

Transport Central

Paul Weyrich

BYE BYE BUDD?

In years gone by, transit industry representatives used to speak of the "Three B's of Philadelphia", namely Brill, Baldwin and Budd. Two of these three B's are no more, and it is beginning to look like the third B may also belong to the past tense league before long.

The Budd Company may not have always possessed the capacity for good public relations—indeed it is said that a leading university economics course used Budd as an example of how not to conduct business relations with the public—but the company did have a reputation for building good equipment. The 1960 subway cars in Philadelphia didn't look like much, but they performed well. The Silverliners which first graced the rails of the then Pennsylvania and Reading commuter routes in Philadelphia in the mid-1960's were the talk of the transit industry. There were problems with them, but they rode well and were a welcome change from the hitherto traditional MU commuter car.

Then came the so called rapid transit revival with the passage of the Urban Mass Transportation Act in 1964, and the High Speed Ground Transportation Act in 1965. The three major car companies in the United States (the St. Louis Car division of General Steel Industries, Pullman and Budd) had visions of the days when they were bustling with orders (if there ever was such a time). Reality began to set in a few years later, however, and it soon became apparent that what business was coming in would be interim. Budd's orders were non-existent. The interim business was on the horizon, but BARTD was still the only new system underway and realists in the industry knew that talk of rail rapid transit systems in San Diego and Miami in the 1960's was absurd.

Most everyone in the Budd carbuilding organization had to be dismissed because of the great famine which set in just past the mid-1960's; at one point Budd's only order was for four Department of Transportation test cars. When Budd finally needed the employees who were let go sometime earlier it was too late; skilled people were not to be found. Much of Budd's difficulty about to be described can be traced to the unfortunate "feast or famine" situation in which the company found itself.

It was somewhere along about 1966 that apparently a management decision was made within Budd to corner what little there was of the transit market. While no one I spoke with in the top levels of Budd's management would concede that such a decision had been made, the view that it had was widely accepted by Budd's competitors and was equally firmly held here in Washington.

Budd had obtained the contract for the Northeast Corridor high speed cars; including the 11 for Harrisburg-Philadelphia service, the order totalled 61, hardly monumental by New York subway car order standards. Then Budd was the low bidder for the 75 Delaware River Port Authority cars. Soon after, in August of 1967, Budd scored again, this time with the Metropolitan Commuter Transit Authority of New York, which ordered and then re-ordered hundreds of Metropolitans for use on the Long Island Rail Road. To top it off, the Chicago Transit Authority, which had used only St. Louis and Pullman equipment, could not resist Budd's low bid either and the Philadelphia firm won CTA's contract for the Dan Ryan and Kennedy line cars.

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PAUL WEYRICH: BYE BYE BUDD? (Continued)

All of this having taken place, Budd began to encounter what has now become a series of difficulties; difficulties which some observers believe will end in Budd's withdrawal from the car-building business.

During the period when Pullman was building a few Cleveland "Airporters" and a handful of other commuter cars, and St. Louis was stuck with New York City subway car orders and a small order for "Jersey Arrow" cars (a Silverliner-type MU unit) Budd was at capacity production. Yet the MetroLiners it was turning out did not meet specifications. Through the fault of either the Department of Transportation, the other suppliers or Budd itself (and I shall not judge, having witnessed Congressional hearings on the subject which left me just as confused as ever), the MetroLiners were not accepted by the then Pennsylvania Railroad and needed extensive modifications. This proved to be extremely—perhaps devastatingly—costly to Budd.

Meanwhile, delivery of the Delaware River Port Authority cars fell behind schedule somewhat, and when testing began these cars also did not meet all of the specifications. The situation was so critical that, despite months of constant testing, the Lindenwold line opened with less than half of the Budd cars accepted. (It should be said here, however, that those cars now in operation are among the best transit equipment in the nation).

In New York, where voters were waiting to see put on highways and rails what they had voted for in the election of November 1967, the "Metropolitans" had been eagerly awaited. The initial few arrived just before the November 1968 elections, but did not operate satisfactorily. Since that time, the performance of these Long Island Rail Road cars has been miserable. Nearly everything has gone wrong. The windows leaked. The brakes locked. Troubles with couplers were reported. Even some of the destination signs didn't work. Most of the order has not yet been constructed.

And the Chicago cars? Or, as they say in the Windy City, what Chicago cars? A few of them have been delivered, but CTA officials tell me they are not ready to be put into service. The agony top CTA management officials have gone through is unbelievable; only now does the Authority believe it has a schedule for deliveries it can depend on. Board chairman George DeMent just shakes his head when asked about the problems at Budd.

The delays, the redesigning and rebuilding of equipment; the escalation of labor costs; all of these factors and a few others that have to do with the internal management of the Budd Company have surely taken what little profit Budd expected from these multiple orders. Budd's overcommitment led management officials to the decision that the company would not even participate in the bidding for the Bay Area Rapid Transit District cars. That contract has now gone to the Rohr Aircraft Corporation of California, a newcomer to the field.

If St. Louis and Pullman can hang on (and that is doubtful at this point), there still may be three carbuilders left in the United States, but Budd may not be among the three. When I asked a top official of a publicly-owned system recently if he was concerned that Budd might get out of the carbuilding business he remarked, "Concerned? I wish they would!"

Two years ago, this reporter wrote that it appeared Budd was attempting to corner the market, and that Budd might well force Pullman and St. Louis out of business. It is ironic that Budd's action may instead force it out of the market.

The advent of a \$10,000,000,000 urban transit trust fund (if it is supported by the Nixon Administration and passed by the Congress, doubtful in this reporter's view) could be enough to keep Budd in business in the hope that the availability of Federal money will provide enough incentive for cities like Atlanta and Seattle, among others, to at last build a rail rapid transit system. But if even that prospect is not enough to overcome the grave financial difficulties in which the company finds itself, the name Budd may chiefly be remembered hereafter as a beer made in St. Louis.

(National Editor/East Paul Weyrich is a frequent contributor to these pages. Based in Washington, Mr. Weyrich assists in transportation staff work for the United States Senate.)

Newsfront

S. P. LINES -- The Southern Pacific's proposal to reduce three long-haul trains to tri-weekly operation was explained more fully this week. Specifically, SP has withdrawn its petition to discontinue the City of San Francisco entirely, and has re-petitioned the Interstate Commerce Commission to run the train westbound Tuesday, Friday and Sunday only, and eastbound on Monday, Thursday and Saturday only between Ogden and Oakland. In addition, SP wants to operate the Cascade from Portland on Monday, Thursday and Saturday, and from Oakland on Sunday, Wednesday and Friday. The third petition calls for reduced Sunset Limited service, leaving Los Angeles on Sunday, Tuesday and Thursday, and New Orleans on Monday, Wednesday and Friday. To spice the latter proposal, SP offered to resume sleeping car and diner service if the reduced frequency is allowed. By coincidence, the ICC has promised a decision on the "Adequacy of SP Passenger Train Service Case" no later than mid-September.

PAST, PRESENT AND FUTURE -- United Aircraft's Turbo trains are in the news again: Penn Central's second set has been placed on a limited schedule effective August 15-September 8, with one round trip on Fridays and a New York to Boston trip on Sundays, returning on Mondays....Canadian National's troubled larger versions are due to be given another chance on the Montreal-Toronto run any day now following many mechanical adjustments and improvements by CN and UA technicians....Milwaukee Road president Curtiss F. Crippen has stated that his railroad will seek authority to purchase the Chicago and North Western if their present merger proposal is not approved by the ICC, or if the ICC holds its present position that the merger be allowed only with restrictions the two carriers feel will severely weaken the marriage's expected savings....Penn Central's computerized MetroLiner ticketing and reservations system was scheduled to go into operation August 15....Louisville & Nashville was ordered to run the Gulf Wind (11-12, Flomaton-Chattahoochee) for another year (to August 1970) because service is part of the last southern transcontinental rail passenger link....Milwaukee Road received permission to discontinue Chicago-Minneapolis trains 55-58 effective August 5....Atlanta & West Point-Western Railway of Alabama's last passenger service, 37-38 (the Crescent, Atlanta-Montgomery) has been petitioned for September 7. ...The Burlington has petitioned to discontinue its remaining Omaha-Kansas City service (15-16, 35-36) for September 4....Wisconsin's full crew law has been upheld by the state Supreme Court.

DOWN BUT NOT OUT -- The Midland Continental Railroad, a North Dakota connecting road, has filed for abandonment of its entire 76-mile road with the ICC. In turn, the Soo Line and Northern Pacific, which each own half of the outstanding Midland stock and bonds, asked authority to acquire and operate small segments of the road. The Midland claimed that floods last spring, on top of the previous poor condition of the road, plus continuing deficits made the petition necessary....At the same time, the NP filed a bid to abandon 53 miles of track between Livingston and Gardiner, Montana, and the North Western asked authority to drop 34 miles of line between Tripp and Melleette counties, S. D.

AIR/LINES I -- August 1 saw Delta start nonstop DC-9 service between Chicago and Nashville/Birmingham....TWA has inaugurated three daily round-trip flights between Chicago and Hartford....China Airlines plans flights from Taiwan to San Francisco early in 1970 with two 707s currently on order....Western Airlines has begun service on its new Hawaiian routes....National has gotten approval for Miami-Lod

Frontier Airlines has okayed 3-man crews for its 737s. Meanwhile, Piedmont is on strike because of the same issue; management wants to use a two-man crew....Overseas National (a charter carrier) is to use GE engines for its DC-10s....Sears, Roebuck has ordered 3 Hawker-Siddeley 125 business jets....Lockheed is working on another high-speed SST aircraft....One of the first cities to be serviced by the new Boeing 747s will be Montreal (by Air France).

AIR/LINES II -- United will begin nonstop New York-Honolulu service on October 1, the first such flight on the 5000 mile route. DC-8 jets are to serve the new run....Mohawk and Northeast are seeking a realignment of their New England services. Under the proposal, Northeast will handle medium and long-range flights, Mohawk shorter runs, and three commuter carriers short hops. Northeast is to drop service on its Boston-Burlington/Lebanon/Montpelier and New York-Lebanon/Keene/Manchester/Worcester runs; Mohawk would pick up five of these services. Executive Airlines, Northern Airways and Cape & Island Airlines (level III carriers) would round out the proposed restructuring, including services to Nantucket and Hyannis....A bill to block takeovers of airlines by outside corporations if the federal government disapproves has been sent to the President for his signature. At present, the CAB has not such veto powers for acquisitions by non-carriers....Frontier is seeking additional subsidies, citing its poor financial condition arising from required service to many smaller towns not able to support airline service....Trans World Airlines is to move its worldwide operational planning center to Rockleigh, New Jersey from Kansas City later this month. The center directs flights, crews, aircraft and schedules for TWA's worldwide operations....A federally-financed study of jet aircraft noise at O'Hare will include an effort to determine its effects on real estate values in the surrounding area. The study is budgeted at \$65,931, is to last for 15 months and will be conducted under the auspices of the Northeastern Illinois Planning Commission.

AIR/LINES III -- United has asked the CAB for permission to lower coach fares and introduce new offpeak fares between Hawaii and mainland cities. Cuts of up to 16 per cent have been requested. United has also petitioned the CAB for an across-the-board hike in most fares, while Eastern has also opted for a 7 to 8 per cent hike. At the same time, TWA asked for a 15 to 37 per cent cut in transpacific fares....The proposed purchase of Air West by Howard Hughes appears in jeopardy, even though it was approved by the CAB. Under an agreement with Hughes Tool, AW's net worth as of the date of closing of the sale (within a few weeks) had to be at least \$16.2 million. As of this juncture, the new worth of the airline, formed in 1968 by a merger of Bonanza, West Coast and Pacific Airlines, is about zero. Hughes Tool also has an option to assign its right of purchase to another entity if it decides not to go ahead with the deal itself....Pan American is planning to lease one of its first five Boeing 747 jets to American, which would place it in immediate New York-Los Angeles service. As Pan Am is having difficulty arranging for landing rights at European fields (only London's Heathrow and Paris' Orly fields are certainties right now), the full complement of five would not be able to go into service immediately. As Pan Am's contract with Boeing requires regular payments for the jumbo jets, it would be imperative for the craft to go into service immediately to begin earning the carrier a return on its investment, hence the lease to American....The state of New Jersey has filed suit against American, Eastern, National, Northeast, TWA, Piedmont and United for violations of the state's stringent, year-old air pollution code.

MAIN LINE MISCELLANY -- The Japanese government has rejected a Pan Am proposal to reduce transpacific air fares by as much as 23 per cent. The new tariffs were to have applied to Pan Am's new Great Circle route between New York and Tokyo via Fairbanks. Since competition with Japan Air Lines is involved, the Japanese government has veto power over such fare proposals....Burlington's Omaha-Billings train was halted at tiny Hemingford, Neb. (population 904) on Thursday morning as part of a legal maneuver to drop the train in compliance with ICC permission. A Federal District Court in Cheyenne had affirmed the ICC decision on Wednesday, hence the abrupt stoppage. Groups opposing the move, however, succeeded in obtaining Supreme Court Justice Hugo Black's signature on a temporary restraining order that overruled the Cheyenne decision and kept the train on the rails until the full Court can consider the matter in the fall. The train will be restored to service as soon as crews can be assigned....A CAB examiner has recommended that permanent authority for a network of routes in the South Pacific be given to Continental and its affiliate, Air Micronesia. The decision came in the wake of the controversial transpacific route case, and such authority could not be awarded until the bigger case was decided. Inter-island services between Saipan, Okinawa, Micronesia, Guam and Hawaii are the focal point of the new awards....American says it could begin service to New Zealand by early next year if that country grants landing rights. American was recently granted transpacific routes by the CAB.

LONG HAULS -- Transportes Aereos Portuguesas of Portugal has ordered two additional 707-320 jets from Boeing to add to five 707s and five 727s already on the TAP roster....A formal contract has been signed which will turn Grace Line over to Prudential Lines for some \$44.5 million....Eastern Bus Lines of Manchester, Conn. is seeking authority to purchase the Hartford-New London route of the Short Line of Connecticut....A new six-coach Japanese train that went into service in June boasts all the comforts of home. Passengers sit on imitation tatami mats a foot above floor level, watch TV, play mah jongg, go and shogi. They can hold business meetings and geisha parties in the Japanese-style rooms with lattice windows that have replaced traditional coaches....In order to compromise a dispute of long standing, the Illinois Commerce Commission awarded both Continental Air Transport and Tri-State Coach Lines new routes to south Cook county. CATCo may now link O'Hare and Lansing, while TSCL may operate between the airport and Park Forest. Avoided by the Commission was the issue of just who owns the roads at O'Hare; the city claims it does and thus may pass on who may serve its airport....The nation's bus operators are conducting a vigorous campaign to get Congress to allow wider buses on the Interstate highway system. Present maximum width is 96"; the carriers want that raised to 102". Many states already permit the wider units on their own and non-Interstate federal highways....American Airlines is making its stewardesses' beauty secrets available to girls in disadvantaged urban areas. In cooperation with the first black woman to own a major cosmetics firm, AA beauties will conduct classes in good grooming all around the U.S. with the help of local civic organizations.

CUB POWER -- TC "Sports Editor" Bob Oliphant reports that veteran Chicago baseball star Ernie Banks, 38 and affectionately known as Mr. Cub, has been appointed to the CTA board. Like basketball star Oscar Robinson in Cincinnati, Banks (who operates a local Ford dealership and doubles as a TV commentator) was appointed to the Board seat by Illinois Governor Richard B. Ogilvie as a representative of the black community. The superstar is the first Negro to sit on the Board of a carrier that depends on the black community for a large segment of its revenues. Under the terms of the 1945 Metropolitan Transit Authority Act that created the CTA, appointments by the Governor to the Board (he may nominate a total of three to the seven-man body) must be approved by the Mayor of Chicago; such approval is expected. (The Mayor may name a total of four members, and his nominations must be approved by the Governor).

A READER COMMENTS -- Motor Coach Age editor Al Meier sends along these observations on items discussed in these columns in the past several issues:

"...the blurb about a 1 per cent increase in total passenger volume along PC's New York-Washington axis was not tempered by you or anyone else who ran it by the fact that Safeway Trails has been out on strike since April 1. Now Safeway has something like 175 buses, the bulk of which had been operated along this corridor at intervals (generally) of 30 minutes, with 15-minute headways north of Philadelphia at peak times and extra sections as required. Surely the absence of this form of relief for half of the 6-month period under discussion has had some beneficial effect on the PC riding. It has a great deal of effect on Greyhound, to be sure. Also admitted is the fact that any increase on the common trains of the PC is remarkable in itself, considering the difficulty that one has these days in (a) obtaining a seat in (b) a cool car with (c) lights to read by."

"The State of New Jersey will subsidize the Newark City Subway through the end of 1969. Operator PSCT had threatened to end service if financial assistance was not forthcoming' (Quote from TC 04 AUG 69). The Public Service operating contract expires 12/31/69 regardless of subsidy. The State subsidy program went into effect 7/2, to expire 7/1/70, and it requires that 25 per cent of the total subsidy payment be made by the county affected. Still necessary are (1) finding of money by Essex County, (2) statement by PS that it will agree to a 6-month contract extension, and (3) estimate by PS of subsidy required. Still true is the unarguable fact that PS is not really losing any money on the Newark Subway on any kind of an honest accounting basis, but simply desires to get rid of it because it's different. Private suggestions that the cost of PCC parts could be reduced by purchase of cars being scrapped elsewhere have always been sneered at in the past. There is no real wish to save operating costs or to keep the thing going, as far as PS is concerned."

"SEPTA's present trolley lines will definitely not get any new trolleys. Old ones are now being studied for possible renovation, and one is now being experimented with' (Quote from TC). Actually there are two in the shop, torn apart, on which nothing has been done at all since early March. This work is under the direction of the old PTC crowd, and the object is (says the SEPTA engineer) simply to find out how much it will cost to install plastic seats and formica interior panels, which will jazz up the 1948-era interiors while cutting vandalism. Neither of these cars will be air conditioned. Vapor has been in, and the estimate was \$8000 if SEPTA did the work. The limit on damage that will be repaired on these same cars today is \$1000; if collision damage goes over that figure, the car is scrapped. Clearly such seemingly pregnant possibilities as air-conditioning and MU equipment, at today's prices, are out of the question under the terms of the present management policy. This is not to say that a new decision might not be made, especially if the long-standing notion of extending trolley subway 36 to the Airport stays in the 'capital budget'."

LAST WORDS -- Back to the builder: 90 Long Island cars for replacement of parts (lights and air-conditioning) that have caused "poor performance". Also some MBTA/Boston new Pullman rapid transit cars that were damaged in a hump yard in Buffalo while enroute via PC....CTA will join the Exact Fare list November 1; a listing of such properties will be published in TC's next issue....Flixible will build 331 more new air-conditioned buses for New York City....The Lindenwold line expects to turn the profit corner this year. The DRPA route, by the way, was built entirely without Federal funds....Construction has begun on the first operating trolley coach museum line, on the property of the Illinois Railway Museum at Union. To be completed late this year or early next, the pioneer route will feature operation by preserved vehicles from Chicago, Milwaukee and Cleveland, the latter coach being CTS 874, TC's cover subject in May 1968....Akron now has a measure of bus service, the first since April 1.