importance, need not be of such magnitude as to spell defeat before the system has a chance to prove itself. The plan for the system has, from the time of its conception, been subjected to the critical scrutiny of many and has been variously appraised as being any number of things ranging from "a bright promise for a glorious rebirth" to "a clever contrivance for an ignominious demise." Whatever the future may produce, the plan and the system should be utilized, at the very least, as a real test of whether good passenger train service, equal in quality and quantity to the common expectation, can attract and sustain sufficient patronage to compete with the other popular modes of travel on a self-sustaining basis.

Even as such a test, however, the system must be, in actuality, a system -not merely a few trunklines with occasional flair-outs connecting major population
nodes. As Congress has envisioned it (Section 101), the system must link together
the various regions, providing service between the crowded urban areas and in

other areas of the country, so that the traveler in America, will in fact be able to choose rail when most convenient to his needs. Short of that, the entire Federal expenditure could turn out to be a waste.

Center for our judgment the system set forth in your preliminary paper should

The modified and augmented to provide for the services described in detail in

Appendix A of these comments. And, if the project is to have a real chance at success, the funding necessary to feasibility must be made available. The essentials of our recommendations are summarized as follows:

- 1.) We urge preservation of rail passenger service along the west coast between Seattle and San Diego. Service over this fast-growing corridor would link some of the nation's largest metropolitan areas between which a tremendous amount of intercity travel occurs. If successful, it could greatly contribute to the alleviation of the notorious highway congestion and air pollution problems of this region.
- 2.) We think it essential that rail passenger service linking the south and southwest with the west be maintained, as at present, on a thrice weekly basis between New Orleans and Los Angeles. Omitting service across the southern tier, the preliminary designation effectively precludes transcontinental passenger service over the "Sunset" route for the entire southeast as well as for millions living in or near the numerous large cities of the southwest such as Beaumont. Houston, San Antonio, El Paso, Tucson and Phoenix.
- 3.) Trains between Chicago and San Francisco should run over the "Feather River Canyon" route of Western Pacific between Salt Lake City and San Francisco and the "Rocky Mountain" route of the Denver & Rio Grande Western between Denver

and Salt Lake City. This routing will not only assure the continuance of a uniquely Centerscenic travel experience but also will assure continued service at Denver and Transport Lake City.

- 4.) Washington and Chicago should be linked by direct through rail service, so that the nation's capital could be directly and conveniently accessible by rail from midwestern and far western points. This is the kind of route which, under current highway and airway congestion problems. could well regain a substantial clientele of business travelers.
- 5.) Trains between Chicago and Seattle should be designated to run via St. Paul-Minneapolis with specified stops at the Twin Cities. Otherwise, it is possible, under the preliminary designation, for those trains to be routed over another corridor completely depriving the states of Wisconsin, Minnesota, North Dakota, and Montana of rail passenger service.
- 6) The Tampa-St. Petersburg area should not be left without rail passenger trains. This part of Florida generates comparatively heavy vacation travel and is inhabited by many older retired people for whom train travel is a virtual necessity. Since you have designated routes along the east coast to Florida, our proposal would involve a relatively short extension of already recognized routes.

In addition to the six services listed above, we feel the other recommendations listed in Appendix B must be given careful consideration in arriving at a realistic passenger system.

By the Commission.

GEORGE M. STAFFORD CHAIRMAN



APPENDIX A - ESSENTIAL RECOMMENDATIONS

- 1.) West Coast Service Between Seattle and Los Angeles
 - a.) Seattle-San Francisco

To provide service between Seattle and San Francisco, those

cities should be established as north-south end points with Portland as an intermediate point. Under the Secretary's proposed basic system, the service between San Francisco and Portland would be eliminated. Service between Portland and Seattle would remain only as a possible portion of an alternate Chicago-Seattle routing.

The Seattle-San Francisco corridor is approximately 900 miles in length, with the Seattle-Portland segment comprising 186 miles. The corridor embraces three metropolitan areas (Seattle, Portland, and San Francisco) with total population exceeding five million. These metropolitan areas rank 18th, 33rd and 6th respectively in the nation.

Our extensive proceedings dealing with train service between San Francisco and Portland clearly show a need for such service which has been operated, albeit at a loss, by a prosperous carrier. Hased on our records we conclude that at least tri-weekly service can satisfy public need, with substantial reductions in past operating losses.

The Southern Pacific trains actually originate or terminate at Oakland, California, with a bus providing service into San Francisco.

In 1958, three pairs of trains were operated daily. Shortly after

Center the enactment of Section 13a of the Interstate Commerce Act, Southern Pacific Transportation

successfully sought authority to reduce the daylight service, the Shasta, to a tri-weekly service during the off season. See Southern Pacific Transportation Company Change of Train Service on Trains Nos. 9 and 10 Between Portland, Oregon and Oakland, California, 307 I.C.C. 209. Reference to that proceeding indicates that on a daily average 466 passengers were utilizing the subject trains. Recognizing that the claimed annual losses were substantial, i.e. -some \$1,912,000, and that an abundance of alternate rail service existed, the Commission authorized reduction of service by order decided May 6, 1959. The rail service remained relatively constant until 1964 when the carrier sought to reduce the Shasta service to a daily summer service only. See Southern Pacific: Transportation Company Change in Train Service on Trains Nos. 9 and 10 Between. Portland, Oregon and Oakland, California, 320 I.C.C. 740. While the claimed losses on the Shasta had decreased (as a result of the 1959 proceeding) by some \$1 million, the Commission, again citing the availability of remaining service, permitted the additional partial discontinuance effective on May 14, 1964.

Less than a year later Southern Pacific sought to discontinue a second pair of Portland-San Francisco trains. See Southern Pacific Transportation Company Discontinuance of Trains Nos. 19 and 20 Between Portland, Oregon

authorized because they were primarily for mail and express and served some

35 intermediate points, taking 4-5 hours longer than either the Cascade or

Center for

Transpo Shasta. Finally, in 1966, the Commission authorized discontinuance of the

remaining tri-weekly, summer-only Shasta. Significantly, however, our

records in this proceeding (Finance Docket No. 23756) show that despite

rising costs from 1959, the institution of a tri-weekly summer service reduced

the total expenses from over \$4 million to approximately \$733,000 annually.

and Oakland, California, 328 I.C.C. 947. Discontinuance of these trains was

In 1968, Southern Pacific sought unsuccessfully to eliminate the last remaining Portland-San Francisco service, the Cascade. Southern Pacific Transportation Co. Discontinuance of Trains Nos. 11 and 12 Between Portland, Oregon and Oakland, California, 334 I.C.C. 159. In rejecting the proposal and ordering the Cascade continued for one year (the maximum period allowable under the statute) we discussed several currently relevant factors. Of great significance for consideration of the basic national rail passenger system is the discussion of the Cascade as a connecting line. As the Commission stated (334 I.C.C. at 183):

the train is a highly important link in our national transportation system. Approximately three-fourths of the Cascade's passengers transfer to or from other connecting trains. Therefore, the proposed discontinuance severing this connection conceivably could set off a chain reaction or domino effect destroying or



seriously damaging other connecting trains, particularly if they represent marginal operations. We have stated in other proceedings that it is imperative to protect connecting trains or carriers in these proceedings where possible, since the severing of such connections through train discontinuances inevitably results in serious adverse effect on connecting carriers, leading in turn to further train discontinuances.

Other factors in ordering continuance of the Cascade involved high patronage, i.e., 144,000 in 1966 and 100,000 in 1967, and overstatement by Southern Pacific of its claimed losses. Significantly for present purposes we also noted that "the patronage is particularly impressive in view of the witness' testimony concerning deterioration in service, and the fact that Southern Pacific has exerted little or no effort to attract passengers either through advertising, travel agents, or other promotional programs." As we pointed out in Union Pacific Railroad Company Discontinuance, 333 I.C.C. 348, 369, it is reasonable to expect a railroad to take efforts to sell service in a manner compatible with the performance of its obligations as a common carrier, (334 I.C.C. at 184). The Commission thus temporarily halted final cessation of the last remaining Portland-San Francisco passenger service.

Within weeks after this one-year period expired, Southern

Pacific was again before the Commission seeking to reduce the Cascade to

a tri-weekly service in lieu of a daily service. Southern Pacific Transportation

Company Change in Train Service on Trains Nos. 11 and 12 Between Portland,

decision in this case are relatively current, the proceeding--as well as the prior Cascade case--is significant in assessing any proposed basic national Center for rail passenger system. Though we allowed the carrier to institute tri-weekly service, the decision shows that the Cascade during 1969 still carried a combined daily average of 192 passengers. Again, the record contained evidence dealing with Southern Pacific's attempt to discourage patronage. The carrier estimated that a tri-weekly operation between Portland and San Francisco would retain 74.9 percent of its passenger revenues while total expenses would drop some \$1.3 million--or, stated differently, total losses would decrease over 33 1/3 percent. The net result of these carrier estimates, substantially adopted by the Commission, is an annual operating loss of approximately \$1 million, as against losses under daily operation which were rapidly approaching \$2 million annually. The tri-weekly operation is now less than 4 months old and full operating results remain to be determined.

Oregon and Oakland, California, 338 I.C.C. 1. Because the record and

In concluding, the Commission observed (338 I.C.C. at 20; emphasis added):

that the Cascade is the last remaining direct rail passenger service between California, the Pacific northwest, and Canada. We are still mindful of

Testimony by a Southern Pacific witness in our recent Sunset investigation shows that revenue retention on the tri-weekly Cascade may even have exceeded the carrier's estimate. Finance Docket 26324, Transcript of Hearings, Nov. 2, 1970, p. 130.



this situation and have no intention of abandoning the users of rail service in this area on the basis of the record shown herein. The carrier indicated that it fully intends to continue the proposed operation in good faith and to make the operation a success. It has promised to upgrade the service and to carry out a newspaper campaign along the cities served by the Cascade for the purpose of promotion. We are in hopes that the improved service and promotion will increase patronage to the extent that resumption of daily service will become warranted. On the other hand, if the Congress of the United States, as stated by a number of its members in submitted statements, initiates a program to support national railroad passenger operations, the service can easily be restored to a full-time basis.

The Seattle-Portland-San Francisco corridor falls within the purview of the standards prescribed for the basic system. Historically, and in terms of traffic usage and flow, the corridor has always extended to Seattle and until recent years through car service was provided at Portland. Because no carrier has sought to discontinue the Seattle-Portland segment, our records—and the bulk of the discussion above—relate to the Portland—San Francisco segment. But we do not wish to leave the impression that the Seattle-Portland segment is of any lesser importance.

A major factor is the importance of the Seattle-Portland-San Francisco service to the overall viability of the basic system. Elimination of this route would unquestionably have adverse effects on the remaining designated service, as this corridor enables reasonable connections to

virtually every sector of the country. The exact loss of patronage to remaining trains is, of course, unascertainable, but we wish to strongly emphasize the fact that some 75 percent of the patrons presently utilizing this service are either destined to or from points beyond the corridor,

including transcontinental service (334 I.C.C. at 183). In short, the elimination of north-south service between Portland and San Francisco, as suggested by the Secretary's preliminary designation, breaks connections and creates a significant gap which could well weaken the basic system from its inception.

While such an operation has incurred losses in the past, in our view this consideration is outweighed by public demand (an average of 192 persons daily despite considerable evidence of downgraded service), by the fact that feeder value of such trains mitigates the losses, and by the judgment that a vast and important area of the country should not be deprived of rail passenger service. Moreover the new tri-weekly service between Portland and San Francisco, in existence for only 4 months, has not had sufficient opportunity to prove itself. This becomes particularly relevant in view of the first preliminary operating results showing a passenger retention rate exceeding 80 percent. Given the resources and purposes of Railpax, that patronage should at least remain level and hopefully will increase. We strongly urge the Secretary to designate the Seattle-Portland-San Francisco corridor as a segment of the basic system.



b.) San Francisco-Los Angeles

Under the Secretary's proposal there will be no direct passenger

service between San Francisco and Los Angeles. It is respectfully submitted that north-south service between Los Angeles and San Francisco should come within the basic system.

The Los Angeles-San Francisco route is a link in other vital routes and is, of course, related to our other essential recommendations. Historically, and presently, direct connections are available between Seattle and Los Angeles. Those patrons desiring to go either eastward or further south can be provided with direct connections with Southern Pacific's Sunset at Los Angeles. This latter service, because of a recent innovation, is the only through transcontinental train service to the eastern seaboard.

Perhaps the most significant factor is the sheer enormity of the population of the two termini. According to the 1970 census, Los Angeles and San Francisco are the second and sixth, respectively, largest metropolitan areas of the United States with a combined population exceeding 10 million. The population trends in California show every sign of continued growth. It is also generally recognized that this area attracts many older or retired people—a group shown by our records to be particularly dependent upon rail passenger service. In addition, freeways and air-ways between Los Angeles

and San Francisco are at their saturation point and simply cannot handle 100 percent of the intercity traffic. In our view, it is difficult to conceive that

Center of the Los Angeles-San Francisco corridor would not support at least some mil transportation service.

Because Los Angeles-San Francisco trains are intrastate, we do not possess the detailed information available in our interstate discontinuance cases. Nevertheless, our records in the San Francisco-Portland cases show that numerous patrons will utilize these trains in conjunction with travel to or from points north of San Francisco. The Los Angeles-San Francisco route not only offers feasible connections to all parts of the country, but has the unique advantage of providing patrons with unusual scenery and the chance to see both of the major west coast cities as part of the same trip.

We see no reason why the west coast, which is the Nation's most substantial growth area, should be treated differently than the east with respect to north-south corridor service. The basic plan incorporates service from Boston to Miami with sufficient intermediate routings to insure a viable north-south service in addition to east-west service. The Pacific Coast with its senior citizens, its congested freeways and airways producing pollution, and its high density of population, certainly is in no lesser need of the same north-south service.



c.) Los Angeles-San Diego

Under the proposed system no service would be provided between

San Diego and Los Angeles. Los Angeles would be an end point in the various east-west routings to Chicago. The Commission recommends the incorporation of routes between Los Angeles and San Diego. The short 127-mile distance between these two cities, the relatively dense population, the high growth rate, and increasing traffic congestion are all reasons why Los Angeles-San Diego service should be included. It would appear, as developed below, that this would be a highly profitable route which could subsidize other marginal but required operations by the Corporation.

The area between Los Angeles and San Diego is one of the most densely populated parts of our most populous state. Los Angeles, San Diego, and the intermediate point of Anaheim, have a combined population of just under 10 million. Between 1960 and 1970, these 3 cities have experienced growth rates of 15,4 percent, 26,9 percent and 100,2 percent, respectively. All of these increases exceeded the national average of growth for cities of population of 500,000 or more with Anaheim having the highest percentage increase of any city in the country. Rather than eliminating service between these populous centers, serious consideration should be given to the institution of a "ground shuttle" type operation similar to the metroliner in the New York-Washington corridor.

Of additional significance is the fact that this 127-mile corridor presently supports three pairs of trains daily. These trains, which Center Chave never been before this Commission for discontinuance, not only serve Transportation

local traffic but provide an important link in east-west transcontinental service.

Presently, two of the three pairs of trains provide direct connections with all of Santa Fe's Los Angeles-Chicago service. Exclusion of the Los Angeles-San Diego route would, therefore, cut off a potential transcontinental market of no less than 3 million.

It is evident to the Commission, based on the short distance, the large and growing population, the importance to transcontinental service, and the extensive existing rail service, that the Los Angeles-San Diego corridor will support a profitable rail service and provide an alternative to highway and air travel in an increasingly congested urban area.

2.) Service Between Los Angeles and New Orleans

Under the proposed system no east-west service would be provided between New Orleans and Los Angeles. This would leave the entire southeast and southwest without direct transcontinental rail service. We are unable to understand the basis for this omission. Accordingly, we recommend establishment of Los Angeles and New Orleans as east-west end points.

The 2,033-mile New Orleans-Los Angeles Sunset route is

Center for operated tri-weekly by the Southern Pacific. The Sunset trains have come Transportation

before the Commission on several occasions. In the first proceeding the Commission concluded that Southern Pacific had purposely downgraded service to the extent that a profitable run had become a losing operation and consequently denied the discontinuance. Southern Pacific Company Discontinuances of Trains Nos. 1 and 2 Between Los Angeles and New Orleans, 333 I. C.C. 783, 794. Arguments as to the degree of losses or viability of such service should, in our view, be considered in light of such evidence of downgrading. 3/

Recently, however, there has been a substantial improvement of service. In October, 1970, the Commission permitted the Sunset to operate on a tri-weekly basis in conjunction with the carrier's proposal to reinstate dining cars and sleeping cars. Southern Pacific Transportation Company Change in Service of Trains Nos. 1 and 2 Between Los Angeles, Calif. and New Orleans, Finance Docket No. 26324. Southern Pacific also entered into an arrangement with Southern Railway and Penn Central whereby through transcontinental service from New York and Washington to Los Angeles is now offered. This new service

The record in this case showed numerous complaints as to insufficient seating capacity, absence of baggage services, deletion of sleeping and dining facilities, unclean conditions on the train and in depots, refusal to sell tickets to patrons, denial of the existence of particular trains, locking of depots until after departure of trains, difficulties in making reservations by telephone, late arrivals, purposeful sidetracking for freights, and promotion of air and bus service by the railroad itself.

so far has received an enthusiastic public response. Testimony in this recent Sunset case shows that in a month's time, bookings for sleeper service

Center have been so great that extra sleeper cars have been or will be added on 22

Transportation occasions between now and March 1971. In addition, 35 sleepers will be added in this period for special tour groups.

Certain metropolitan areas, whose population exceeds 3,000,000 people, would be left without any meaningful transcontinental rail service under the Secretary's proposal. Tucson, Phoenix, and El Paso would have only a northeastern route available if such a route is operated by the Corporation which has three possible routings between Los Angeles and Chicago of which only one serves these cities. San Antonio and Beaumont would have no rail service at all. Some of these cities have large retirement communities which are potentially excellent markets for rail passenger service. Moreover, our recent Sunset investigation shows that only 11 of the 38 major centers of population served by the Sunset have through bus or plane service on the Los Angeles-New Orleans route. For the other 27 cities, east-west travel involves circuitous routing, transfers, and delays. Over the years the communities served by the Sunset have shown a continuing reliance on railroad service. We continue to adhere to the view, supported by our Sunset investigation concluded only last month, that Los Angeles-New Orleans service is essential to any basic rail passenger system.

Furthermore, if we may assume the establishment of the Sunset

Center for route and that the Corporation elects to operate the Santa Fe southern route Transportation

between Chicago and San Francisco through New Mexico at the Dalies, Belen and Isleta area, a short connection of not more than 242 miles could be made between El Paso and the specified New Mexico area served by Santa Fe. This would give both the west coast and southwest a transcontinental southern and midwestern route. Thus, at El Paso, a passenger could proceed to New Orleans and the northeast or go on to Chicago and the midwest over a much shorter and cheaper route.

Additionally, the short 242-mile connection could replace a 1,000-mile routing proposed by the Secretary from El Paso to Kansas City much of which is over the Rock Island line which is in such a poor state of repair as to make rehabilitation difficult.

We urge specification of the Western Pacific route between Salt Lake
City and San Francisco as part of the already prescribed Chicago-San Francisco
Centeend point service. Under the Secretary's proposed system, service between Chicago
Transportation
and San Francisco is designated over various routes, including one described as

"Salt Lake City/Ogden." Under this description, there were three possible
approaches: the Southern Pacific from Ogden; Western Pacific from Salt Lake City;
and the present across-the-platform interchange at Ogden utilizing Southern Pacific
and Denver & Rio Grande Western. We think it essential that this routing
ambiguity be clarified and that the Western Pacific route be used.

The Feather River Canyon Route Of The California Zephyr

The California Zephyr route between Salt Lake City and San Francisco, via Western Pacific, traverses spectacular scenery of the Feather River Canyon.

As recently as 1967 we found that "operation of the California Zephyr has permitted more than 135,000 persons a year to enjoy some of the most spectacular scenery in the country under ideal conditions. In this sense, the trains * * * are a unique national asset."

Western Pac. R. Co. Discontinuance of Trains, 330

I.C.C. 577, 586 (1967). One year later we stated that a trip on the Zephyr "is a unique experience" providing "breathtaking views of some of the finest scenery in America" and again recognized the train as a "unique national asset."

^{4/} Our records show numerous complaints as to the adequacy of this interchange. Our investigation of this arrangement has been stayed pending developments under the Rail Passenger Service Act.

Southern Pacific Discontinuance -- Ogden to Oakland, 333 I.C.C. 525, 537, 557 (1968).

Center for

three million people. Daily average patronage has exceeded 75% of capacity; and in 1967 we found that the Zephyr operated "at virtually full capacity during the summer vacation season" (330 I.C.C. at 586). Ultimate discontinuance of the Western Pacific Zephyr segment rested not on any lack of patronage, but on other factors -- primarily because the losses were driving a relatively small carrier into a deficit position. Denver & R. G. W. R. Co. Discontinuance, 336 I.C.C. 691, 710 (1970).

But cost factors, while still a vital concern, need not necessarily override other considerations under the new legislative approach. Indeed the Senate Committee Report states: "Examples of what the committee foresees included in the long-distance network are * * * the principal routes from midwestern points to the Pacific coast, including those of unique national beauty." (emphasis added).

And the same point was made during debate on the Senate Floor. The Western Pacific segment, if operated in conjunction with the Denver & Rio Grande Western segment between Denver and Salt Lake City, would serve the heavily populated metropolitan area of Denver with over a million people and reach several otherwise isolated communities not adequately served by other modes of transportation.

^{5/} Sen. Report No. 91-765, 91st Cong., 2d Sess. (1970), p. 9.

^{6/} Cong. Rec., May 5, 1970, p. S6652.

Additionally, this route traverses the scenic Rocky Mountain area in Colorado.

Under all of these circumstances we urge preservation of this "unique national asset" as part of the basic system. Taken as a whole, the D&RGW and Western Centeralistic route appears preferable to the more northern Union Pacific operation.

4.) Through Service Between Washington And Chicago

In our judgment it is essential that the basic national system include direct through rail service between Chicago (the gateway to most western points) and the Nation's capital. Such an operation would link the country's third and seventh largest metropolitan areas which have a combined population of nearly ten million people. This is especially feasible because the Secretary has already designated routes which can be used to provide precisely such a service.

Unfortunately, however, the preliminary designation fails to make clear whether or not direct through Washington-Chicago service is contemplated.

We note the designation of the Penn Central Washington-Baltimore—Harrisburg route as part of an alternate route between Washington and St. Louis.

Harrisburg, of course, is an intermediate point on the Chicago-New York routing.

Historically, and at present, the Harrisburg-Washington route has been utilized as one of the main routes between Washington and Chicago. Through car service, however, is no longer provided and the Penn Central route to Chicago is somewhat cumbersome, involving transfers at both Baltimore and Harrisburg. Another disadvantage

of the routing is that on the eastbound connection passengers must get up at the crack of dawn to make the Washington connection. Despite these disadvantages under present operation, the Penn Central routing is most feasible and offers the fastest rail service between Chicago and Washington. We strongly recommend that the Secretary designate this Penn Central route to Chicago but eliminate the need for the two transfers at Harrisburg and Baltimore. This could readily be accomplished by providing a through sleeping car and coach between Washington and Chicago.

Another alternate designated route is the Baltimore and Ohio route from Washington to Pittsburgh at which point, evidently, passengers could transfer to the Perin Central New York-Pittsburgh-Chicago route. Pittsburgh likewise is an intermediate point on the New York-Chicago designated route and it is anticipated that in the very near future the new Metro terminal at Pittsburgh would enable a reasonable connection at Pittsburgh for Washington passengers destined to or from Chicago. Presently, however, the B&O and Penn Central terminals are over a mile apart and we therefore suggest that Pittsburgh not be used as a connecting point to Chicago at least until the new terminal is completed — and even then only if through Washington service is provided. Such service could also be operated, on a slightly longer schedule, over already designated routes between

Washington and Harrisburg must be carried "backwards" between Washington and Baltimore as the Harrisburg line from Baltimore leaves from the south end of the station. This, of course, is a minor inconvenience and should not otherwise impair the implementation of a through Washington-Chicago route.

Washington and St. Louis: B&O-C&O-Penn Central via Cincinnati.

Thus under the designated basic system, implementation of a Chicago-Washington direct route should offer little, if any, difficulty to the new

Center Corporation. One of the three connections already designated (Cincinnati,

Trans Pittsburgh, or Harrisburg) can readily be turned into a through-car service. The

service we propose can be operated on an overnight basis with maximum convenience

to those travelling on business. Such a train is presently operated, has been

relied upon for years, and has never been the subject of a discontinuance

proceeding.

5.) Northern Tier Service Between Chicago and Seattle

Center for
Trapoints. However, he lists three potential routes, only one of which serves the northern tier of states of Wisconsin, Minnesota, North Dakota, and Montana.

Unless this northern alternate be implemented, all of these states would be left without any rail service. Located in these states are two large metropolitan areas (Milwaukee and St. Paul-Minneapolis) comprising over 3 million people, which areas rank among the 20 largest in the country.

To insure that service be provided to these northern states and cities, the Commission proposes establishment of Chicago and St. Paul/Minneapolis as end points and St. Paul/Minneapolis and Seattle as end points.

a.) Chicago-Twin Cities

Our data showed substantial demand for at least some service between Chicago and the Twin Cities. Even today, after discontinuance proceedings under a statute designed to relieve railroads --which to some extent prevented our examining area transportation needs as a whole--there are still nine trains being operated by two railroads (Burlington Northern and Milwaukee) between the points.

Our most recent proceedings show that even the four trains selected by the carriers--presumably the best candidates for discontinuance--carried nearly 140,000 people annually. 8/ Viewed as a whole, these proceedings show that Chicago-Twin Cities

^{8/}Chicago, Burlington & Q. R. Co. Discontinuance of Trains Nos. 51 and 52, 336 I. C. C. 536 (1970); Chicago, Milwaukee, St. P. & P. R. Co. Discontinuance of Trains Nos. 1 and 4, 338 I. C. C. 93 (1970).

service could draw upon a market for travel between the termini (336 I. C. C. 544)
as well as a market for travel between Chicago-Milwaukee where we found "a

Center for degree of public need" (338 I. C. C. at 108).

Such trains can be operated on a convenient overnight schedule so as to benefit primarily the through passengers. They can also operate during daylight hours to benefit intermediate points such as Milwaukee on one route or a number of smaller rural communities on the other. Each route has its advantages, and, under our suggestion, the Corporation could either select between the routes or, preferably, operate trains on alternate days over both.

b.) Twin Cities-Seattle

Presently, Burlington Northern operates eight trains daily between St. Paul and Seattle/Portland—over two separate main lines and via four different routings. Two pairs of trains use the former Great Northern route via Glacier Park.

^{9/}The Burlington Northern route traverses areas of the midwest for which interstate highways have not been designated and which, we are informed, have less than ideal highway conditions. Indeed we are told that only recently a billboard near Galena, Illinois offered "congratulations" to motorists for having "survived" U.S. Highway 20. In addition, air service, when available, is often more than double the rail fare. The Milwaukee route provides a one-stop express train service between Chicago and Milwaukee, a distance of 90 miles. Air service between Chicago and Milwaukee, though used by many persons, requires extensive travel to and from the Chicago airport, which is located more than one-fifth of the way to Milwaukee and involves at least 30 minutes of driving from or to downtown Chicago.

^{10/}Trains serve Portland directly with through cars being switched off at either Spokane or Pasco, Washington. Consequently, trains arrive at both Portland and Seattle at approximately the same time.

One of these trains, the Empire Builder, is a luxury express train providing the fastest ground service between Chicago and Seattle. It serves Williston and Center Minot, N.D. The other train, the Western Star, is routed via Alexandria, Minn., and Grand Forks, N.D., and provides the only direct connecting rail service to Great Falls, Montana, and Winnipeg, Manitoba. Both the Empire Builder and the Western Star serve Glacier National Park in the summer and the Whitefish Mountain ski area in the winter, popular rail destinations.

Two pairs of trains use the former Northern Pacific route via

Yellowstone Park. One of these, the North Coast Limited provides luxury through
service between Chicago and Seattle/Portland. This train serves Butte, Montana.

The other train, the Mainstreeter, provides essentially local service and is
routed via Helena, Montana rather than Butte.

In addition to providing the only all-year service to Yellowstone the Northern Pacific route serves Billings and Missoula, Montana, as well as Bismarck, the capital of North Dakota. In Montana, the Great Northern and Northern Pacific routes, while parallel, are almost 300 miles apart. In North Dakota, they are over 100 miles apart. Thus, for over 1,000 miles, they are not competitive with each other or any other rail passenger service.

All four pairs of daily transcontinental trains are well patronized. Indeed of these, only one, the Mainstreeter, has ever come before the Commission for discontinuance. And that we denied $\frac{11}{}$ In analyzing the trains which the

^{11/}Northern Pacific Ry. Co. Discontinuance of Trains Nos. 1 and 2, 333 I.C.C. 15 (1968), 336 I.C.C. 7 (1969).

carrier itself regarded as the most likely prospect for discontinuance, we found in 1968 that 251, 827 passengers used the Mainstreeter annually, and that unlike the general trend--usage was actually increasing. Pointing to these increases (which, even according to railroad figures showed an average of 345 passengers per trip), the Commission concluded: "We consider it clear beyond dispute that the public has not abandoned the Mainstreeter" (333 I. C. C. 15, 38). In 1969, when the carrier again unsuccessfully sought to discontinue the Mainstreeter, we noted that a decrease in patronage was attributable to intentional downgrading by the railroad. As we concluded "* * * there are good reasons for this decrease in patronage --reasons brought about by railroad management in contemplation of discontinuance" (336 I. C. C. at 38). Despite all of this, the Mainstreeter trains still carried "approximately 200, 000 revenue passengers" in 1968 (336 I. C. C. at 40).

Such extensive use is in addition to the North Coast Limited, which except for the Butte cut-off, parallels the Mainstreeter route between St. Paul and Seattle. Significantly the North Coast has never even been the subject of a discontinuance proceeding. In these circumstances we think there is ample basis for such service in the basic national system.

The use of trains over the former Great Northern route is equally impressive, considered along with the fact that the carrier has never sought to discontinue its two pairs of transcontinental trains operated over this route.

In 1969, approximately 200, 000 people used the Western Star, which runs between

St. Paul and Seattle. During the same period approximately 400,000 people used the Empire Builder and its connections between Chicago and Seattle/

Centrolland. (Id.) And these figures do not account for passengers formerly travelling trains discontinued in the cited case, but retained on the Western Star or Empire Builder.

In our judgment there is clearly a need for some transcontinental service on both the former Great Northern and Northern Pacific corridors between St. Paul and Seattle/Portland--whether on an alternate day or some other basis. To insure preservation of transcontinental rail passenger service through the northern tier of states, the Commission finds that the establishment of St. Paul and Seattle as end points is essential and should be included in the basic system.

6. Service Between Jacksonville And The Tampa-St. Petersburg Area.

Under the Secretary's proposed basic system, service is provided to Miami, Florida, from both Chicago and New York end points through Jackson-ville. However the western part of Florida containing such cities as Tampa and St. Petersburg is not included. The Commission recommends the designation of St. Petersburg as an end point with Jacksonville in order that service to west

^{12/}Great Northern Ry. Co. Discontinuance of Trains Nos. 3 and 4, etc., 336 I.C.C. 477, 511-512 (1970). This proceeding dealt with other trains but furnishes a valuable source of information as to patronage of the Western Star and Empire Builder. Our figures here were computed by multiplying daily averages set out in the cited case.

Florida will be preserved. This will involve but a comparatively short extension of routes already designated.

The metropolitan population of the Tampa-St. Petersburg area

Transp is slightly under one million people and according to the 1970 Census ranks 32nd

as a metropolitan area. And the population of the area has grown by nearly 30

percent in the last ten years. West Florida has a large number of elderly and

retired people who are especially dependent upon rail service—a factor of even

somewhat more potential significance in view of more restrictive driving license

procedures adopted by Florida. In addition west Florida is also a vacation area,

and the Senate Committee listed "heavily travelled vacation runs, such as New

York-Florida" as among examples of service to be included in the new system. 13/

Currently, the merged Seaboard Coast Line operates three train pairs over two routes. Significantly two of these three pairs have never even been the subject of a discontinuance proceeding before us. Recently the railroad unsuccessfully sought to discontinue one pair which runs through Gainesville. In rejecting the proposal, even as to the least attractive trains serving the area, the hearing examiner found: \frac{14}{}

 $[\]frac{13}{\rm Senate}$ Report supra. See also Congressional Record, supra, where the same language appears during the Senate debates.

^{14/}F.D. No. 25972, Seaboard Coast Line Railroad Company Discontinuance of Trains Nos. 93 and 94 Between Jacksonville and St. Petersburg, Florida, Examiner's Report, p. 25.

Center for Transportation

The testimony clearly shows that the downgrading of service, difficulty of obtaining information or tickets, lack of promotion could not help but contribute to a loss of passengers using the service of the railroad. . . Nevertheless, taking into consideration the economic impact on the communities, the number of passengers still utilizing the trains, and the testimony of those who have used, are using, or intend to use the trains, and the lack of adequate alternate transportation, the need for continuance of the trains is shown to be required.

We urge the establishment of St. Petersburg and Jacksonville as end points to preserve this service.

APPENDIX B-SECONDARY RECOMMENDATIONS

1.) Salt Lake City-Butte

The proposed basic system does not include a norther for south service between Salt Lake City and Butte. Both of these points are intermediate points on those transcontinental routes from Chicago to the west coast.

The Commission has twice ordered continuance of the Butte-Salt Lake trains operated by the Union Pacific. 1/ The first case allowed the carrier to reduce service to tri-weekly but the more recent case denied the proposed total discontinuance. Essentially, the Commission has found continuance warranted for four reasons: the reliance of people in the area on this service; the bridge this line provides between other transcontinental routings; the lack of adequate alternate service; and the carrier's failure to promote this service.

Of significance is the fact that the tri-weekly service has resulted in a patron retention rate of 83 percent, despite an overnight schedule and the railroads' failure to either publicize the trains or to arrange schedules facilitating expeditious connections.

^{1/} Union Pacific Railroad Company Discontinuance of Trains Nos.
35 and 36 Between Salt Lake City, Utah and Butte, Mont., 333
I.C.C. 182 (decided May 16, 1968) and 333 I.C.C. 50 (decided August 26, 1970).

Alternate service is widely circuitous and limited. Fortysix of the 51 stations have no bus service. Air service is infrequent and limited to the termini and two intermediate points.

Center for
Trans Great Falls to Butte to Salt Lake City. It is only two-lane and not engineered to Interstate Highway standards. Heavy fog is frequent at the mountain passes throughout the year and frequently closes the highway and the airports. The Commission summed up the situation when it ordered a continuance:

"The severe nature of the terrain and weather, the very inaccessibility of certain subordinate areas to the general area involved as demonstrated by this record dictate a need for some rail passenger service since the alternate modes available are limited and uncompromisingly subject to the vagaries of weather". 333 I.C.C. 182, at 193; 338 I.C.C. 50 at 60, supra.

The Commission furthermore hoped that under Railpax, the Butte-Salt Lake City service would be returned to a daily operation.

The Commission further found that the carrier did nothing to promote service on the line (338 I.C.C. 50, 62). Despite the fact that the train passes through wild and spectacularly scenic areas, and is the western gateway to Yellowstone National Park and the only rail gateway to Grand Teton National Park, there has been no advertising to attract the tourist trade. Because of these factors, the losses sustained were felt to be partially if not wholly incurred by the carrier's own doing. They therefore should not be considered too seriously in view of the countervailing public interest in the continued operation of these trains.

Despite the fact that the present service connections on the Butte-Salt Lake City run leave much to be desired, nonetheless

Center of feeder value of the line is estimated at 30%. Feeder value has

Transincreased since the discontinuance of the Twin City-Kansas City

line for the reason that Butte-Salt Lake City line is now the only way for people living in the northern Great Plains to reach Salt Lake City-Los Angeles and points south without having to travel either east to Chicago, or west to Seattle, in order to obtain connecting service. The Butte-Salt Lake City line cuts about 1,000 miles from either of these routes.

In sum, the line constitutes a necessary bridge between east-west corridor routes.

2.) St. Louis-Kansas City

Under the Secretary's proposed plan, there is no way for a passenger to travel coast-to-coast except through Chicago.

Therefore, the St. Louis-Kansas City route should be included.

At one time, St. Louis was a ranking gateway on east-west transcontinental moves. It should develop as another across-the-country routing.

As late as April 1969, three pairs of trains ran between St. Louis and Kansas City. At that time, a pair of Norfolk and Western trains were allowed off by the Missouri Public Service Commission. That left two pairs operated by the Missouri Pacific. These were considered by this Commission in October 1969

(Missouri Pac. R. Co. Discontinuance of Trains, 334 I.C.C. 792)
and one pair was allowed off although both pair are still running

Cente as a result of a court injunction. In that case, it was found

Trans that 42,000 persons rode the trains over the first six months
of 1968. The daily average number of riders was 234 persons.

In permitting one pair to be discontinued, the Commission felt
that the remaining pair would attract additional riders -- which,
in fact, had already picked up a substantial number of passengers
from the discontinued Norfolk and Western trains -- greatly
lowering the annual losses of \$600,000 incurred by all four trains.

In addition to these factors showing the need for at least a pair of trains, an east-west corridor through the middle of the country should be established. St. Louis, which ranks as the 10th largest city of population, is an end point in the Washington, D.C.-St. Louis rorting, which in turn ties in with the New York-Chicago routings. St. Louis also is an intermediate point on several of the north-south routes as well. Service should be continued across Missouri to Kansas City where connections can be made to the west coast.

3.) St. Louis-Detroit

The Secretary's proposed basic system fails to provide direct service between Detroit and St. Louis, the country's 5th

Centeand 10th largest metropolitan areas, respectively, whose popula
Transtion exceeds 6 million. The Commission recommends the continuance of direct service between these points via the route of the Norfolk and Western's Wabash Cannonball.

Three times has that carrier sought to remove trains over this route. During 1967 the carrier unsuccessfully sought to discontinue the Cannonball, a single pair of trains operated daily over the 488-mile route. Norfolk and Western Railway Co.

Discontinuance of Trains Nos. 110 and 111 Between St. Louis, Mo. and Chicago, Ill. and Trains Nos. 301 and 304 Between St. Louis, Mo. and Detroit, Mich., 331 I.C.C. 415. In ordering the trains continued for the maximum statutory period the Commission concluded:

N&W provides the only noncircuitous rail-passenger service between St. Louis and Detroit (both large commercial and industrial centers heavily populated); its trains serve a number of populous intermediate points; and the passenger patronage of at least six of the latter points indicates substantial reliance upon the subject trains. In 1966, both trains Nos. 301 and 304 averaged close to 100 passengers per trip. The alternate transportation of rail and bus is circuitous (via Chicago and Indianapolis), except for N&W's trains Nos. 302 and 303 which are night trains. While good highways comb the area, they too provide only circuitous routing most of the way. As to trains Nos. 301 and 304, we conclude that their continued operation is required by the public convenience and necessity. 331 I.C.C. 415, 441-442, supra.

Later, the carrier was successful in discontinuing the night pair of trains between the termini. N&W Ry. Co. Discontinuance

CentroffTrains Nos. 302 and 303 Between St. Louis, Mo., and Detroit, Mich.,

Trans 333 T.C.C. 284. One of the controlling factors in allowing these trains off was the fact that the Cannonball trains would remain and serve the same intermediate points.

A year later the Norfolk and Western sought again, unsuccessfully, to discontinue the Cannonball. N&W Western Railway Company Discontinuance of Trains Nos. 301 and 304 Between St. Louis, Mo. and Detroit, Mich., 334 I.C.C. 506. Many factors present in the first case reappeared in this proceeding. For example, the patronage showed less than a 15 percent decline from 1966. Despite no effort to premote this service, the daily average exceeded 155 passengers and almost 60,000 patronized the train yearly.

The Commission observed that:

The record herein is convincing that the Cannon-ball meets a necessary and continuing public need.

This was amply demonstrated by the intense interest manifested by the public witnesses and by their evidence introduced into this record. It is also exhibited by the fact that a very substantial number of passengers still patronize the trains.

As noted, some 58,538 fare-paying passengers used the subject trains in 1968. Of this total, about 16 percent were through passengers between Detroit and St. Louis. About 26 percent either originated or terminated their journey at Detroit or St. Louis. Thus, it is apparent that a majority of the passengers utilize the subject trains to and from rather sizable intermediate points.

Trains Nos. 301 and 304 represent the only remaining non-circuitous passenger trains between Detroit and St. Louis, and there is no alternate substitute service which parallels the route of the Cannonball. The alternate bus routes are through either Chicago or Indianapolis and many of the intermediate points are not located on existing bus routes. Other intermediate points have but limited bus service with infrequent schedules. Likewise, available air transportation is not convenient to many of the intermediate points. 334 I.C.C. 506, 522-523, supra.

The United States District Court for the Eastern District of Missouri recently sustained the Commission findings respecting the Cannonball.

N&W Ry. Co. v. United States of America and Interstate Commerce

Commission (decided July 2, 1970).

The Commission's proceedings over the past three years show a continuing need for this service and it should be included.

4.) Charlottesville-Norfolk/Portsmouth

Under the Secretary's proposed basic system service will be provided between St. Louis and Washington. One alternate route is via the Chesapeake & Ohio through Charlottesville to Cincinnati, then over the Baltimore and Ohio route to St. Louis. No service is provided to the Portsmouth/Norfolk area which has a metropolitan population of 633,000. The Commission recommends the continuance of service to this area via Charlottesville and Richmond.

Through these connections, the corporation could provide service for the tidewater area -- with a population of 1,149,000 -- to

New Orleans and the southwest; both north and south on the eastern seaboard; and to Cincinnati, Chicago and St. Louis and points west and northwest. Since this area also

abounds with military installations the feeder value from this Center 175-mile route should be advantageous in making the overall rail service viable.

Prior to 1968 two pairs of trains operated between

Portsmouth and Charlottesville. In authorizing the discontinuance of one pair of trains, the Commission relied heavily on the fact that rail service would still be provided. Chesapeake & Ohio

Railway Co. Discontinuance of Trains Nos. 43 and 46 Between Portsmouth and Charlottesville, Va., et al., 333 I.C.C. 95, 124.

It is noted that the basic system does not utilize the Norfolk and Western route between Norfolk and Cincinnati, via Petersburg and Lynchburg, in conjunction with the proposed end point pairs. The Norfolk & Western route, over which one pair of trains presently operates, closely parallels and is competitive with the Chesapeake & Ohio route. Deletion of the N&W route makes the retention of the C&O Charlottesville-Portsmouth route all the more important.

Considering the population of over one million, the abundant number of military installations located in the area, and the short distance involved, a sufficient number of passengers should be generated to warrant and support at least one pair of trains to serve this area.

5.) Through Service Between Chicago and Boston
(Boston-Albany as end points)

Under the Secretary's proposal rail service west from

Cen Boston may only be provided if the Boston-Springfield-New York

The Operation comes into being. And it would end there. Historically, the New York Central and its successor have operated through trains west from Boston, the eighth largest metropolitan area, to Chicago. The Commission urges the inclusion of this corridor in the basic system.

The Secretary has designated New York City and Buffalo as end points listing only the route via Albany. In 1965 in a proceeding before the Commission it was found that the Boston-Albany run provided substantial feeder value to the New York-Buffalo route and service between Boston-Albany was consequently ordered reinstated by the Commission. 2/

The 1968 attempt to discontinue these trains was disallowed by the Commission which ruled that the carrier had only "gone through the motions of restoring these trains to service."

These trains had been discontinued but on reconsideration, ordered restored. When discontinuance was again sought in 1968, the Commission found that the carrier had

put forth no effort to advise the public of the available service, and could be said to have with-held this knowledge from the public by lack of timetable publication and failure to show all

^{2/} N.Y.C. R.R. Co. Discontinuance, 328 I.C.C. 89 at 91.

available connections. On-time performance has been bad. Further, when the carrier completely revised its New York State schedules in 1967, it made no attempt to adjust the schedules of these trains to provide convenient service to the public nor did respondent show that it made any effort Transporto determine what would best meet the needs of the traveling public.

In view of these considerations, we do not find the declining patronage to be controlling in this proceeding. While we are unable to determine on this record the precise effect that the Central's actions have had on passenger utilization of the service, it is clear that patronage has been adversely affected.

Despite such downgrading, there were 38,179 passengers -- over 100 passengers per trip -- still using the Boston-Albany segment of the through service between Chicago and Boston.

In a later 1969⁴ proceeding, this service was ordered continued despite the bankruptcy of the Penn Central because of the need for connecting service between Boston and the New York City-Buffalo Empire service and the importance of this connection to the viability of the entire Penn Central passenger system.

This routing would provide a northern corridor linking

New England directly with Chicago which, under the preliminary

proposal, is the gateway to the entire western United States

and should be included.

^{3/ 333} I.C.C. 375 at 391.

F.D. 26106, Penn Central Transportation Co. Discontinuance of 34 Passenger Trains.

Nos. 6, 7, 8, and 9

Establishment of International Corridors

Under the proposed basic system, no Canadian-American

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or Mexican-American corridors are established. At present, inter
Transportation

national trains run between Seattle and Vancouver, Canada; Grand Forks, N.D., and Winnipeg, Canada; Chicago/Detroit and Toronto, Canada; New York and Montreal, and New York and Toronto. The Commission submits that certain of these Canadian-American as well as some Mexican-American corridors are important to the system. The rail travel needs of Americans are not confined within United States borders and the factors used in determining the system should likewise be used in establishing international corridors.

a.) Seattle-Vancouver

Presently the Burlington Northern operates daily service between Seattle and Vancouver, a distance of 155 miles. Seattle and Vancouver are university towns, housing the University of Washington and the University of British Columbia, respectively. The combined population of the two cities exceeds 2.4 million, with Seattle's population of 1.4 million making it the 18th largest city in the United States. The relative short distance involved considered with the Pacific northwest having the greatest rainfall of any area in the U.S., averaging some 80 inches per year, makes substitute air service unreliable and uneconomic.

Moreover, the Seattle area relies very heavily on tourism
for its livelihood. The Seattle-Vancouver corridor is used

nte heavily by organized tour companies as a connecting link on
Pacific northwest tours and with Seattle as an end point on
service from the midwest and pacific southwest, it is a natural
extension of these routes. Elimination of this corridor would
undoubtedly hurt tourism in the area in that Seattle could be
bypassed by direct flights to the east and south from Vancouver.
Faced with these considerations, omission of the SeattleVancouver corridor appears to be unwarranted. Its inclusion
in the basic system is strongly urged.

b.) Chicago/Detroit-Toronto

Presently, the Canadian National and its subsidary, the Grand Trunk Western, provide service between Chicago and Toronto via Port Huron, Michigan. Canadian National, by way of a 5-mile bus connection between Windsor, Ont., to Detroit, provides service between Detroit and Toronto. The two routes converge at London, Ont., for the remaining 115 miles into Toronto. Assuming that Canadian National will desire to continue operation of the Canadian portion of both routes, we strongly urge the designation of the Grand Trunk Western 334-mile Port Huron-Chicago route and the preservation of the Detroit-Windsor connection.

Preservation of these routes will insure continued service over a corridor with a population greater than 13

Center for million. The feeder value of traffic to and from Toronto, the second largest Canadian city with a population of over 3 million, constitutes an important source of patrons to the designated system. In a recent proceeding involving a pair of Grand Trunk Western trains operating between Chicago and Port Huron (as part of a through service to and from Toronto), the evidence clearly shows the extensive international nature of this service. Of the total daily average of 202 passengers, 126 were classified as through passengers to and from points in Canada, 338 I.C.C. 254, 261. The Commission allowed the discontinuance because of

The riding public would not be without reasonable substitute transportation service after removal of trains Nos. 155 and 156. Grand Trunk offers the service of one other train between Port Huron and Chicago, and a second train which serves all the major points reached by trains Nos. 155 and 156 with the exception of Flint and Port Huron. These pairs of trains operate essentially during daylight hours and generally have greater usage by the public than do the noticed trains. 338 I.C.C. 254, 275, supra.

the loss of the Canadian connection and stated:

In view of the demonstrated need for service between Chicago/Detroit and Toronto, as evidenced by the above proceeding and the remaining extensive service, it appears that the inclusion of this service within the system would be warranted and

would insure the continued draw of Canadian patronage to other segments of the designated system.

c.) New York-Montreal

Presently, Penn Central and the Delaware and Hudson enter for operate two pairs of trains between Montreal and New York. These trains provide a convenient service between the large

These trains provide a convenient service between the largest cities of Canada and the United States having a combined population exceeding 14 million. The carriers have not sought to reduce or discontinue this service before the Commission. Traffic congestion between Albany and New York City limits the feasibility of bus service during peak travel periods when food service plazas along the thruway are closed to buses. The air congestion at New York City needs no elaboration. Feeder traffic from the transcontinental Canadian lines converging at Montreal would be lost to the Railpax system and it appears that a single pair of trains might be feasible. The Commission therefore urges the addition of a New York-Montreal route to the basic system. Consideration should also be given to a possible routing through Vermont's principal cities, thereby linking northern New England to the national system.

d.) Chicago, San Antonio-Mexico City

For years passenger traffic from Mexico City and the entire populous area of centual Mexico has moved to and

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from the United States via Laredo, Texas. While there are other rail crossings on the U.S.-Mexican border, the Centmajority of the passenger traffic has moved through the Transportation Laredo Gateway to San Antonio where it fanned out to Houston and points east or through St. Louis to points north.

There are 50 million people in Mexico (twice the number in Canada) who traditionally have looked to the United States, not only for manufactured products but for educational and cultural interchange between the nations. The past five or six administrations have actively propounded the "good neighbor policy" in a conscious effort to expand this interchange of educational and cultural affairs, in addition to a more generous flow of commerce in both directions. It is our view that this important international situation should not be overlooked.

We recommend that passenger service within the United States be reconnected to the Mexican National Railway passenger service at Laredo, Texas, and that it be tied into the proposed routing of passenger traffic from Houston to Chicago. This could be done by running the passenger service over the Missouri Pacific lines from Laredo via San Antonio and Austin to Milano Junction, Texas, where the

Missouri Pacific crosses the Santa Fe. (This assumes that
the proposed passenger service from Houston to Chicago will

Centebe routed via Santa Fe.) In case the proposed routing from
Transportation
Houston to Chicago should be over the Missouri Pacific lines
to St. Louis, then the routing from Laredo through San
Antonio and Austin would join the Missouri Pacific at
Palestine, Texas.