

104TH CONGRESS
1ST SESSION

S. 1318

[Report No. 104–157]

To reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 12 (legislative day, OCTOBER 10), 1995

Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, reported the following original bill; which was read twice and placed on the calendar

OCTOBER 19 (legislative day, OCTOBER 18), 1995

Ordered referred to the Committee on Finance solely for the consideration of title X, for a period not to exceed 15 calendar days to report or discharge

A BILL

To reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Amtrak and Local Rail
5 Revitalization Act of 1995”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

1 (1) intercity rail passenger service is an essen-
2 tial component of a national intermodal passenger
3 transportation system, and the National Railroad
4 Passenger Corporation (Amtrak) must provide a
5 quality transportation product in the form of clean,
6 comfortable, and on-time service to achieve its full
7 potential;

8 (2) Amtrak has been forced to significantly cut
9 back its basic system due to cash shortages, and fur-
10 ther cutback may be required unless Amtrak is able
11 to reduce its costs and increase its revenues;

12 (3) to ensure Amtrak's long-term viability as a
13 provider of intercity rail passenger service, all of
14 Amtrak's stakeholders must participate in efforts to
15 reduce Amtrak's costs and increase its revenues;

16 (4) additional management flexibility is needed
17 to allow Amtrak to operate in a businesslike manner
18 in order to adjust quickly to meet demand and
19 changing customer needs;

20 (5) Amtrak's management and employees are
21 dedicated to providing the high-quality service that
22 Amtrak's customers deserve but additional capital
23 investment is needed to acquire the modern equip-
24 ment and efficient facilities that are essential to sat-

1 isfy the demand for superior intercity rail passenger
2 service;

3 (6) adequate levels of capital investment from
4 the Federal Government and State governments and
5 innovative partnerships with the private sector will
6 enable Amtrak to provide the world class service
7 American rail passengers deserve and will help re-
8 duce operating costs in the long term;

9 (7) Amtrak's management should be held ac-
10 countable to ensure that all capital investment by
11 the Federal Government and State governments is
12 used effectively to improve the quality of service and
13 the long-term financial health of Amtrak;

14 (8) Amtrak's employees should share equitably
15 in the burden of restoring Amtrak to financial
16 health;

17 (9) States, local governments, and private par-
18 ties can and should play an increasingly significant
19 role in supporting cost-efficient intercity rail pas-
20 senger transportation and in addressing local trans-
21 portation needs and air quality control;

22 (10) mandatory payments reflecting funds paid
23 into the railroad retirement and railroad unemploy-
24 ment systems on Amtrak's behalf in excess of the
25 funds needed to pay retirement and unemployment

benefits for Amtrak's employees and their beneficiaries should not be considered a Federal operating subsidy of Amtrak;

(11) Federal financial assistance to cover operating losses incurred by Amtrak should be eliminated by the year 2001;

(12) Amtrak and its employees should proceed quickly with proposals to modify collective bargaining agreements to make more efficient use of manpower and to realize cost savings which are necessary to eliminate Federal financial assistance to cover its operating losses by the fiscal year following the fifth anniversary of the date of enactment of this Act; and

(13) Amtrak should ensure that new management flexibility produces cost savings without compromising safety.

TITLE I—PROCUREMENT REFORMS

SEC. 101. CONTRACTING OUT.

(a) CONTRACTING OUT REFORM.—Effective 180 days after the date of enactment of this Act, section 24312 of title 49, United States Code, is amended—

(1) by striking the paragraph designation for paragraph (1) of subsection (a);

1 (2) by striking “(2)” in subsection (a)(2) and
2 inserting “(b)”; and

3 (3) by striking subsection (b).

4 The amendment made by paragraph (3) is without preju-
5 dice to the power of Amtrak to contract out the provision
6 of food and beverage services on board Amtrak trains or
7 to contract out work not resulting in the layoff of Amtrak
8 employees.

9 (b) NEGOTIATION OF CONTRACTING OUT RULES.—

10 (1) IN GENERAL.—Within 5 days after the date
11 of enactment of this Act, Amtrak and its labor orga-
12 nizations shall meet to resolve the issue of under
13 what conditions, if any, Amtrak may contract out
14 work normally performed by an employee in a bar-
15 gaining unit covered by a contract between Amtrak
16 and its labor organizations when the contracting out
17 results in the layoff of employees in the bargaining
18 unit. The issue for negotiation under this paragraph
19 does not include the contracting out of work involv-
20 ing food and beverage services provided on Amtrak
21 trains or the contracting out of work not resulting
22 in the layoff of Amtrak employees.

23 (2) ASSISTED NEGOTIATIONS IF ISSUE UNRE-
24 SOLVED WITHIN 90 DAYS.—If the parties negotiating
25 under paragraph (1) are unable to resolve the issue

1 within 90 days after such date of enactment, they
2 shall each select a neutral person from the list of
3 National Mediation Board arbitrators. The persons
4 selected shall meet and select an arbitrator who will
5 assist the parties in their discussions and arbitrate
6 the dispute if the parties fail to negotiate a resolu-
7 tion of the issue. If the National Mediation Board
8 is not informed of the selection of the arbitrator
9 within 120 days after such date of enactment, the
10 National Mediation Board will immediately select
11 the arbitrator for the issue in dispute. One half of
12 the expenses of the neutral persons and the arbitra-
13 tor selected under this paragraph will be borne by
14 Amtrak, and the other half by the labor organiza-
15 tions jointly.

16 (3) HEARING SCHEDULED.—If the issue re-
17 mains unresolved 120 days after such date of enact-
18 ment, the arbitrator selected under paragraph (2)
19 shall schedule a hearing to be held 150 days after
20 such date of enactment and shall meet with the par-
21 ties to mediate the issue before the hearing.

22 (4) LAST BEST OFFERS.—If the issue has not
23 been resolved before the date of the hearing sched-
24 uled under paragraph (3), each party involved in the

1 negotiation shall submit its last best offer to the ar-
2 bitrator at the time of the hearing.

3 (5) HEARING PROCEDURE.—At the hearing, the
4 arbitrator shall receive the arguments and support-
5 ing evidence for the positions of the parties, as well
6 as any clarifications of last best offers submitted by
7 the parties. All materials to be reviewed by the arbi-
8 trator shall be presented at the hearing.

9 (6) AWARD.—

10 (A) IN GENERAL.—Within 170 days after
11 such date of enactment, the arbitrator will se-
12 lect either of the last best offers and render an
13 award resolving the issue. The authority of the
14 arbitrator is limited to resolving the issue pre-
15 sented by the hearing. The award will take ef-
16 fect on the 180th day after such date of enact-
17 ment, and, except as provided in subparagraph
18 (B) shall be final and binding on all parties.

19 (B) CONTEST OF AWARD.—The United
20 States District Court for the District of Colum-
21 bia has exclusive jurisdiction to hear an action
22 contesting an award under subparagraph (A).
23 The court may not set aside or modify such an
24 award except on—

1 (i) the grounds that the proceeding or
2 the award plainly does not conform to the
3 substantive requirements of this section; or

4 (ii) grounds set forth in section 9
5 Third (c) of the Railway Labor Act (45
6 U.S.C. 159 Third (c)).

7 Except as otherwise provided in this section,
8 the provisions of section 9 of such Act (45
9 U.S.C. 159) govern any contest of an award
10 under subparagraph (A) of this paragraph.

11 (C) AWARD SUPERSEDES EXISTING COL-
12 LECTIVE BARGAINING ARRANGEMENTS.—An
13 award under subparagraph (A) supersedes any
14 collective bargaining agreement entered into be-
15 fore the award is made, and any practice in ef-
16 fect before the award is made, to the extent
17 that such agreement or practice is inconsistent
18 with the award or limits the right to engage in
19 subcontracting under the award.

20 (7) AMENDMENT OF AWARD.—The award re-
21 mains in effect until amended by mutual agreement
22 of the parties. Notices under section 6 of the Rail-
23 way Labor Act to amend the award may not be
24 served until 30 days before the end of the third year
25 after the effective date of the award.

1 (b) NO PRECEDENT FOR FREIGHT.—Nothing in this
 2 section shall be a precedent for the resolution of any dis-
 3 pute between a freight railroad and any labor organization
 4 representing that railroad’s employees.

5 **SEC. 102. CONTRACTING PRACTICES.**

6 (a) BELOW-COST COMPETITION.—Section 24305(b)
 7 of title 49, United States Code, is amended to read as
 8 follows:

9 “(b) BELOW-COST COMPETITION.—Amtrak shall not
 10 submit any bid for the performance of services under a
 11 contract for an amount less than the cost to Amtrak of
 12 performing such services, with respect to any activity
 13 other than the provision of intercity rail passenger trans-
 14 portation, or mail or express transportation. For purposes
 15 of this subsection, the cost to Amtrak of performing serv-
 16 ices shall be determined using generally accepted account-
 17 ing principles for contracting. This subsection shall not
 18 apply for any fiscal year for which Amtrak receives no
 19 Federal subsidy.”.

20 (b) THROUGH SERVICE IN CONJUNCTION WITH
 21 INTERCITY BUS OPERATIONS.—Section 24305(a) of title
 22 49, United States Code, is amended by adding at the end
 23 the following new paragraph:

24 “(3)(A) Except as provided in subsection (d)(2), Am-
 25 trak may enter into a contract with a motor carrier of

1 passengers for the intercity transportation of passengers
2 by motor carrier over regular routes only—

3 “(i) if the motor carrier is not a public recipient
4 of governmental assistance, as such term is defined
5 in section 10922(d)(1)(F)(i) of this title, other than
6 a recipient of funds under section 18 of the Federal
7 Transit Act;

8 “(ii) for passengers who have had prior move-
9 ment by rail or will have subsequent movement by
10 rail; and

11 “(iii) if the buses, when used in the provision
12 of such transportation, are used exclusively for the
13 transportation of passengers described in clause (ii).

14 “(B) Subparagraph (A) shall not apply to transpor-
15 tation funded predominantly by a State or local govern-
16 ment, or to ticket selling agreements.”.

17 (2) Section 24305(d) of title 49, United States Code,
18 is amended by adding at the end the following new para-
19 graph:

20 “(3) Congress encourages Amtrak and motor com-
21 mon carriers of passengers to use the authority conferred
22 in section 11342(a) of this title for the purpose of provid-
23 ing improved service to the public and economy of oper-
24 ation.”.

1 **SEC. 103. RAIL AND MOTOR CARRIER PASSENGER SERVICE.**

2 (a) IN GENERAL.—Notwithstanding any other provi-
3 sion of law (other than section 24305(a) of title 49, United
4 States Code), Amtrak and motor carriers of passengers
5 are authorized—

6 (1) to combine or package their respective serv-
7 ices and facilities to the public as a means of in-
8 creasing revenues; and

9 (2) to coordinate schedules, routes, rates, res-
10 ervations, and ticketing to provide for enhanced
11 intermodal surface transportation.

12 (b) REVIEW.—The authority granted by subsection
13 (a) is subject to the review of the Interstate Commerce
14 Commission and such authority may be modified or re-
15 voked by the Interstate Commerce Commission if in the
16 public interest.

17 **SEC. 104. WORLD CLASS SERVICE.**

18 Section 24101(c) of title 49, United States Code, is
19 amended by redesignating paragraphs (10) and (11) as
20 (12) and (13), respectively, and by inserting after para-
21 graph (9) the following:

22 “(10) manage capital investment in such a way
23 as to provide customers with world class service;

24 “(11) treat all passengers with respect, cour-
25 tesy, and dignity;”.

1 **SEC. 105. PASSENGER CHOICE.**

2 Federal employees shall be permitted to choose travel
3 on Amtrak for official business where total travel cost
4 from office to office is competitive on a total trip or time
5 basis.

6 **SEC. 106. FREEDOM OF INFORMATION ACT.**

7 Section 24301(e) of title 49, United States Code, is
8 amended by adding at the end thereof the following: “Sec-
9 tion 552 of title 5, United States Code, shall apply to Am-
10 trak in any fiscal year for which Amtrak receives a Fed-
11 eral operating subsidy.”.

12 **TITLE II—OPERATIONAL**
13 **REFORMS**

14 **SEC. 201. BASIC SYSTEM.**

15 (a) OPERATION OF BASIC SYSTEM.—Amtrak shall
16 strive to operate as a national rail passenger transpor-
17 tation system which provides access to all areas of the
18 country and ties together existing and emergent regional
19 rail passenger networks and other intermodal passenger
20 service.

21 (b) IMPROVING RAIL PASSENGER TRANSPOR-
22 TATION.—Section 24702 of title 49, United States Code,
23 and the item relating thereto in the table of sections of
24 chapter 247 of such title, are repealed.

25 (c) DISCONTINUANCE.—Section 24706 of title 49,
26 United States Code, is amended—

1 (1) by striking “90 days” and inserting “180
2 days” in subsection (a)(1);

3 (2) by striking “a discontinuance under section
4 24704 or 24707(a) or (b) of this title” in subsection
5 (a)(1) and inserting “discontinuing service over a
6 route”;

7 (3) by inserting “or assume” after “agree to
8 share” in subsection (a)(1); and

9 (4) by striking “section 24704 or 24707(a) or
10 (b) of this title” in subsections (a)(2) and (b)(1) and
11 inserting “paragraph (1)”.
12

13 (d) COST AND PERFORMANCE REVIEW.—Section
14 24707 of title 49, United States Code, and the item relat-
15 ing thereto in the table of sections of chapter 247 of such
16 title, are repealed.

17 (e) SPECIAL COMMUTER TRANSPORTATION.—Section
18 24708 of title 49, United States Code, and the item relat-
19 ing thereto in the table of sections of chapter 247 of such
20 title, are repealed.

21 (f) CONFORMING AMENDMENT.—Section
22 24312(a)(1) of title 49, United States Code, is amended
 by striking “, 24701(a),”.

1 **SEC. 202. MAIL, EXPRESS, AND AUTO-FERRY TRANSPOR-**
2 **TATION.**

3 (a) REPEAL.—Section 24306 of title 49, United
4 States Code, and the item relating thereto in the table of
5 sections of chapter 243 of such title, are repealed.

6 (b) CONFORMING AMENDMENT.—Section 24301 of
7 title 49, United States Code, is amended by adding at the
8 end the following new subsection:

9 “(c) NONAPPLICATION OF CERTAIN OTHER LAWS.—
10 State and local laws and regulations that impair the provi-
11 sion of mail, express, and auto-ferry transportation do not
12 apply to Amtrak or a rail carrier providing mail, express,
13 or auto-ferry transportation.”.

14 **SEC. 203. ROUTE AND SERVICE CRITERIA.**

15 Section 24703 of title 49, United States Code, and
16 the item relating thereto in the table of sections of chapter
17 247 of such title, are repealed.

18 **SEC. 204. ADDITIONAL QUALIFYING ROUTES.**

19 Section 24705 of title 49, United States Code, and
20 the item relating thereto in the table of sections of chapter
21 247 of such title, are repealed.

22 **SEC. 205. TRANSPORTATION REQUESTED BY STATES, AU-**
23 **THORITIES, AND OTHER PERSONS.**

24 (a) REPEAL.—Section 24704 of title 49, United
25 States Code, and the item relating thereto in the table of
26 sections of chapter 247 of such title, are repealed.

1 (b) EXISTING AGREEMENTS.—Amtrak shall not,
 2 after the date of the enactment of this Act, be required
 3 to provide transportation services pursuant to an agree-
 4 ment entered into before such date of enactment under
 5 the section repealed by subsection (a) of this section.

6 (c) STATE, REGIONAL, AND LOCAL COOPERATION.—
 7 Section 24101(c)(2) of title 49, United States Code, is
 8 amended by inserting “, separately or in combination,”
 9 after “and the private sector”.

10 (d) CONFORMING AMENDMENT.—Section
 11 24312(a)(1) of title 49, United States Code, is amended
 12 by striking “or 24704(b)(2)”.

13 **SEC. 206. AMTRAK COMMUTER.**

14 (a) REPEAL OF CHAPTER 245.—Chapter 245 of title
 15 49, United States Code, and the item relating thereto in
 16 the table of chapters of subtitle V of such title, are re-
 17 pealed.

18 (b) CONFORMING AMENDMENT.—Section 24301(f) of
 19 title 49, United States Code, is amended to read as fol-
 20 lows:

21 “(f) TAX EXEMPTION FOR CERTAIN COMMUTER AU-
 22 THORITIES.—A commuter authority that was eligible to
 23 make a contract with Amtrak Commuter to provide com-
 24 muter rail passenger transportation but which decided to
 25 provide its own rail passenger transportation beginning

1 January 1, 1983, is exempt, effective October 1, 1981,
 2 from paying a tax or fee to the same extent Amtrak is
 3 exempt.”.

4 (c) TRACKAGE RIGHTS NOT AFFECTED.—Subsection
 5 (a) of this section shall not affect any trackage rights held
 6 by Amtrak or the Consolidated Rail Corporation.

7 **SEC. 207. COMMUTER COST SHARING ON THE NORTHEAST**
 8 **CORRIDOR.**

9 (a) DETERMINATION OF COMPENSATION.—(1) Sec-
 10 tion 24904(c)(2) of title 49, United States Code, is
 11 amended—

12 (A) by striking “between intercity rail pas-
 13 senger and rail freight transportation” and inserting
 14 “among intercity rail passenger, commuter rail pas-
 15 senger, and rail freight transportation”; and

16 (B) by inserting “commuter rail carrier or”
 17 after “Commission shall assign to a”.

18 (2) The amendments made by paragraph (1) of this
 19 subsection shall take effect 2 years after the date of the
 20 enactment of this Act.

21 (b) PRIVATIZATION.—Section 24101(d) of title 49,
 22 United States Code, is amended to read as follows:

23 “(d) MINIMIZING GOVERNMENT SUBSIDIES.—To
 24 carry out this part, Amtrak is encouraged to make agree-
 25 ments with the private sector and undertake initiatives

1 that are consistent with good business judgment, that
 2 produce income to minimize Government subsidies, and
 3 that promote the potential privatization of Amtrak's oper-
 4 ations.''.

5 **SEC. 208. ACCESS TO RECORDS AND ACCOUNTS.**

6 Section 24315 of title 49, United States Code, is
 7 amended by adding at the end the following new sub-
 8 section:

9 “(h) ACCESS TO RECORDS AND ACCOUNTS.—A State
 10 shall have access to Amtrak's records, accounts, and other
 11 necessary documents used to determine the amount of any
 12 payment to Amtrak required of the State.'’.

13 **TITLE III—EMPLOYEE**
 14 **PROTECTION REFORMS**

15 **SEC. 301. SERVICE DISCONTINUANCE.**

16 (a) REPEAL.—Section 24706(c) of title 49, United
 17 States Code, is amended to read as follows:

18 “(c) EMPLOYEE PROTECTION.—Notwithstanding any
 19 arrangement in effect before the enactment of the Amtrak
 20 and Local Rail Revitalization Act of 1995—

21 “(1) an employee of Amtrak shall be entitled to
 22 protective benefits only if deprived of employment as
 23 a result of a discontinuance of intercity rail pas-
 24 senger service or other transaction creating an enti-
 25 tlement to such benefits;

1 “(2) the total amount of protective payments
2 shall not exceed 6 months’ pay; and

3 “(3) fringe benefits shall not be continued in
4 excess of 6 months or the minimum period estab-
5 lished by other Federal law for such benefits, which-
6 ever is longer.”.

7 (b) INTERCITY PASSENGER SERVICE EMPLOYEES.—
8 Section 1165(a) of the Northeast Rail Service Act of 1981
9 (45 U.S.C. 1113(a)) is amended—

10 (1) by inserting “(1)” before “After January 1,
11 1983”;

12 (2) by striking “Amtrak, Amtrak Commuter,
13 and Conrail” and inserting “Amtrak and Conrail”;

14 (3) by striking “Such agreement shall ensure”
15 and all that follows through “submitted to binding
16 arbitration.”; and

17 (4) by adding at the end the following new
18 paragraph:

19 “(2) Notwithstanding any other provision of law,
20 agreement, or arrangement, with respect to employees in
21 any class or craft in train or engine service, Conrail shall
22 have the right to furlough one such employee for each em-
23 ployee in train or engine service who moves from Amtrak
24 to Conrail in excess of the cumulative number of such em-
25 ployees who move from Conrail to Amtrak. Conrail shall

1 not be obligated to fill any position governed by an agree-
 2 ment concerning crew consist, attrition arrangements, re-
 3 serve boards, or reserve engine service positions, where an
 4 increase in positions is the result of the return of an Am-
 5 trak employee pursuant to an agreement entered into
 6 under paragraph (1). Conrail's collective bargaining agree-
 7 ments with organizations representing its train and engine
 8 service employees shall be deemed to have been amended
 9 to conform to this paragraph. Any dispute or controversy
 10 with respect to the interpretation, application, or enforce-
 11 ment of this paragraph which has not been resolved within
 12 90 days after the date of the enactment of this paragraph
 13 may be submitted by either party to an adjustment board
 14 for a final and binding decision under section 3 of the
 15 Railway Labor Act.”.

16 (c) TECHNICAL AMENDMENT.—Section 11347 of
 17 title 49, United States Code, is amended by striking “sec-
 18 tions 24307(c), 24312, and” and inserting “section”.

19 **TITLE IV—USE OF RAILROAD** 20 **FACILITIES**

21 **SEC. 401. LIABILITY LIMITATION.**

22 (a) AMENDMENT.—Chapter 281 of title 49, United
 23 States Code, is amended by adding at the end the follow-
 24 ing new section:

1 **“§ 28103. Limitations on rail passenger transpor-**
2 **tation liability**

3 “(a) LIMITATIONS.—

4 “(1) Notwithstanding any other statutory or
5 common law or public policy, or the nature of the
6 conduct giving rise to damages or liability, a con-
7 tract between Amtrak and its passengers, the Alaska
8 Railroad and its passengers, or private railroad car
9 operators and their passengers regarding claims for
10 personal injury, death, or damage to property aris-
11 ing from or in connection with the provision of rail
12 passenger transportation, or from or in connection
13 with any operations over or use of right-of-way or
14 facilities owned, leased, or maintained by Amtrak or
15 the Alaska Railroad, or from or in connection with
16 any rail passenger transportation operations over or
17 rail passenger transportation use of right-of-way or
18 facilities owned, leased, or maintained by any high-
19 speed railroad authority or operator, any commuter
20 authority or operator, or any rail carrier shall be en-
21 forceable if—

22 “(A) punitive or exemplary damages,
23 where permitted, are not limited to less than 2
24 times compensatory damages awarded to any
25 claimant by any State or Federal court or ad-
26 ministrative agency, or in any arbitration pro-

1 ceeding, or in any other forum or \$250,000,
2 whichever is greater;

3 “(B) passengers are provided adequate no-
4 tice of any such contractual limitation or waiver
5 or choice of forum; and

6 “(C) passengers are given an opportunity
7 to purchase supplemental insurance coverage
8 when a ticket is purchased or at point of depar-
9 ture.

10 “(2) For purposes of this subsection, the term
11 ‘claim’ means a claim made directly or indirectly—

12 “(A) against Amtrak, any high-speed rail-
13 road authority or operator, any commuter au-
14 thority or operator, or any rail carrier including
15 the Alaska Railroad or private rail car opera-
16 tors; or

17 “(B) against an affiliate engaged in rail-
18 road operations, officer, employee, or agent of,
19 Amtrak, any high-speed railroad authority or
20 operator, any commuter authority or operator,
21 or any rail carrier.

22 “(3) Notwithstanding paragraph (1)(A), if, in
23 any case in which death was caused, the law of the
24 place where the act or omission complained of oc-
25 curred provides, or has been construed to provide,

1 for damages only punitive in nature, a claimant may
 2 recover in a claim limited by this subsection for ac-
 3 tual or compensatory damages measured by the pe-
 4 cuniary injuries, resulting from such death, to the
 5 persons for whose benefit the action was brought,
 6 subject to the provisions of paragraph (1)(B).

7 “(b) EFFECT ON OTHER LAWS.—This section shall
 8 not affect the damages that may be recovered under the
 9 Act of April 27, 1908 (45 U.S.C. 51 et seq.; popularly
 10 known as the ‘Federal Employers’ Liability Act’) or under
 11 any workers compensation act.”.

12 (b) CONFORMING AMENDMENT.—The table of sec-
 13 tions of chapter 281 of title 49, United States Code, is
 14 amended by adding at the end the following new item:

“28103. Limitations on rail passenger transportation liability.”.

15 **TITLE V—FINANCIAL REFORMS**

16 **SEC. 501. AMTRAK FINANCIAL GOALS.**

17 Section 24101(d) of title 49, United States Code, is
 18 amended by adding at the end thereof the following:
 19 “Within 90 days after the date of enactment of the Am-
 20 trak and Local Rail Revitalization Act of 1995, Amtrak
 21 shall prepare a financial plan to operate within the fund-
 22 ing levels authorized by section 24104 of this chapter, in-
 23 cluding budgetary goals for fiscal years 1995 through
 24 1997. Commencing no later than the fiscal year following
 25 the fifth anniversary of the enactment of the Amtrak and

1 Local Rail Revitalization Act of 1995, Amtrak shall oper-
 2 ate without the need for any Federal operating grant
 3 funds appropriated for its benefit. The plan shall include
 4 internal reforms to maximize cost savings through over-
 5 head reduction and productivity improvement, steps to
 6 maximize revenue, implementation of a commercially
 7 rationalized national route system, and achievement
 8 through negotiation of substantial reductions in costs di-
 9 rectly relating to health and welfare plans, train and en-
 10 gine crew size requirements, and mechanical workforce in-
 11 efficiencies. Each year before the fifth anniversary of the
 12 date of enactment of the Amtrak and Local Rail Revital-
 13 ization Act of 1995, the Amtrak Reform Council shall sub-
 14 mit to the Congress a progress report outlining the likeli-
 15 hood that Amtrak will not require Federal operating
 16 grants after that anniversary.”.

17 **SEC. 502. AMTRAK SUNSET TRIGGER.**

18 Section 24104 of title 49, United States Code, is
 19 amended by adding at the end thereof the following:

20 “(g) SUNSET TRIGGER.—

21 “(1) Following the third anniversary of the en-
 22 actment of the Amtrak and Local Rail Revitalization
 23 Act of 1995, the Amtrak Reform Council shall re-
 24 view the progress Amtrak has made under its plan
 25 to achieve the financial goals specified in section

1 24101(d), and determine on the basis of perform-
2 ance under the plan the likelihood that Amtrak will
3 not require Federal operating grant funds appro-
4 priated for its benefit after the fifth anniversary of
5 the enactment of that Act. The Amtrak Reform
6 Council will submit a report on its findings and de-
7 terminations, and the action plan recommended for
8 implementation by the Secretary and Amtrak under
9 section 601 of that Act to the Congress 90 days
10 after the third anniversary of the enactment of that
11 Act. Authorizations for appropriations made by this
12 section for fiscal years beginning after the submis-
13 sion of the report to the Congress pursuant to this
14 subsection are conditioned on Amtrak achieving the
15 targets in its plan and findings that Amtrak will not
16 require Federal operating grant funds to be appro-
17 priated for its benefit in fiscal years following the
18 fifth anniversary of the enactment of that Act.

19 “(2) In determining whether Amtrak has met
20 the targets in its plans and the likelihood that it will
21 not require a Federal operating subsidy for fiscal
22 years beginning after the fifth anniversary of the
23 date of enactment of the Amtrak and Local Rail Re-
24 vitalization Act of 1995, the Amtrak Reform Council
25 shall take into account Acts of God, national emer-

1 agencies, and other events beyond the reasonable con-
2 trol of Amtrak.

3 “(3) If the Amtrak Reform Council finds
4 that—

5 “(A) Amtrak—

6 “(i) has met the financial goals antici-
7 pated for it at the end of 3 years, taking
8 into account the factors in paragraph (2),
9 and

10 “(ii) will be able to maintain a na-
11 tional passenger rail system which provides
12 access to all areas of the country without
13 Federal operational support,

14 then the Secretary and Amtrak shall implement
15 the Amtrak plan developed under section
16 601(b)(6)(A) of the Amtrak and Local Rail Re-
17 vitalization Act of 1995 providing the continued
18 operation of Amtrak unless the Congress dis-
19 approves the plan within 45 days after it is sub-
20 mitted to the Congress; or

21 “(B) Amtrak has failed to meet the finan-
22 cial goals anticipated for it at the end of 3
23 years, taking into account the factors in para-
24 graph (2), then the Secretary and Amtrak shall
25 implement the Amtrak sunset plan developed

1 under section 601(b)(6)(B) of that Act provid-
2 ing for the complete liquidation of Amtrak, un-
3 less the Congress disapproves the plan within
4 45 days after it is submitted to the Congress.

5 “(4) The annual report of the Amtrak Reform
6 Council shall include an assessment of progress on
7 the resolution or status of productivity issues, in-
8 cluding—

9 “(A) train and engine manning require-
10 ments;

11 “(B) utilization of employees in the me-
12 chanical operations;

13 “(C) health and welfare benefits and plan
14 design;

15 “(D) management efficiency improvement;

16 “(E) property utilization and management;

17 “(F) revenue enhancement and ridership;

18 “(G) Amtrak’s operation as a national pas-
19 senger rail system which provides access to all
20 areas of the country and ties together existing
21 and emerging regional rail passenger networks
22 and other intermodal passenger service;

23 “(H) technology utilization; and

24 “(I) procurement reforms.”.

1 **SEC. 503. DISBURSEMENT OF FEDERAL FUNDS; GRANT RE-**
2 **LEASE DATE.**

3 Section 24104(d) of title 49, United States Code, is
4 amended to read as follows:

5 “(d) ADMINISTRATION OF APPROPRIATIONS.—Funds
6 appropriated pursuant to this section shall be provided to
7 Amtrak upon appropriation when requested by Amtrak.
8 Notwithstanding any agreement to the contrary, funds
9 that have been appropriated to the Secretary for use in
10 implementing the Northeast Corridor Improvement
11 Project prior to September 30, 1995, shall be made imme-
12 diately available to Amtrak for use in undertaking the im-
13 provements authorized by chapter 249 of this title.”.

14 **SEC. 504. TRANSFER OF EXCESS RAILROAD TAXES.**

15 Section 24301 of title 49, United States Code, as
16 amended by section 202 of this Act, is amended by adding
17 at the end thereof the following new subsection:

18 “(p) TAX RELIEF.—

19 “(1) IN GENERAL.—To the extent funds are ap-
20 propriated pursuant to paragraph (3) of this sub-
21 section, Amtrak shall, effective October 1, 1995, be
22 relieved from any liability or obligation to pay—

23 “(A) tax liabilities under section 3221 of
24 the Internal Revenue Code of 1986 that are
25 more than the amount needed for benefits for

1 individuals who retire from Amtrak and for
2 their beneficiaries; and

3 “(B) obligations of Amtrak under section
4 8(a) of the Railroad Unemployment Insurance
5 Act (45 U.S.C. 358(a)) that are more than obli-
6 gations of Amtrak calculated on an experience-
7 related basis.

8 “(2) SCOPE.—

9 “(A) EMPLOYEE CLASSIFICATION.—In de-
10 termining Amtrak’s liabilities or obligations
11 under the provisions of law to which reference
12 is made in paragraph (1), workers not on Am-
13 trak’s employee roster shall not be classified as
14 Amtrak’s employees.

15 “(B) NO REDUCTION OF BENEFIT.—Noth-
16 ing in this subsection shall be construed as a
17 basis for reducing any benefit payable to any
18 railroad employee, retiree, or beneficiary.

19 “(C) RESIDUAL LIABILITY.—Amtrak re-
20 mains liable for any obligations not paid under
21 paragraph (3).

22 “(3) AUTHORIZATION OF APPROPRIATIONS.—
23 There are authorized to be appropriated to the Sec-
24 retary amounts necessary to relieve Amtrak of por-
25 tions of its liabilities under section 3221 of the In-

1 ternal Revenue Code of 1086 and section 8(a) of the
 2 railroad Unemployment Insurance Act, as provided
 3 in paragraph (1) of this subsection, up to the esti-
 4 mated amount of such portions in each calendar
 5 year. To the extent funds are appropriated pursuant
 6 to this paragraph, Amtrak is relieved of such liabil-
 7 ities. Appropriations to the Secretary which have
 8 been authorized by this subsection shall be paid in
 9 the same manner as tax liabilities or obligations
 10 from which Amtrak has not been relieved. Amounts
 11 appropriated under this subsection shall not be con-
 12 sidered a United States Government subsidy of Am-
 13 trak.”.

14 **SEC. 505. REPORTS AND AUDITS.**

15 Section 24315 of title 49, United States Code, as
 16 amended by section 208, is amended—

- 17 (1) by striking subsections (a) and (c);
- 18 (2) by redesignating subsections (b), (d), (e),
 19 (f), (g), and (h) as subsections (a), (b), (c), (d), (e),
 20 and (f) respectively; and
- 21 (3) in subsection (d), as so redesignated by
 22 paragraph (2) of this section, by striking “(d) or
 23 (e)” and inserting “(b) or (c)”.

1 **SEC. 506. OFFICERS' PAY.**

2 Section 24303(b) of title 49, United States Code, is
 3 amended by adding at the end the following: "The preced-
 4 ing sentence shall not apply for any fiscal year for which
 5 no Federal operating assistance is provided to Amtrak."

6 **SEC. 507. EXEMPTION FROM TAXES.**

7 (a) IN GENERAL.—Section 24301(l)(1) of title 49,
 8 United States Code, is amended—

9 (1) by inserting “, and any passenger or other
 10 customer of Amtrak or such subsidiary,” after “sub-
 11 sidiary of Amtrak”;

12 (2) by striking “or fee imposed” and all that
 13 follows through “levied on it” and inserting “, fee,
 14 head charge, or other charge, imposed or levied by
 15 a State, political subdivision, or local taxing author-
 16 ity, directly or indirectly on Amtrak, a rail carrier
 17 subsidiary of Amtrak, or on persons traveling in
 18 intercity rail passenger transportation or on mail or
 19 express transportation provided by Amtrak or such
 20 a subsidiary, or on the carriage of such persons,
 21 mail, or express, or on the sale of any such transpor-
 22 tation, or on the gross receipts derived therefrom”;
 23 and

24 (3) by striking the last sentence and inserting
 25 the following: “Amtrak is not exempt from a tax or
 26 fee it was required to pay as of September 10, 1982,

1 if that tax or fee was assessed before April 1,
2 1995.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) do not apply to sales taxes imposed on
5 intrastate travel as of the date of enactment of this Act.

6 **TITLE VI—MISCELLANEOUS**

7 **SEC. 601. AMTRAK REFORM COUNCIL.**

8 (a) ESTABLISHMENT.—There is established an inde-
9 pendent commission to be known as the Amtrak Reform
10 Council.

11 (b) DUTIES.—The Council shall—

12 (1) evaluate Amtrak’s performance and report
13 thereon annually to the Congress;

14 (2) prepare an analysis and critique of Am-
15 trak’s business plan;

16 (3) suggest strategies for further cost contain-
17 ment and productivity improvements, including
18 strategies with the potential for further reduction in
19 Federal operating subsidies;

20 (4) consider the merits, costs, and service impli-
21 cations of the partial or complete privatization of
22 Amtrak’s operations;

23 (5) recommend appropriate methods for adop-
24 tion of uniform cost and accounting procedures

1 throughout the Amtrak system, based on generally
2 accepted accounting principles; and

3 (6) either—

4 (A) develop, and submit to the Congress,
5 an action plan for Amtrak, to take effect not
6 later than the fiscal year beginning after the
7 fifth anniversary of the date of enactment of
8 this Act in the event that the Amtrak sunset is
9 not triggered under section 24104(g) of title
10 49, United States Code; or

11 (B) develop, and submit to the Congress,
12 an action plan for complete liquidation of Am-
13 trak no later than the fifth anniversary of the
14 date of enactment of this Act in the event Am-
15 trak sunset is triggered under section 24104(g)
16 of title 49, United States Code.

17 (c) MEMBERSHIP.—(1)(A) The Council shall consist
18 of 8 members appointed by the President, by and with
19 the advise and consent of the Senate.

20 (B) The President shall transmit to the Senate the
21 nominations for appointment to the Commission within 90
22 days after the date of enactment of this Act.

23 (C) Members shall serve for terms of 5 years.

24 (2) Appointments under paragraph (1) shall be made
25 from among individuals who—

1 (A) have technical qualification, professional
2 standing, and demonstrated expertise in the fields of
3 transportation, rail labor, and corporate manage-
4 ment; and

5 (B) are not employees of Amtrak, employees of
6 the United States, or representatives of rail labor or
7 rail management.

8 (3) In selecting individuals for nominations for ap-
9 pointment to the Council, the President shall consult
10 with—

11 (A) the Speaker of the House of Representa-
12 tives concerning the appointment of 2 members;

13 (B) the majority leader of the Senate concern-
14 ing the appointment of 2 members;

15 (C) the minority leader of the House of Rep-
16 resentatives concerning the appointment of 1 mem-
17 ber; and

18 (D) the minority leader of the Senate concern-
19 ing the appointment of 1 member.

20 (4) At the time the President nominates individuals
21 for appointment to the Council, the President shall des-
22 ignate one such individual as Chairman. The Chairman
23 shall serve as chairman until the confirmation of his suc-
24 cessor.

1 (5) If a vacancy occurs other than by the expiration
2 of a term, the individual appointed to fill the vacancy shall
3 serve only for the unexpired portion of the term for which
4 that individual's predecessor was appointed.

5 (d) MEETINGS.—

6 (1) Each meeting of the Council, other than
7 meetings in which proprietary information is to be
8 discussed, shall be open to the public.

9 (2) All proceedings, information, and delibera-
10 tions of the Council shall be open, upon request, to
11 the Chairman and the ranking minority party mem-
12 ber of the Subcommittee on Surface Transportation
13 of the Committee on Commerce, Science, and Trans-
14 portation of the Senate or such other members of
15 the subcommittee designated by the chairman or
16 ranking minority party member.

17 (e) TRAVEL EXPENSES.—Each member of the Coun-
18 cil shall serve without pay, but shall receive travel ex-
19 penses, including per diem in lieu of subsistence, in ac-
20 cordance with sections 5702 and 5703 of title 5, United
21 States Code.

22 (f) ADMINISTRATIVE SUPPORT.—The Secretary of
23 Transportation shall provide to the Council such adminis-
24 trative support as the Council requires to carry out this
25 section.

1 (g) ACCESS TO INFORMATION.—Amtrak shall make
 2 available to the Council all information the Council re-
 3 quires to carry out this section. The Council shall establish
 4 appropriate procedures to ensure against the public disclo-
 5 sure of any information obtained under this subsection
 6 which is a trade secret or commercial or financial informa-
 7 tion that is privileged or confidential.

8 (h) STATUS.—The Council shall not be subject to the
 9 Federal Advisory Committee Act (5 U.S.C. App.) or sec-
 10 tion 552 of title 5, United States Code (commonly referred
 11 to as the Freedom of Information Act).

12 **SEC. 602. PRINCIPAL OFFICE AND PLACE OF BUSINESS.**

13 Section 24301 of title 49, United States Code, is
 14 amended—

15 (1) by striking the first sentence of subsection
 16 (b);

17 (2) by striking “District of Columbia” in sub-
 18 section (b) and inserting “State in which its prin-
 19 cipal office and place of business is located”;

20 (3) by adding at the end of subsection (b) the
 21 following: “For purposes of this subsection, the term
 22 ‘State’ includes the District of Columbia. Notwith-
 23 standing section 3 of the District of Columbia Busi-
 24 ness Corporation Act, Amtrak may, at its election,

1 continue to be organized under the provisions of that
2 Act.”; and

3 (4) by striking “the District of Columbia Busi-
4 ness Corporation Act (D.C. Code § 29–301 et seq.)”
5 in subsection (e) and inserting “the corporate law of
6 the State in which it is incorporated”.

7 **SEC. 603. STATUS AND APPLICABLE LAWS.**

8 Section 24301 of title 49, United States Code, is
9 amended—

10 (1) by striking “rail carrier under section
11 10102” in subsection (a)(1) and inserting “railroad
12 carrier under section 20102(2) and chapters 261
13 and 281”; and

14 (2) by amending subsection (c) to read as fol-
15 lows:

16 “(c) APPLICATION OF SUBTITLE IV.—Subtitle IV of
17 this title shall not apply to Amtrak, except for sections
18 11303, 11342(a), 11504(a) and (d), and 11707. Notwith-
19 standing the preceding sentence, Amtrak shall continue to
20 be considered an employer under the Railroad Retirement
21 Act of 1974, the Railroad Unemployment Insurance Act,
22 and the Railroad Retirement Tax Act.”.

1 **SEC. 604. WASTE DISPOSAL.**

2 Section 24301(m)(1)(A) of title 49, United States
3 Code, is amended by striking “1996” and inserting
4 “2001”.

5 **SEC. 605. ASSISTANCE FOR UPGRADING FACILITIES.**

6 Section 24310 of title 49, United States Code, and
7 the item relating thereto in the table of sections of chapter
8 243 of such title, are repealed.

9 **SEC. 606. RAIL SAFETY SYSTEM PROGRAM.**

10 Section 24313 of title 49, United States Code, and
11 the item relating thereto in the table of sections of chapter
12 243 of such title, are repealed.

13 **SEC. 607. DEMONSTRATION OF NEW TECHNOLOGY.**

14 Section 24314 of title 49, United States Code, and
15 the item relating thereto in the table of sections of chapter
16 243 of such title, are repealed.

17 **SEC. 608. NORTHEAST CORRIDOR IMPROVEMENT PROJECT.**

18 Section 24902 of title 49, United States Code, is
19 amended by adding at the end the following new sub-
20 section:

21 “(m) APPLICABLE PROCEDURES.—For the purpose
22 of any State or local requirement for permit or other ap-
23 proval for construction or operation of any improvement
24 undertaken by or for the benefit of Amtrak as part of,
25 or in furtherance of, the Northeast Corridor Improvement
26 Project, or chapter 241, 243, or 247 of this title, the ex-

1 exemptions and procedures applicable to a project under-
2 taken by the Federal Government or an agency thereof
3 shall apply. The preceding sentence shall not apply to any
4 project initiated in any fiscal year for which Amtrak re-
5 ceives no Federal operating subsidy.”.

6 **SEC. 609. PROGRAM MASTER PLAN FOR BOSTON-NEW YORK**

7 **MAIN LINE.**

8 (a) REPEAL.—Section 24903 of title 49, United
9 States Code, is repealed and the table of sections for chap-
10 ter 249 of such title is amended by striking the item relat-
11 ing to that section.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 24902 of title 49, United States
14 Code, as amended by section 608 of this Act, is
15 amended by striking subsections (a), (c), and (d)
16 and redesignating subsection (b) as subsection (a)
17 and subsections (e) through (m) as subsections (b)
18 through (j), respectively.

19 (2) Section 24904(a)(8) is amended by striking
20 “the high-speed rail passenger transportation area
21 specified in section 24902(a)(1) and (2)” and insert-
22 ing “a high-speed rail passenger transportation
23 area”.

1 **SEC. 610. AMERICANS WITH DISABILITIES ACT OF 1990.**

2 (a) APPLICATION TO AMTRAK.—Amtrak shall not be
3 subject to any requirement under subsections (a)(1) and
4 (3) and under subsection (e)(2) of section 242 of the
5 Americans With Disabilities Act of 1990 (42 U.S.C.
6 12162) until—

7 (1) January 1, 1998, for subsections (a)(1) and
8 (3); and

9 (2) October 15, 2001, for subsection (e)(2).

10 (b) CONFORMING AMENDMENT.—Section 24307 of
11 title 49, United States Code, is amended—

12 (1) by striking subsection (b); and

13 (2) by redesignating subsection (c) as sub-
14 section (b).

15 **SEC. 611. DEFINITIONS.**

16 Section 24102 of title 49, United States Code, is
17 amended—

18 (1) by striking paragraphs (2) and (11);

19 (2) by redesignating paragraphs (3) through
20 (8) as paragraphs (2) through (7), respectively;

21 (3) by inserting “, including a unit of State or
22 local government,” after “means a person” in para-
23 graph (7), as so redesignated; and

24 (4) by inserting after paragraph (7), as so re-
25 designated, the following new paragraph:

1 “(8) ‘rail passenger transportation’ means the
2 interstate, intrastate, or international transportation
3 of passengers by rail, including mail and express.”.

4 **SEC. 612. NORTHEAST CORRIDOR COST DISPUTE.**

5 Section 1163 of the Northeast Rail Service Act of
6 1981 (45 U.S.C. 1111) is repealed.

7 **SEC. 613. INSPECTOR GENERAL ACT OF 1978 AMENDMENT.**

8 (a) AMENDMENT.—

9 (1) IN GENERAL.—Section 8G(a)(2) of the In-
10 specter General Act of 1978 (5 U.S.C. App.) is
11 amended by striking “Amtrak,”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by paragraph (1) takes effect in the first fiscal year
14 for which Amtrak receives no Federal operating sub-
15 sidy.

16 (b) AMTRAK NOT A FEDERAL ENTITY.—Amtrak
17 shall not be considered a Federal entity for purposes of
18 the Inspector General Act of 1978. The preceding sen-
19 tence shall apply for any fiscal year for which Amtrak re-
20 ceives no Federal operating subsidy.

21 **SEC. 614. CONSOLIDATED RAIL CORPORATION.**

22 Section 4023 of the Conrail Privatization Act (45
23 U.S.C. 1323), and the item relating thereto in the table
24 of contents of such Act, are repealed.

1 **SEC. 615. INTERSTATE RAIL COMPACTS.**

2 (a) CONSENT TO COMPACTS.—Congress grants con-
3 sent to States with an interest in a specific form, route,
4 or corridor of intercity passenger rail service (including
5 high speed rail service) to enter into interstate compacts
6 to promote the provision of the service, including—

7 (1) retaining an existing service or commencing
8 a new service;

9 (2) assembling rights-of-way; and

10 (3) performing capital improvements, includ-
11 ing—

12 (A) the construction and rehabilitation of
13 maintenance facilities;

14 (B) the purchase of locomotives; and

15 (C) operational improvements, including
16 communications, signals, and other systems.

17 (b) FINANCING.—An interstate compact established
18 by States under subsection (a) may provide that, in order
19 to carry out the compact, the States may—

20 (1) accept contributions from a unit of State or
21 local government or a person;

22 (2) use any Federal or State funds made avail-
23 able for intercity passenger rail service (except funds
24 made available for the National Railroad Passenger
25 Corporation);

1 (3) on such terms and conditions as the States
2 consider advisable—

3 (A) borrow money on a short-term basis
4 and issue notes for the borrowing; and

5 (B) issue bonds; and

6 (4) obtain financing by other means permitted
7 under Federal or State law.

8 **TITLE VII—AUTHORIZATION OF** 9 **APPROPRIATIONS**

10 **SEC. 701. AUTHORIZATION OF APPROPRIATIONS.**

11 (a) IN GENERAL.—Section 24104(a) of title 49,
12 United States Code, is amended to read as follows:

13 “(a) IN GENERAL.—There are authorized to be ap-
14 propriated to the Secretary of Transportation—

15 “(1) \$772,000,000 for fiscal year 1995;

16 “(2) \$712,000,000 for fiscal year 1996;

17 “(3) \$712,000,000 for fiscal year 1997;

18 “(4) \$712,000,000 for fiscal year 1998; and

19 “(5) \$403,000,000 for fiscal year 1999,

20 for the benefit of Amtrak for capital expenditures under
21 chapters 243 and 247 of this title, operating expenses, and
22 payments described in subsection (c)(1)(A) through (C).
23 In fiscal years following the fifth anniversary of the enact-
24 ment of the Amtrak and Local Rail Revitalization Act of

1 1995 no funds authorized for Amtrak shall be used for
2 operating expenses.”.

3 (b) ADDITIONAL AUTHORIZATIONS.—Section
4 24104(b) of title 49, United States Code, is amended to
5 read as follows:

6 “(b) ADDITIONAL AUTHORIZATIONS.—In addition to
7 amounts appropriated under subsection (a), there are au-
8 thorized to be appropriated to the Secretary of Transpor-
9 tation—

10 “(1) \$200,000,000 for fiscal year 1995;

11 “(2) \$200,000,000 for fiscal year 1996;

12 “(3) \$200,000,000 for fiscal year 1997;

13 “(4) \$200,000,000 for fiscal year 1998; and

14 “(5) \$200,000,000 for fiscal year 1999,

15 for the benefit of Amtrak to make capital expenditures
16 under chapter 249 of this title.”.

17 (c) CONFORMING AMENDMENTS.—Section 24909 of
18 title 49, United States Code, and the item relating thereto
19 in the table of sections of chapter 249 of such title, are
20 repealed.

21 (d) GUARANTEE OF OBLIGATIONS.—There are au-
22 thorized to be appropriated to the Secretary of Transpor-
23 tation—

24 (1) \$50,000,000 for fiscal year 1996;

25 (2) \$50,000,000 for fiscal year 1997;

1 (3) \$50,000,000 for fiscal year 1998; and
2 (4) \$50,000,000 for fiscal year 1999,
3 for guaranteeing obligations of Amtrak under section 511
4 of the Railroad Revitalization and Regulatory Reform Act
5 of 1976 (45 U.S.C. 831). Notwithstanding any other pro-
6 vision of law to the contrary, the proceeds of the obliga-
7 tions guaranteed hereunder may be used for the acquisi-
8 tion, rehabilitation, improvement, development, or estab-
9 lishment of any intercity rail passenger equipment or fa-
10 cilities or the re-financing of any of the foregoing. The
11 United States shall be deemed to have reasonable protec-
12 tion and security if the Secretary obtains a lien or mort-
13 gage encumbering such facilities or equipment, which lien
14 or mortgage may be subordinated to any mortgages or
15 liens thereon securing obligations to a lender or lessor.
16 The Secretary shall not be required to make any finding
17 regarding the value or prospective earning power of the
18 equipment or facilities or the earning power of the obligor
19 or the place where high-speed rail facilities or equipment
20 are mined, produced, or manufactured. The obligor may
21 incur the obligations guaranteed by the Secretary here-
22 under without obtaining the consent of the Secretary
23 under section 24304(f) of title 49, United States Code.
24 The obligations shall have a liquidation interest superior
25 to the preferred stock of the obligor issued to the Sec-

1 retary and may be secured by a lien or mortgage on the
 2 property of the obligor superior to any lien or mortgage
 3 held by the Secretary. The Secretary shall not require that
 4 pre-existing obligations of the obligor be subordinated to
 5 the rights of the Secretary in the event of a default. The
 6 Secretary shall act on an application for a guarantee here-
 7 under within 30 days after it is submitted.

8 (e) Amtrak shall expend capital funds equitably
 9 across its national passenger rail system on projects
 10 deemed necessary to meet its most critical operating and
 11 capital needs. Priority shall be given to those projects
 12 which offer significant return on investment and which le-
 13 verage the highest levels of State, local, and private finan-
 14 cial support.

15 **TITLE VIII—AMTRAK REVENUE** 16 **ENHANCEMENT**

17 **SEC. 801. INTERCITY RAIL PASSENGER ACCOUNT.**

18 (a) IN GENERAL.—Chapter 243 of title 49, United
 19 States Code, is amended by adding at the end thereof the
 20 following new section:

21 **“§24316. Intercity Rail Passenger Account**

22 “(a) ESTABLISHMENT.—Amtrak shall establish an
 23 Intercity Rail Passenger Account. Amounts deposited in
 24 this account shall be available for use by Amtrak to—

1 “(1) acquire passenger equipment and loco-
2 motives;

3 “(2) encourage State and local investment in
4 facilities and equipment used to provide intercity rail
5 passenger transportation; and

6 “(3) address other critical capital priorities.

7 “(b) DEPOSITS.—During fiscal years 1995 through
8 1999, Amtrak shall deposit amounts equal in the aggre-
9 gate to 5 percent of ticket revenue for that 5 fiscal year
10 period into the Intercity Rail Passenger Account and may
11 deposit into the Account—

12 “(1) payments received for the use of its equip-
13 ment or facilities;

14 “(2) claims recovered by Amtrak;

15 “(3) amounts from any other source to the ex-
16 tent authorized by law; and

17 “(4) amounts received by Amtrak as refunds of
18 taxes on the fuel required for its operations.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 for chapter 243 of such title is amended by adding at the
21 end thereof the following:

“24316. Intercity Rail Passenger Account”.

22 **SEC. 802. UNION STATION STATE OF GOOD REPAIR.**

23 In lieu of payments to the Secretary of Transpor-
24 tation for loan repayments, the Union Station Redvelop-
25 ment Corporation shall make an equal payment into a cap-

1 ital reserve account to maintain Washington Union Sta-
2 tion in a state of good repair.

3 **SEC. 803. COMMERCIAL DIVERSIFICATION.**

4 (a) IN GENERAL.—Amtrak may increase non-Federal
5 revenues through—

6 (1) the sale of concessions and the use of vend-
7 ing machines and video and audio entertainment on
8 trains;

9 (2) the sale of advertising space on trains and
10 in rail stations;

11 (3) use of telecommunications networks or in-
12 frastructure; and

13 (4) other creative marketing and services activi-
14 ties.

15 (b) APPLICABLE LAWS.—Section 24301 of title 49,
16 United States Code, as amended by section 504 of this
17 Act, is amended by adding at the end thereof the follow-
18 ing:

19 “(q) POWER PURCHASES.—The sale of power to Am-
20 trak for its own use, including operating its electric trac-
21 tion system, does not constitute a direct sale of electric
22 energy to an ultimate consumer under section 212(h)(1)
23 of the Federal Power Act (16 U.S.C. 824k(h)(1)).

24 “(r) POWER SALES TO COMMUTER AUTHORITIES
25 AND OTHERS.—A state or other law, rule, regulation,

1 order, or standards relating to the licensing, rates, terms,
2 and conditions of sales of electric energy at retail does not
3 apply to Amtrak in making sales of electric energy from
4 its electric power transmission and distribution system to
5 commuter authorities and other consumers of electricity.

6 “(s) TRANSMISSION SERVICE.—Any entity selling
7 power to Amtrak for its own use or to be resold by Amtrak
8 to Commuter authorities or other consumers of electricity
9 may seek an order under section 211(a) of the Federal
10 Power Act (16 U.S.C. 824j(a)) requiring a utility to pro-
11 vide transmission service for this power without regard to
12 any restrictions in subsections (g) and (h) of section 212
13 of such Act (16 U.S.C. 824k).”.

14 (c) DEFINITION OF AMTRAK.—Section 24102 of title
15 49, United States Code, is amended by redesignating
16 paragraphs (1) through (11) as (2) through (12), respec-
17 tively, and by inserting before paragraph (2), as so redes-
18 ignated, the following:

19 “(1) ‘Amtrak’ means the National Railroad
20 Passenger Corporation and any successor, assign,
21 subsidiary, affiliate, or joint venture in which that
22 Corporation has a material interest.”.

23 (d) AUTHORITY TO SELL SURPLUS POWER.—Section
24 24305 of title 49, United States Code, is amended by add-
25 ing at the end the following:

1 “(g) SALE OF SURPLUS POWER.—Whenever Amtrak
 2 owns electric energy or power transmission capacity that
 3 is surplus to its traction power needs, it may sell such
 4 power at wholesale or retail to any purchaser, sell power
 5 transmission services, seek interconnection under section
 6 210 of the Federal Power Act (16 U.S.C. 824i), and enter
 7 into coordination, power pooling, and other arrangements
 8 with electric utilities designed to increase Amtrak’s reve-
 9 nues or decrease its costs.”.

10 (e) CONFORMING AMENDMENT.—Section
 11 212(h)(2)(A) of the Federal Power Act (16 U.S.C.
 12 824k(h)(2)(A)) is amended by inserting “Amtrak;” after
 13 “a State or any political subdivision of a State (or an
 14 agency, authority or instrumentality of a State or any po-
 15 litical subdivision of a State);”.

16 **TITLE IX—PRESERVATION OF** 17 **RAIL INFRASTRUCTURE**

18 **SEC 901. SHORT TITLE.**

19 This title may be cited as the “Rail Infrastructure
 20 Preservation Act of 1995”.

21 **SEC. 902. LOCAL RAIL FREIGHT ASSISTANCE; AUTHORIZA-** 22 **TION OF APPROPRIATIONS.**

23 Section 22108 of title 49, United States Code, is
 24 amended—

1 (1) by striking out so much of subsection (a) as
 2 precedes paragraph (2) and inserting the following:

3 “(a) IN GENERAL.—

4 “(1) There is authorized to be appropriated to
 5 the Secretary of Transportation to carry out this
 6 chapter the sum of \$25,000,000 for the fiscal year
 7 ending September 30, 1996, and for each subse-
 8 quent fiscal year.”; and

9 (2) by striking subsection (a)(3).

10 **SEC. 903. DISASTER FUNDING FOR RAILROADS.**

11 Section 22101 of title 49, United States Code, is
 12 amended by redesignating subsection (d) as (e), and by
 13 inserting after subsection (c) the following:

14 “(d) DISASTER FUNDING FOR RAILROADS.—

15 “(1) The Secretary may declare that a disaster
 16 has occurred and that it is necessary to repair and
 17 rebuild rail lines damaged as a result of such disas-
 18 ter. If the Secretary makes the declaration under
 19 this paragraph, the Secretary may—

20 “(A) waive the requirements of this sec-
 21 tion; and

22 “(B) prescribe the form and time for appli-
 23 cations for assistance made available herein.

1 “(2) The Secretary may not provide assistance
2 under this subsection unless emergency disaster re-
3 lief funds are appropriated for that purpose.

4 “(3) Funds provided for under this subsection
5 shall remain available until extended.”.

6 **SEC. 904. GRADE-CROSSING ELIGIBILITY.**

7 Section 22101(a) of title 49, United States Code, is
8 amended—

9 (1) by striking “and” after the semicolon in
10 paragraph (2);

11 (2) by striking the period at the end of para-
12 graph (3) and inserting a semicolon; and

13 (3) by adding at the end thereof the following
14 new paragraphs:

15 “(4) the cost of closing or improving a railroad
16 grade crossing or series of railroad grade crossings;
17 and

18 “(5) the cost of creating a State-supervised
19 grain car pool.”.

20 **SEC. 905. DECLARATION OF POLICY.**

21 Section 101(a) of the Railroad Revitalization and
22 Regulatory Reform Act of 1976 (45 U.S.C. 801(a)(4)) is
23 amended to read as follows:

24 “(4) continuation of service on, or preservation
25 of, light density lines that are necessary to continued

1 employment and community well-being throughout
2 the United States;”.

3 **SEC. 906. RAILROAD LOAN GUARANTEES; MAXIMUM RATE**
4 **OF INTEREST.**

5 Section 511(f) of the Railroad Revitalization and
6 Regulatory Reform Act of 1976 (45 U.S.C. 831(f)) is
7 amended by striking “shall not exceed an annual percent-
8 age rate which the Secretary determines to be reasonable,
9 taking into consideration the prevailing interest rates for
10 similar obligations in the private market.” and inserting
11 “shall not exceed the annual percentage rate charged
12 equivalent to the cost of money to the Federal govern-
13 ment.”.

14 **SEC. 907. RAILROAD LOAN GUARANTEES; MINIMUM REPAY-**
15 **MENT PERIOD AND PREPAYMENT PEN-**
16 **ALTIES.**

17 Section 511(g)(2) of the Railroad Revitalization and
18 Regulatory Reform Act of 1976 (45 U.S.C. 831(g)(2)) is
19 amended to read as follows:

20 “(2) payment of the obligation is required by its
21 terms to be made not less than 15 years and not
22 more than 25 years from the date of its execution,
23 with no penalty imposed for prepayment after 5
24 years;”.

1 **SEC. 908. RAILROAD LOAN GUARANTEES; DETERMINATION**
 2 **OF REPAYABILITY.**

3 Section 511(g)(5) of the Railroad Revitalization and
 4 Regulatory Reform Act of 1976 (45 U.S.C. 831(g)(5)) is
 5 amended to read as follows:

6 “(5) either the loan can reasonably be repaid by
 7 the applicant or the loan is collateralized at no more
 8 than the current value of assets being financed
 9 under this section to provide protection to the
 10 United States;”.

11 **SEC. 909. RAILROAD LOAN GUARANTEES; RIGHTS OF SEC-**
 12 **RETARY.**

13 Section 511(i) of the Railroad Revitalization and
 14 Regulatory Reform Act of 1976 (45 U.S.C. 831(i)) is
 15 amended by adding at the end the following:

16 “(4) The Secretary shall not require, as a con-
 17 dition for guarantee of an obligation, that all pre-
 18 existing secured obligations of an obligor be subordi-
 19 nated to the rights of the Secretary in the event of
 20 a default.”.

21 **TITLE X—FISCAL**
 22 **REVITALIZATION**

23 **SEC. 1001. ON-TIME PERFORMANCE INCENTIVES.**

24 (a) IN GENERAL.—Part III of subchapter B of chap-
 25 ter 1 of the Internal Revenue Code of 1986 is amended—

26 (1) by redesignating section 137 as 138; and

1 (2) by inserting after section 136 the following:

2 **“SEC. 137. INCENTIVE PAYMENTS FOR ON-TIME PERFORM-**
 3 **ANCE.**

4 “Gross income does not include payments received by
 5 a railroad as an incentive for the on-time operation of
 6 intercity passenger trains.”.

7 (b) The table of sections for such part is amended
 8 by striking the item relating to section 137 and inserting
 9 the following:

“Sec. 137. On-time performance incentives.
 “Sec. 138. Cross references to other Acts.”.

10 **SEC. 1002. PAYMENT TO THE INTERCITY RAIL PASSENGER**
 11 **ACCOUNT OF EXCISE TAXES ON FUEL.**

12 Section 6427 of the Internal Revenue Code of 1986
 13 (relating to fuels not used for taxable purposes) is amend-
 14 ed by redesignating subsection (r) as subsection (s) and
 15 by inserting after subsection (q) the following:

16 “(r) AMTRAK INTERCITY PASSENGER TRAINS.—The
 17 Secretary shall pay (without interest) to the Intercity Rail
 18 Passenger Account established by section 24316 of title
 19 49, United States Code, the amount of tax paid by Amtrak
 20 under chapter 31 or 32 on any fuel used in the operation
 21 of intercity passenger trains. For purposes of subsection
 22 (k)(1) of this section, payment to the Intercity Rail Pas-
 23 senger Account shall be considered to be a payment de-
 24 scribed in subsection (k)(1)(A).”.

1 **SEC. 1003. FUNDING FOR THE NATIONAL RAILROAD PAS-**
2 **SENGER CORPORATION FROM THE MASS**
3 **TRANSIT ACCOUNT.**

4 Section 9503(e) of the Internal Revenue Code of
5 1986 (relating to establishment of mass transit account)
6 is amended by adding at the end thereof the following:

7 “(6) TRANSFERS TO THE INTERCITY RAIL PAS-
8 SENGER ACCOUNT.—Notwithstanding any other pro-
9 vision of law to the contrary, the Secretary shall
10 transfer from the Mass Transit Account to the
11 Intercity Rail Passenger Account established under
12 section 24316 of title 49, United States Code, the
13 intercity rail passenger portion of the amounts ap-
14 propriated under subsection (b) of this section which
15 are attributable to taxes under sections 4041 and
16 4081 imposed on or after October 1, 1995. The
17 intercity rail passenger portion is appropriated for
18 the benefit of Amtrak for expenditure in accordance
19 with the provisions of such section 24316. For pur-
20 poses of this paragraph, the term ‘intercity rail pas-
21 senger portion’ means the amount attributable to
22 0.5 cent per gallon of the 2 cents per gallon to be
23 transferred to the Mass Transit Account pursuant to
24 paragraph (2) of this subsection. The Secretary shall
25 transfer such funds at the end of each quarter of a
26 fiscal year.’’.

1 **SEC. 1004. SAFEHARBOR LEASING OF INTERCITY RAIL PAS-**
 2 **SENGER EQUIPMENT AND FACILITIES.**

3 (a) IN GENERAL.—Section 168 of the Internal Reve-
 4 nue Code of 1986 (relating to accelerated cost recovery
 5 system) is amended by adding at the end thereof the fol-
 6 lowing new subsection:

7 “(k) LEASED PROPERTY USED IN THE PROVISION
 8 OF INTERCITY RAIL PASSENGER SERVICE.—

9 “(1) IN GENERAL.—In the case of an agree-
 10 ment with respect to qualified leased property, if all
 11 of the parties to the agreement characterize such
 12 agreement as a lease and elect to have the provisions
 13 of this subsection apply with respect to such agree-
 14 ment, and if the requirements of paragraph (2) are
 15 met, then, for purposes of this subtitle, such agree-
 16 ment shall be treated as a lease entered into by the
 17 parties in the course of carrying on a trade or busi-
 18 ness and the lessor shall be treated as the owner of
 19 the property and the lessee shall be treated as the
 20 lessee of the property.

21 “(2) CERTAIN REQUIREMENTS MUST BE MET.—
 22 The requirements of this subsection are met if the
 23 minimum investment of the lessor at the time the
 24 property is first placed in service under the lease
 25 and at all times during the lease term is not less
 26 than 10 percent of the adjusted basis of such prop-

1 erty and the term of the lease (including any exten-
2 sions) does not exceed the greater of 90 percent of
3 the useful life of such property or 150 percent of the
4 class life of such property.

5 “(3) NO OTHER FACTORS TAKEN INTO AC-
6 COUNT.—If the requirements of paragraphs (1) and
7 (2) are met with respect to any transaction de-
8 scribed in paragraph (1), no other factors shall be
9 taken into account in making a determination as to
10 whether paragraph (1) applies with respect to the
11 transaction.

12 “(4) QUALIFIED LEASED PROPERTY.—For pur-
13 poses of this subsection, the term ‘qualified leased
14 property’ means property used in the provision of
15 intercity rail passenger service which was leased
16 within 3 months after such property was placed in
17 service by the lessee and with respect to which the
18 adjusted basis of the lessor does not exceed the ad-
19 justed basis of the lessee at the time of the lease.

20 “(5) MINIMUM INVESTMENT.—For purposes of
21 paragraph (1), the term ‘minimum investment’
22 means the amount the lessor has at risk with respect
23 to the property (other than financing from the lessee
24 or a related party of the lessee). For the purposes
25 of the preceding sentence, an agreement between the

1 lessor and lessee requiring either or both parties to
2 purchase or sell the qualified leased property at
3 some price (whether or not fixed in the agreement
4 at the end of the lease term) shall not affect the
5 amount the lessor is treated as having at risk with
6 respect to the property.

7 “(6) USE OF PRIVATE ACTIVITY BOND FINANC-
8 ING.—A private activity bond issued to finance
9 qualified leased property shall be deemed to be a
10 qualified bond (within the meaning of section 141)
11 for the purpose of section 103 and subpart A of part
12 IV of this chapter. Qualified leased property fi-
13 nanced by a private activity bond shall not be
14 deemed to be ‘tax-exempt bond financed property’ or
15 ‘tax-exempt use property’ for the purpose of sub-
16 section (g).

17 “(7) CHARACTERIZATION BY PARTIES.—For
18 purposes of this subsection, any determination as to
19 whether a person is a lessor or lessee, or whether
20 property is leased, shall be made on the basis of the
21 characterization of such person or property under
22 the agreement described in paragraph (1).

23 “(8) REGULATIONS.—The Secretary shall pre-
24 scribe such regulations as may be necessary to carry
25 out the purposes of this subsection, including regula-

1 tions consistent with such purposes which limit the
 2 aggregate amount of (and timing of) deductions and
 3 credits in respect of qualified leased property to the
 4 aggregate amount (and the timing) allowable with-
 5 out regard to this subsection.”.

6 (b) EFFECTIVE DATE.—The amendment made by
 7 this section shall apply with respect to property placed in
 8 service after the date of enactment of this Act.

9 **SEC. 1005. ISSUANCE OF TAX-EXEMPT DEBT.**

10 (a) IN GENERAL.—Section 150 of the Internal Reve-
 11 nue Code of 1986 (relating to definitions and special
 12 rules) is amended by adding at the end thereof the follow-
 13 ing:

14 “(f) INTERCITY RAIL PASSENGER BONDS.—

15 “(1) IN GENERAL.—For purposes of this part
 16 and section 103—

17 “(A) TREATMENT AS STATE OR LOCAL
 18 BOND.—An intercity rail passenger bond shall
 19 be treated as a State or local bond.

20 “(B) DEFINITION OF INTERCITY RAIL PAS-
 21 SENDER BOND.—The term ‘intercity rail pas-
 22 senger bond’ means a bond issued by an inter-
 23 city passenger railroad created under an Act of
 24 Congress (or a related party thereto) 95 per-
 25 cent or more of the net proceeds of which are

1 to be used by the issuer (or a related party) in
2 the trade or business of operating an intercity
3 passenger railroad, including the acquisition,
4 construction, reconstruction, or improvement of
5 property to be used for such purposes and other
6 general purposes of the issuer. Issuance of not
7 more than \$100,000,000 per year shall be
8 treated as a State or local bond under this sec-
9 tion.

10 “(C) NOT FEDERALLY-GUARANTEED OR
11 PRIVATE ACTIVITY BOND.—An intercity rail
12 passenger bond shall not be treated as a private
13 activity bond or as Federally guaranteed.

14 “(2) COORDINATION WITH OTHER PROVI-
15 SIONS.—

16 “(A) TREATMENT OF BOND-FINANCED
17 PROPERTY.—Property acquired with the pro-
18 ceeds of intercity rail passenger bonds shall not
19 be treated as tax-exempt bond financed prop-
20 erty for purposes of section 168.

21 “(B) TREATMENT OF ISSUER.—The issuer
22 of such a bond shall not be treated as a tax-
23 exempt entity for any purpose of this title solely
24 because of such issuance.

1 “(C) TREATMENT OF LEASE AGREE-
 2 MENTS.—An agreement entered into by the is-
 3 suer of such a bond which otherwise qualifies as
 4 a lease of property to the issuer under this title
 5 will be treated as a lease, notwithstanding any
 6 use of proceeds of the bonds to finance the ac-
 7 quisition of leased property.”.

8 (b) EFFECTIVE DATE.—The amendment made by
 9 subsection (a) applies to bonds issued after the date of
 10 enactment of this Act.

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