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**REPORT TO THE SUBCOMMITTEE ON
TRANSPORTATION AND AERONAUTICS
COMMITTEE ON INTERSTATE AND
FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES**

RELEASED

**Railroad Reservation, Information
And Ticketing Services
Being Improved** B-175155

National Railroad Passenger
Corporation (AMTRAK)

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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AUG 22, 1973



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D C 20548

B-175155

The Honorable John Jarman, Chairman
Subcommittee on Transportation
and Aeronautics
Committee on Interstate and
Foreign Commerce
House of Representatives

Dear Mr. Chairman

As part of our review of the operations of the National Railroad Passenger Corporation (AMTRAK) pursuant to your request dated January 28, 1972, we reviewed AMTRAK's efforts to improve its reservation, information, and ticketing services.

Your office said that it would be helpful if we furnished you with information on segments of AMTRAK operations as our work on each segment was completed. This is the third in a series of such reports.

A copy of this report is being sent today to the Chairman, House Committee on Interstate and Foreign Commerce. Also, as agreed with your office, we will send copies to the Chairman, Subcommittee on Transportation, House Committee on Appropriations, the Director, Office of Management and Budget; the Secretary of Transportation, the Chairman, Interstate Commerce Commission; and the president of AMTRAK.

We do not plan to distribute this report further until you agree or publicly announce its contents.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James B. Argets".

Comptroller General
of the United States

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ABBREVIATIONS

AMTRAK	National Railroad Passenger Corporation
GAO	General Accounting Office

COMPTROLLER GENERAL'S REPORT
TO THE SUBCOMMITTEE ON
TRANSPORTATION AND AERONAUTICS
COMMITTEE ON INTERSTATE AND
FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES

RAILROAD RESERVATION, INFORMATION,
AND TICKETING SERVICES
BEING IMPROVED BY AMTRAK
National Railroad Passenger
Corporation (AMTRAK) B-175155

D I G E S T

WHY THE REVIEW WAS MADE

This is the third in a series of GAO reviews focusing on operations of AMTRAK (the National Railroad Passenger Corporation) considered critical to reestablishing satisfactory passenger rail service in the United States. The Subcommittee asked GAO to undertake this work.

Basic facts

AMTRAK, a private, for-profit corporation, was created to revitalize intercity passenger railroad service starting May 1, 1971.

Under contracts with AMTRAK, 13 railroads are required to provide all services requested by AMTRAK for operating the trains, including reservation, information, and ticketing services. Except in Chicago, where AMTRAK has used its own employees for reservation, information, and ticketing services since 1971, the railroad companies and employees provided these services until 1973 when AMTRAK took over the operation of the major reservation offices.

FINDINGS AND CONCLUSIONS

Passenger reaction to service

GAO interviewed 1,900 passengers concerning reservations on 340 train trips in June and July 1972. About

60 percent of these passengers commented on their difficulties in getting train information, making reservations, and obtaining tickets. They mentioned

- long delays in making telephone inquiries,
- long lines and slow service at ticket offices,
- incorrect information on fares, schedules, and accommodations,
- errors in seat and compartment assignments; and
- AMTRAK's inability to confirm reservations for the return portion of round trips. (See p 9.)

Weaknesses in service

At two of AMTRAK's major reservation offices (Chicago and New York), about 30 percent of customers' telephone calls during an 8-week period in the summer of 1972 were not completed because of insufficient telephone equipment and personnel. GAO found that obtaining reservations, information, or tickets, whether by telephone or in person, was slow. (See pp 10 to 12.)

Train passengers GAO interviewed stated, and GAO on its own found, that reservation and ticket agents frequently gave out incorrect information, both by telephone and in person,

regarding fares, sleeping accommodations, dining facilities, and departure times. Many agents did not know of AMTRAK's policies to accept major credit cards. (See p. 12.)

Many times the same seats or sleeping accommodations had been reserved for two or more customers. (See p. 13.)

GAO believes that reservation and ticket office personnel needed more training and that the offices needed more telephone equipment.

Poor telephone service at the Chicago reservation office, which controlled reservations for trains operating from Chicago, adversely affected the ability of other offices to serve customers requesting space on those trains. Many Los Angeles customers, for example, started train trips with only partially confirmed reservations because the Los Angeles office could not confirm reservations by telephone with the Chicago office. Also, the reservation staff was not promptly advised of changes in ticket policy, because of poor communication between AMTRAK's headquarters office and its Chicago reservation office. (See p. 13.)

Inability to meet reservation requests

Unserviceable cars frequently were removed from trains and cars with different capacities were substituted. Without prompt notification of such changes, reservation and ticket offices were uncertain of train capacities and sold space on the basis of the capacity of the smallest car. Therefore, during the summer of 1972, many AMTRAK trains operated with some vacant coach or sleeping spaces

although there had been many requests for those accommodations. (See pp. 14 and 15.)

Also, space was underused because of no-shows. Reservation offices did not enforce AMTRAK's reservation cancellation policy. During a 6-week period in the summer of 1972, the no-show rate was 27 percent at Chicago. (See pp. 15 and 16.)

During July and August 1972, AMTRAK headquarters was unable to provide a majority of the extra cars requested by reservation offices to meet increased customer demand and did not promptly notify them whether they would receive the cars. AMTRAK headquarters received requests for about 1,360 extra cars during that period, but provided only 571 cars, or 42 percent. It denied requests for 87 cars and took no action on requests for 702 cars. The reservation offices were notified less than 24 hours before departure of about one-fourth of the extra cars they would receive.

These situations existed because AMTRAK's car inventory control system did not provide prompt and accurate data on car locations. (See pp. 16 and 17.)

Improvements being made

By July 1973 the staffs of the major reservation offices had been transferred from the railroads' employment to that of AMTRAK. AMTRAK plans to have a new, systemwide automated reservation service in operation by the end of 1974. (See pp. 18 and 19.)

To alleviate the problems experienced in 1972, AMTRAK also increased the staffs of, and added telephone and other communication equipment at, the

Chicago and Los Angeles reservation offices, trained the staffs of the major reservation offices, and issued new operating instructions. (See pp. 19 and 20.)

To eliminate the reservation offices' uncertainty about train capacities, AMTRAK has assigned fixed train consists (predetermined numbers and types of cars) for the period of peak demand--June 10 through September 10, 1973. It also has assigned backup cars having the same capacities as those of the cars normally assigned to the trains. AMTRAK stated that a large number of cars out of service would reduce the effectiveness of the changes. (See p. 20.)

AMTRAK has taken over the control, distribution, and assignment of cars from the railroads to provide faster and more accurate response to reservation offices' requests for replacement or extra cars. (See p. 20.)

To overcome the effects of no-shows on its operations, AMTRAK began overselling available space on the basis of its experience that some reservations would not be used and

enforcing its policy for canceling reservations. (See p. 20.)

AGENCY COMMENTS AND UNRESOLVED ISSUES

GAO proposed that AMTRAK monitor the effectiveness of its improvement measures and, if warranted, consider emergency measures to prevent repetition of the unsatisfactory conditions of 1972.

AMTRAK stated it currently had a monitoring program which showed that certain offices still had staffing problems affecting their telephone service.

AMTRAK said that it believed that its present system would provide a superior level of service in 1973 and expected that many of the problems experienced in 1972 would be eliminated. However, AMTRAK does not expect to achieve the full benefits contemplated by the new system until it is completely operational late in 1974. (See p. 21.)

The Department of Transportation called GAO's attention to the subsequent improvements made by AMTRAK, and the Interstate Commerce Commission stated that it did not disagree with GAO's conclusions or proposals. (See p. 22.)

CHAPTER 1

INTRODUCTION

At the request of the Chairman, Subcommittee on Transportation and Aeronautics, House Committee on Interstate and Foreign Commerce, we reviewed the operations of the National Railroad Passenger Corporation (AMTRAK). The request was endorsed by the Chairman of the full Committee. This report, the third in a series, deals with AMTRAK's reservation, information, and ticketing services. We previously reported on AMTRAK's train scheduling and operations (B-175155, Feb 22, 1973) and on its need to improve train conditions through better repair and maintenance (B-175155, June 21, 1973).

ESTABLISHMENT OF AMTRAK

AMTRAK was created by the Rail Passenger Service Act of 1970 (45 U.S.C. 501) as a private, for-profit corporation to operate and revitalize intercity passenger service in the United States. The law requires that AMTRAK, in providing modern, efficient, intercity rail passenger service, employ innovative operating and marketing concepts so as to fully develop the potential of modern rail service in meeting the Nation's intercity passenger transportation requirements.

AMTRAK began service on May 1, 1971, on 21 domestic routes constituting its basic system. After May 1, 1971, five more domestic routes--two experimental routes, two routes to Canada, and one route to Mexico--were added to the system.

The legislative history of AMTRAK indicates that the Congress believed that the Nation's deteriorating rail passenger service would benefit from a single management interested only in passenger service.

The report of the House Committee on Interstate and Foreign Commerce (H. Rept. 91-1580) on the original legislation stated that, after reducing then-existing service

"The remaining service must be organized into a cohesive system requiring a management which takes into consideration the needs and abilities of the entire system which will be a replacement for the diverse managements of the present unintegrated and in many instances unwanted (by management) passenger service."

The new system, according to the Committee, was expected to immediately improve such areas as reservation and ticketing services

CONTRACTS WITH RAILROADS

AMTRAK has contracts with 13⁽¹⁾ railroads for operating passenger trains. Under the contracts, the railroads must provide all services AMTRAK requests for operating intercity rail passenger service, including reservation, information, and ticketing services. A consultant employed by AMTRAK reported in May 1971 that the railroads had different reservation policies and procedures and used different equipment and, as a result, provided services which were neither uniform nor of high quality. The report cited major weaknesses in handling customer telephone calls, fully using train capacities, communicating between offices, and providing ticket services.

Except for an automated reservation system used for the metroliner trains, the reservation systems at the time of AMTRAK's takeover were basically manual-type operations. By mid-1972 AMTRAK had made several improvements in the reservation system. At Chicago, AMTRAK consolidated seven railroad-operated manual reservation and ticketing systems into one semiautomated system using AMTRAK employees rather than railroad employees. In addition, AMTRAK issued various policies and procedures for such matters as time limits for ticket purchases, fare refunds, allocations of space to down-line stations, and use of credit cards for paying fares.

Before AMTRAK took over the rail passenger service, railroad agents and clerks quoted information from many tariffs and timetables and the railroads used many varieties of tickets. In November 1971 AMTRAK introduced a timetable to be used throughout the system and a standard ticket, resembling an airline ticket, to be used throughout much of the system. In January 1972 AMTRAK issued a single tariff which replaced over 100 railroad-issued tariffs and consolidated, standardized, or eliminated various railroad rules and regulations.

¹Originally there were 14 railroads. The Illinois Central Railroad and the Gulf Mobile and Ohio Railroad merged in August 1972.

Reservation, ticketing, and information services

AMTRAK's reservation, information, and ticketing services in the summer of 1972 were provided by 35 reservation offices and about 500 ticket offices which daily handled from 60,000 to 80,000 telephone calls and issued from 36,000 to 40,000 tickets. Except for the two offices in Chicago staffed by AMTRAK employees, reservation and ticket offices were staffed by railroad employees over whom AMTRAK had no direct control. At these offices AMTRAK had to rely on the railroads to carry out its reservation and ticketing policies and procedures. In 1972 three different systems were in use.

Manual system

A manual system handled ticket service for 105 trains and reservation service for 67 additional trains. This system, used for all AMTRAK trains except those operating from Chicago and the metroliner trains, used individual diagrams--similar to floor plans--to control reservations for each car.

The procedures for recording and accounting for reservations under the manual system were cumbersome because of the effort involved in searching for the appropriate car diagrams, scanning them for available space, and recording the places of origin and destination for the reservations. Because the office controlling the reservations kept the diagrams, any reservation requests from other reservation offices had to be teletyped or telephoned to the controlling office. This system was slow and prone to clerical error.

Semiautomated system

A semiautomated system, called an Automated Diagram Retrieval System, handled ticket and reservation service for 16 trains operating from Chicago. This system, installed by AMTRAK in 1971, was similar to the manual system in that reservations were controlled through the use of car diagrams. Employees could check the availability of space by scanning video displays showing car diagrams and could record reservations by entering passenger data on keyboards which electronically recorded it on the appropriate diagram. The system was intended to provide reservation service faster than the manual system, but individual car diagrams could be used by only one employee at a time. The automated system did not

provide schedule information, fare information, or automatic-ticketing service

Automated system

Ticket and reservation services for 26 metroliner trains were handled by an automated system called the Ticketron Computerized Reservation and Ticketing System. Under this system, unlike the other two AMTRAK systems, reservation information for metroliner trains was available simultaneously to reservation offices between Boston and Washington, D.C. The system printed and issued tickets and provided various financial and statistical reports. An AMTRAK report stated, however, that the system could not be expanded and could handle only two types of fares and accommodations for the 26 metroliner trains. Reservations for other trains operating on the same routes as the metroliner trains were handled manually.

CHAPTER 2

WEAKNESSES IN RESERVATION, INFORMATION AND TICKETING SERVICES

UNFAVORABLE PASSENGER REACTIONS

We interviewed 1,893 passengers concerning reservations on 340 train trips we made in June and July 1972. About 60 percent of these passengers commented on their difficulties in getting train information, making reservations, and obtaining tickets. Passengers were critical of (1) long delays in making telephone inquiries, (2) long lines and slow service at ticket offices, (3) poor attitude of ticket agents, (4) incorrect information on fares, schedules, and accommodations, (5) errors in seat and compartment assignments, and (6) AMTRAK's inability to confirm reservations for the return portion of round trips. We observed or encountered most of these same difficulties in obtaining reservations and tickets for our 340 trips.

An independent study of passenger reaction to AMTRAK services in the Pacific Northwest, made between June 1971 and June 1972 by a faculty member of the University of Idaho, also indicated that the weaknesses in the reservation system were a major irritant to passengers. The study report stated that

"* * * reservation problems have become the most serious source of difficulty (facing passengers) since late spring 1972. Whereas only about one person in eight previously experienced significant difficulty in obtaining reservations, the proportion had reached nearly one out of three by June 1972."

* * * * *

"Unquestionably much business has been lost because people have not been able to obtain responses within reasonable time periods to their requests for reservations. Many of these frustrated people are not likely to try again in the future."

Between May and August 1972, AMTRAK passenger service representatives distributed about 20,000 questionnaires to passengers on AMTRAK trains operating from Boston, New York, Washington, Chicago, and Los Angeles, to obtain passenger views on AMTRAK's service.

The questionnaire, specifically designed to elicit positive responses on various services, asked the passenger to complete the following sentence regarding reservations. "When I made by reservations, I was most impressed by * * *." Rather than making the positive responses expected, more than 50 percent of the approximately 2,000 passengers who answered the questionnaire responded negatively. The survey report stated that many of the responses "approached hostility" and concluded that the large number of negative responses indicated extensive passenger dissatisfaction with AMTRAK reservation services.

DIFFICULTIES IN OBTAINING RESERVATIONS, INFORMATION, AND TICKETS

Slow service

In June and July 1972, we telephoned and/or visited 24 AMTRAK reservation and ticket offices and 1 travel agency to obtain information, make reservations, and/or obtain tickets. For 119 transactions completed by telephone with 22 AMTRAK offices, it took us an average 20 minutes to obtain information and/or make reservations. For two transactions, it took us about 4 hours to complete calls. For several transactions, we could not complete our calls, although we made many attempts, and we had to make our trip arrangements by personal visits to the reservation or ticket offices.

The following table shows the time required to obtain service from the AMTRAK offices for the 119 telephone transactions.

<u>Office</u>	<u>Number of transactions</u>	<u>Average number of minutes</u>	
		<u>To obtain response</u>	<u>To complete transaction</u>
Chicago--AMTRAK reservation office	20	33	44
Chicago--AMTRAK ticket office	9	33	43
New York-- Pennsylvania Station	5	14	21
New Orleans	9	12	18
Washington, D C.-- Union Station	14	7	14
17 other offices	<u>62</u>	5	10
	<u>119</u>	13	20

Some of the transactions involved a series of attempts to reach an AMTRAK office by telephone. For example, on June 6, 1972, a GAO representative spent 4-1/2 hours making 13 attempts to call the Chicago reservation office before his call was answered and placed on "hold." An agent responded, after a 5-minute delay, and took 15 minutes to provide information on, and make reservations for, a trip from Chicago to Seattle. AMTRAK's goal is to have its agents provide information and make reservations within 4 minutes.

The difficulty of obtaining AMTRAK train information by telephone also is shown by AMTRAK's record of the daily number of telephone calls received and not completed (caller hung up before agent responded) at three of its major reservation offices between June 11 and August 5, 1972.

<u>Reservation office</u>	<u>Average daily number of calls received</u>	<u>Calls not completed</u>	
		<u>Number</u>	<u>Percent</u>
New York	14,007	3,878	28
Chicago	4,808	1,547	32
Los Angeles	<u>1,812</u>	<u>179</u>	10
Total	<u>20,627</u>	<u>5,604</u>	27

These statistics show that during that 8-week period potential customers in Chicago and New York had about a 70-percent chance of completing their calls. AMTRAK officials told us that, in addition, some telephone calls from the public were unanswered calls which were not recorded by the AMTRAK offices. This situation was partly attributable to insufficient telephone equipment and personnel at these offices.

Not all unanswered calls to reservation offices necessarily represent lost business. Some callers could have been only seeking information or could have successfully transacted their business later by telephone or in person

In 128 visits to AMTRAK offices, we found that it took about 16 minutes to obtain information, reservations, and/or tickets. Twice our representatives stood in line 1-1/2 hours before being waited on by ticket agents. Service was slow--averaging 30 minutes--at AMTRAK's Chicago offices.

Incorrect information

Reservation and ticket agents often gave us incorrect information, both by telephone and in person, on fares, sleeping accommodations, dining facilities, and departure times. Also AMTRAK's policy was to accept all major credit cards and rail travel cards, but about 90 percent of the 207 agents we contacted did not know of this policy.

This situation was attributable to the agents' limited training and to AMTRAK headquarters' failure to promptly notify reservation and ticket offices of policy changes.

At the end of May 1972, the Chicago reservation office had 66 reservation agents to handle telephone calls and was not prepared to handle the large volume of calls expected during the 1972 summer season. Although 45 additional reservation agents were hired during June and July 1972, these new agents, according to the general supervisor of the Chicago office, did not materially improve the telephone service because they were inexperienced.

Duplicate reservation and ticket sales

Clerical errors by reservation or ticket offices in recording the types of accommodations or in recording reserved spaces resulted in tickets for the same space being sold to two or more customers during the summer of 1972.

The AMTRAK Chicago and Los Angeles reservation offices did not keep records of the extent of duplicate sales. Personnel in those offices and conductors on the trains we rode told us that they considered duplicate sales to be a major problem. On 44 occasions during June and July 1972, passengers we interviewed reported, or our representatives found, that the same seats or sleeping accommodations had been reserved for two or more customers.

Communication problems

The poor telephone service at the Chicago reservation office adversely affected the service of other reservation and ticket offices, because the Chicago office controlled all reservations (except for those made by downline stations) on trains operating from Chicago. Other offices, in handling reservations on these trains, had to telephone or teletype the Chicago office. Officials of the Los Angeles ticket office told us that, because its agents knew of the telephone situation in Chicago and did not attempt to call the Chicago office to make reservations, many customers had to start their trips to the east with only partially confirmed reservations.

Poor communication between the AMTRAK headquarters office and the Chicago reservation office was a frequent source of complaints by Chicago officials and sometimes resulted in the public's being provided with inaccurate information. For example, AMTRAK headquarters did not notify the Chicago office of a policy change concerning the acceptance of credit cards and rail travel cards until 8 days after the change went into effect, although some other offices had known of the change several months ahead.

INABILITY TO MEET RESERVATION REQUESTS

During the summer of 1972, many AMTRAK trains operated with some vacant coach or sleeping spaces, although there had been many requests for those accommodations. This occurred primarily because AMTRAK reservation and ticketing offices were uncertain about train capacities and therefore undersold space and because the rate of no-shows was high. AMTRAK also was unable to provide a majority of the extra cars requested by reservation offices and to promptly notify them whether they would receive the cars.

The full impact of AMTRAK's inability to fill requests for reservations is not known, but we noted that AMTRAK offices in Chicago, Kansas City, Los Angeles, New Orleans, New York, and Seattle had waiting lists at various times during the summer. During a 3-week period in June 1972, for example, the Chicago and Los Angeles reservation offices were unable to fill about 6,300 and 1,300 requests, respectively, for reservations.

Car reassignments caused uncertainty as to train capacities

In our June 1973 report on AMTRAK's need to improve train conditions through better repair and maintenance, we pointed out that, during the 9-month period ended September 30, 1972, about one-third of AMTRAK's cars were out of service because they needed maintenance, repair, or refurbishment. This condition resulted in frequent changes in car assignments, some on the day of departure, which caused uncertainty as to a train's capacity. Because the cars vary widely in size--coaches can contain from 26 to 86 seats--reservation offices could not accurately anticipate the seats available for sale,

Our analysis of car assignments for six trains operating daily from Chicago during August 1972 showed that the composition of three trains was changed on 16 or more days, two trains on 5 days, and one train on 6 days. The composition of a triweekly train was changed on 12 of the 13 days it operated in August. For some changes, the Chicago reservation office either was not notified or was notified on the day of departure. An official of the office told us that, because of the frequent changes, the office usually sold only

the number of coach seats available on the smallest car. As a result, about 330 coach seats on 3 of the 7 trains operating out of Chicago during August 1972 were unsold at departure.

Similarly, sleeping spaces were undersold on trains operating from Chicago during August 1972. For example, train No. 19 operating between Chicago and Los Angeles was assigned a slumber coach accommodating 40 persons. On 13 days during the month, a smaller car, accommodating 22 persons, was substituted for the slumber coach. Because of uncertainty about the number of spaces that would be available from day to day, the Chicago reservation office sold space for only 22 persons for all days of the month although on 18 days the car could have accommodated 40 persons. For example, we noted that, during 1 week in August, the reservation office had waiting lists for sleeping accommodations on 2 days when the larger car had been used.

Space also was undersold on trains operating from Los Angeles to Oakland, California, Seattle, and New Orleans during July 1972, because the Los Angeles reservation office was unsure of the capacities of coach cars--which ranged from 38 to 56 seats--assigned to these trains. The reservation office reserved 40 to 44 seats in each coach, whereas the actual seating capacity of many coaches was higher. For example, we found that, for 13 trips made by train No. 2--operating between Los Angeles and New Orleans--during the month of July 1972, about 500 coach seats were unsold at departure. For all but one of these trips, the Los Angeles reservation office had waiting lists for coach seats.

Inadequate control over no-shows

In the summer of 1972, no-shows were a major factor in the undersale of train space. AMTRAK did not regularly collect statistics on the number of no-shows, but a special report prepared by the Chicago reservation office on seven trains departing from Chicago during the week of August 7, 1972, brought out that the rate of no-shows was about 12 percent overall and was as high as 31 percent for sleeping accommodations on several trains. Our review of the records for 653 reservations made at Chicago between July 1 and August 13, 1972, showed a no-show rate of about 27 percent

AMTRAK's policy is to cancel a reservation if a ticket is not purchased within a prescribed number of days. For example, if a passenger makes a reservation 2 or 3 days before departure, he must purchase a ticket at least 1 day before departure or AMTRAK is to cancel the reservation.

The reservation and ticket offices did not always follow this policy. Our representatives noted that reservation agents usually did not inform customers that reservations would be canceled if the customers did not purchase tickets within the prescribed period. Also the reservation and ticket offices did not enforce the reservation cancellation policy. Between July 1 and August 13, 1972, AMTRAK's Chicago Union Station office let 630 of 653 reservations remain in effect even though the period for purchasing tickets had expired.

AMTRAK's policy is to penalize ticket purchasers who fail to cancel unused reservations within prescribed time limits. For a sleeper accommodation, a penalty may be assessed against the ticket purchaser if the unused reservation is not canceled at least 24 hours before departure. Our review of practices at Chicago and Los Angeles showed that this penalty usually was not assessed. The Chicago reservation office occasionally assessed a penalty, but the ticket office did not. Chicago reservation office officials told us that they questioned the fairness of assessing penalties and therefore did not stress compliance with the penalty provision.

Inability to provide extra cars requested by reservation offices

When faced with requests for accommodations exceeding the capacity of scheduled trains, reservation offices requested extra cars--coaches and sleepers--from AMTRAK headquarters. In July and August 1972, AMTRAK headquarters was unable to provide a majority of the cars requested by the reservation offices and did not promptly notify them whether they would receive the cars.

AMTRAK headquarters received requests for about 1,360 extra cars during that period, but it provided only 571 cars, or 42 percent. It denied requests for 87 cars, or 6 percent, and took no action on requests for 702 cars, or 52 percent

The reservation offices were notified less than 24 hours before departure of about one-fourth of the extra cars they would receive.

AMTRAK headquarters officials told us that AMTRAK did not promptly respond to many requests for extra cars because it tried to obtain the needed cars right up to departure time. However, because the reservation offices were uncertain about whether they would receive the cars, they were unable to advise customers as to space availability.

The reservation offices receiving requested cars sometimes did not have adequate time to sell the additional space because of AMTRAK headquarters' failure to promptly inform them. Headquarters officials told us that new procedures being developed would enable them to notify reservation offices about requested extra cars within 72 hours.

Headquarters officials also told us that they had not been able to fill all the requests for additional cars because of the severe shortage of cars that existed during the summer of 1972. However, headquarters denied some requests for extra cars at some locations where unused serviceable cars were available. For example, headquarters denied a request from the Chicago reservation office for a sleeper car to be added to a train leaving on August 8, 1972, although there were 15 unused, serviceable sleeper cars in the Chicago yard on the day of departure.

We believe that situations of this type existed because AMTRAK did not directly control the distribution and assignment of cars--which was handled by the individual railroads--and because AMTRAK's car inventory control system--which relied on information supplied from the railroads once car assignments had been made--was unable to provide prompt and accurate data on car locations.

CHAPTER 3

IMPROVEMENTS IN AMTRAK'S SERVICE

After our review, AMTRAK made several improvements and initiated others to correct the weaknesses we noted and to provide more satisfactory service to the public.

AUTOMATED SYSTEM

AMTRAK is installing an automated reservation and ticketing system to replace the three systems used in 1972. (See pp. 7 and 8.) The new system is designed to provide AMTRAK reservation and ticket agents with information on schedules, available reserved seats and other accommodations, and fares for all trains. The new system, which AMTRAK estimates will cost about \$7 million to install, is to include

- Two computers at the Washington, D.C, headquarters.
- Five regional reservation centers at Chicago, Jacksonville, Los Angeles, New York; and Bensalem, Pennsylvania (near Philadelphia). The centers will serve the public 24 hours a day, 7 days a week, via toll-free telephones.
- Visual displays for agents at large- and medium-sized stations, which will allow them to check schedules, fares, space availability, and passenger-name records.
- High-speed ticket printers.
- Low-speed management data printers.

The system initially will operate in the eastern section of the Nation. The Bensalem reservation center began operating on April 15, 1973. The New York center is to begin operating in August 1973; the Jacksonville center in October 1973, the Los Angeles center in March 1974, and the Chicago center in November 1974.

Since the system will include a single data base for fares, types of accommodations, and schedules and will be accessible to more than 1,000 reservation and ticket agents, AMTRAK should be able to provide the public with quicker and

more accurate service. Also, because major reservation and ticket offices are to have direct access to the centralized data, these offices should be able to make complete reservations for customers without having to telephone another office.

AMTRAK officials told us that one of the reasons needed spaces had remained unsold during the summer of 1972 was the lack of an effective procedure for downline stations to promptly release unsold spaces assigned to them. They said that the accessibility to a single data base under the new system would eliminate the need to assign train space to downline stations.

TAKEOVER OF RESERVATION OFFICE STAFFS

By July 1973 the staffs of the reservation offices in Bensalem, Jacksonville, Los Angeles, New York, San Francisco, and Seattle had been transferred from the railroads' employment to that of AMTRAK. These offices, together with the Chicago office which AMTRAK personnel have been operating since 1971, account for about 90 percent of AMTRAK's business. By placing the staffs of the major reservation offices under its direct control, AMTRAK expects that these offices will provide improved services.

OTHER MEASURES TO IMPROVE RESERVATION SERVICES

AMTRAK took a number of temporary and permanent measures to alleviate the reservation and ticketing problems experienced in the summer of 1972. In 1973 AMTRAK hired 17 temporary employees and added 18 telephones in the Chicago reservation office. Also the Chicago office was tied in to the automated reservation system at Bensalem, which simplified the reservation process for trains operating from the east coast. At Los Angeles, the reservation staff was increased from 36 to 47 employees for the summer of 1973 and the office was tied in to the reservation system used in Chicago, which enabled it to directly handle reservations for trains operating from Chicago.

Employees were trained to use the reservation systems at seven reservation offices (including Chicago, Los Angeles, and New York) after the summer of 1972, a new manual setting forth reservation policies and uniform operating procedures was issued in April 1973 to all reservation and ticket

office personnel, and procedures for disseminating policy and procedural changes to the staff were revised. AMTRAK hopes that these actions will enable it to provide faster and more accurate telephone service, however, with an expected 20-percent increase in telephone calls and with the limits of the semiautomated and manual reservation systems at Chicago and Los Angeles, significant improvement in the telephone service may not be realized until the automated reservation system is installed.

Car assignments

AMTRAK believes that the automated system will permit AMTRAK headquarters to promptly advise reservation and ticket offices of the cars and car capacities assigned to trains. Pending installation of the automated system, AMTRAK has assigned fixed train consists (predetermined numbers and types of cars) for the period of peak demand--June 10 through September 10, 1973--and has assigned backup cars having the same capacities as those of the cars normally assigned to the trains. These actions should eliminate the reservation offices' uncertainty as to train capacities, however, a headquarters official stated that a large number of cars out of service would reduce the effectiveness of the changes.

AMTRAK is taking over the control, distribution, and assignment of cars from the railroads to improve AMTRAK headquarters' ability to keep train consists stable and to be able to respond to reservation offices' requests for replacement or extra cars. An AMTRAK headquarters official stated, however, that improved car assignments would depend on AMTRAK's ability to accurately and promptly communicate changes in assignments to AMTRAK's reservation control center so that the center can communicate the changes to reservation offices and can respond to requests for extra cars in a reasonable period.

Control of no-shows

In April 1973, to overcome the effects of no-shows on its operations, AMTRAK began overselling available space on the basis of its experience that some reservations would not be used. It also began confirming, by telephone, first-class reservations 72 hours in advance of train departures. In June 1973 it began monitoring reservation agents' activities, to insure that policies for canceling reservations

were being enforced. It established check-in procedures at various east coast stations in May 1973 which are to be extended to other stations and trains by the end of 1973. These procedures are to provide data on the number of no-shows and to help eliminate onboard problems caused by duplicate sales.

PROPOSAL TO THE PRESIDENT OF AMTRAK
AND AMTRAK COMMENTS

We proposed that the president of AMTRAK monitor the effectiveness of its improvement measures and, if warranted, consider emergency measures to prevent repetition of the unsatisfactory conditions of 1972.

In commenting on our proposal AMTRAK said (see app. I) that during the past 2 years it had two parallel programs in progress--one to provide the best possible service within the existing system's capability and technology and the other to plan for a future system that would satisfy the immediate public need and provide the capacity to fulfill projected needs.

AMTRAK advised us that it currently had a monitoring program to measure the effectiveness of services in the major reservation offices at Bensalem, Chicago, Jacksonville, Los Angeles, San Francisco, and Seattle. AMTRAK also informed us that additional procedures had been established for determining the effectiveness of other improvement measures taken to alleviate the problems associated with uncertainty about trains' capacities and no-shows. AMTRAK said that its monitoring program had shown that certain offices could not adequately handle all telephone calls because of insufficient or inexperienced employees and because of employee turnover and that corrective action was being taken.

AMTRAK said that it had considered our proposal to establish emergency measures to prevent repeating the deficiencies noted in the summer of 1972 but that it believed that the present system would provide a superior level of service in 1973 compared to that in 1972 and expected that many of the problems experienced in 1972 would be eliminated. However, it does not expect to achieve the full benefits contemplated by the new system until it is completely operational late in 1974.

COMMENTS BY DEPARTMENT OF TRANSPORTATION

The Department's comments, which also included a reply from its Federal Railroad Administration (see app. II), were addressed primarily to the extensive change and development which AMTRAK's reservation, information, and ticketing services had undergone since we began our review. The Department suggested that we fully discuss these changes and developments.

We have included our comments on the improvements made or planned by AMTRAK during 1973 and have recognized that AMTRAK has established a system to monitor the effectiveness of its improvement measures.

COMMENTS BY INTERSTATE COMMERCE COMMISSION

The Commission stated (see app. III) that it did not disagree with our conclusions or proposals.

CHAPTER 4

SCOPE OF REVIEW

We made our review at AMTRAK's headquarters in Washington, D.C., and at AMTRAK's major reservation offices in Chicago, Los Angeles, and New York.

We reviewed pertinent legislation and AMTRAK's policies, procedures, and practices for reservation, information, and ticketing services. We examined selected reports, records, and files at headquarters and at the three reservation offices. By telephone calls and personal visits, we made limited reviews of the services provided at 21 other reservation and ticket offices. We obtained the views of AMTRAK officials and comments from 1,893 passengers, whom we interviewed on 340 train trips we took during June and July 1972, concerning AMTRAK's reservation, information, and ticketing services.

June 22, 1973

Mr. Richard W. Kelley
Assistant Director
Resources & Economic Development Division
The United States General Accounting Office
400 - 7th Street, S.W
Washington, D.C.

Dear Mr. Kelley:

This will acknowledge your letter of May 18, 1973 transmitting draft copies of a proposed report covering Improvements Needed in Reservation, Information and Ticketing Service.

We met with you and your representatives on June 1 to comment on the proposed draft report. As a result of this meeting on June 14 we received certain revisions to the draft report.

Your report has emphasized the importance of an effective system to provide the vital links by which AMTRAK's services are made available to the public. Recognizing this responsibility AMTRAK during the past two years has had two parallel programs in progress (a) a system that provides the best possible service within the framework of the existing system capabilities and technology already in place; and (b) plans for a system for the future that would satisfy the immediate public need, serve the public anywhere in the United States and provide the capacity to fulfill projected future requirements.

As indicated in your report the introduction of a wholly new AMTRAK reservation, information, communication and ticketing system was established in April 1973 which will initially cover the northeast corridor between Washington and Boston and by the end of 1974 it will serve AMTRAK passengers on a system-wide basis.

We agree with your specific recommendation to establish a monitoring program to evaluate the effectiveness of measures taken to improve the reservation and ticketing operations in 1973. We now have an evaluation program in use and it is in effect at all major reservation offices serving the regions covered by the Bensalem, Chicago, Jacksonville, Los Angeles, New York, San Francisco and Seattle reservations offices. This monitoring program produces a daily report on each reservation office providing information on the number of calls offered, answered, lost and number of wire

APPENDIX I

messages received, answered and awaiting processing which cover inquiries and requests for service. Such daily reports together with weekly reports from other primary station offices provide the means for corrective action.

The total capacity to handle requests and inquiries at the seven major reservation and information offices is based upon anticipated revenue increases. Presently calls are being received at greater rates than expected. Our evaluation program indicates that at certain offices calls are being lost due to insufficient personnel, employee turnover and inexperience. For this reason, and with volume increases expected for summer vacation demand, additional personnel will be required at those offices. Action has been taken to add trained personnel where needed.

Your recommendation also suggests that we establish emergency measures, if warranted, to prevent the problems encountered in 1972. We have considered this and believe that our present system will provide a superior level of service when compared to last year and expect that many of the problems experienced in 1972 will be eliminated. However, we do not expect to achieve the full benefits contemplated by the new system until it is completely operational beginning in late 1974.

Since the summer of 1972, we have taken significant steps to improve the supply of cars through the overhaul and refurbishment program. In addition, we have taken steps to expedite the repair of bad order cars by concentrating on common problems that would release the highest number of cars for operating use. We have established priorities for the replacement of wheels and trucks and the repair of air conditioners. We have established material coordinators to eliminate bad order cars due to material delays by expediting delivery from other supply points in the AMTRAK inventory system. These and other efforts, together with tighter control of all unused cars through the nationwide car distribution center, will provide greater reliability of available equipment required for consists scheduled for sale by reservation personnel.

We feel that the establishment of fixed consists, the reductions in out-of-service equipment, the establishment of a nationwide car distribution center, the addition of reservation, information and ticketing personnel and equipment with a program to measure their performance will provide a significant improvement in service over 1972 recognizing an overall expected increase of 20% in volume.

We are very much aware of the revenue potentials and the customer-relations aspects of an effective reservation, information and ticketing system. This area will continue to receive our full attention in providing a high standard of service to the passenger.

Respectfully submitted,



Roger Lewis
President



OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D C 20590

ASSISTANT SECRETARY
FOR ADMINISTRATION

June 19, 1973

Mr. Richard W Kelley
Associate Director, RED DIVISION
United States General Accounting
Office
400 7th Street, S W.
Washington, D. C. 20590

Dear Mr Kelley

This is in response to your letter of May 18, 1973, requesting the Department of Transportation's comments on the GAO draft report on reservation, information, and ticketing service of National Railroad Passenger Corporation (AMTRAK) AMTRAK's reservation, information, and ticketing service has undergone extensive change and development since the inception of the GAO review

[See GAO note, p. 30.]

A copy of the Federal Railroad Administration's reply is enclosed

Sincerely,

A handwritten signature in cursive script, appearing to read "William S. Heffelfinger".

William S. Heffelfinger

Enclosure

Department of Transportation's comments on the GAO Report entitled "Improvements Needed in Reservation, Information, and Ticketing Service."

SUMMARY OF GAO FINDINGS AND RECOMMENDATIONS

The GAO Report reviews the deficiencies of the reservation, ticketing and information systems operated by the National Railroad Passenger Corporation (Amtrak). The Report is based on the results of 340 inspection trips by the GAO and 1,900 passenger interviews over a two-month period during the summer of 1972. The draft report concluded that the reservation, ticketing and information systems were inadequate in that they were not able to provide passengers with "reasonable fast and accurate service." In order to improve the performance of these vital functions so as to properly serve customers and to achieve better utilization of Amtrak's passenger car fleet, the draft report recommends that Amtrak take affirmative action to improve the necessary systems and procedures.

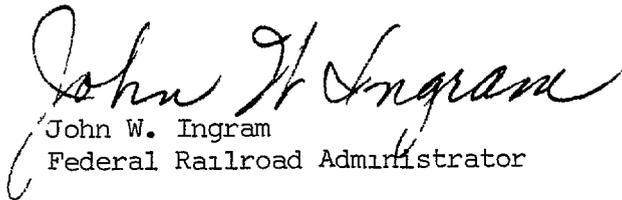
[See GAO note, p. 30.]

POSITION STATEMENT

The Federal Railroad Administration has reviewed the draft report and notes that it was apparently developed pursuant to the Congressional mandate contained in section 805 of the Rail Passenger Service Act of 1970. The report is an independent evaluation of the Amtrak program and our comments are accordingly limited.

[See GAO note.]

It might be appropriate to discuss some of the corrective actions Amtrak has already taken. The development of the reservation, ticketing and information systems is discussed in the Department's Report to Congress dated March 15, 1973, a copy of which is included for information.


John W. Ingram
Federal Railroad Administrator

GAO note The deleted comments relate to matters discussed in draft report which either were revised or omitted in final report

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE CHAIRMAN

June 5, 1973

Mr Robert Peterson, Assistant Director
General Government Division
United States General Accounting Office
441 G Street, N W.
Washington, D. C. 20548

Dear Mr Peterson

Your letter of May 18, 1973 requested comments on the draft report covering improvements needed in reservations, information and ticketing service of the National Railroad Passenger Corporation (Amtrak).

We have reviewed the report and have no disagreement with its conclusions and recommendations.

We appreciate the opportunity to review this report prior to its release. If we may be of further assistance, please advise.

Sincerely yours,


W. Donald Brewer
Acting Chairman