

AMTRAK REAUTHORIZATION ACT OF 2003

SEPTEMBER 17, 2003.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Transportation and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 2572]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 2572) to authorize appropriations for the benefit of Amtrak for fiscal years 2004 through 2006, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE LEGISLATION

The bill would authorize \$2 billion per year for each of the fiscal years 2004 through 2006 to the Secretary of Transportation for the benefit of Amtrak capital and operating expenses, and Amtrak excess railroad retirement expense.

BACKGROUND AND NEED FOR THE LEGISLATION

H.R. 2572 was introduced by Mr. Young, Mr. Oberstar, Mr. Quinn, and Ms. Brown on June 24, 2003.

The Secretary of Transportation and the Amtrak Board of Directors must ensure that sufficient funds are reserved to satisfy Amtrak's contractual obligations for commuter rail and state-supported passenger rail services. Amtrak would be required to submit to the Secretary comprehensive business plans and follow-up reports with a separate accounting for its various lines of business, and reports related to capital projects expenditures.

According to Amtrak, this level of funding would be sufficient to complete the first three years of Amtrak's five year capital plan, which is geared to restoring the Amtrak System, including the Northeast Corridor, to a good state of repair.

H.R. 2572 would permit Amtrak to continue operating its present system. The legislation would also permit Amtrak to make capital investments to address deferred maintenance items on the Northeast Corridor. The Committee urges its passage.

SUMMARY OF THE LEGISLATION

Section 1. Short title

Section 1 names the bill the Amtrak Reauthorization Act of 2003.

Section 2. Authorization of appropriations

Section 24104 of Title 49 is modified as follows:

(a) In General. The legislation authorizes the Secretary of Transportation to expend \$2,000,000,000 per year for fiscal years 2004 through 2006 for Amtrak's capital and operating expenses.

(b) Mandatory Payments.—

(1) In General. The amounts authorized to be appropriated include funds to cover Amtrak payments under the Railroad Retirement Act, Railroad Unemployment Insurance Act, and associated payroll tax laws for railroad retirement and unemployment obligations in excess of those attributable to Amtrak's own employees and retirees.

(2) Request for Transfer of Funds. The Secretary may make payments only upon receipt of a request from Amtrak accompanied by the appropriate supporting materials.

(c) The Secretary and the Amtrak board are obliged to ensure that sufficient funds are reserved to sustain Amtrak's contractual obligations to operate commuter rail and state supported train services.

(d) Not later than September 15 of each fiscal year, Amtrak is required to submit to the Secretary and Congress a comprehensive business plan for each of its lines of business for the subsequent fiscal year. In addition, beginning October 1, 2003, Amtrak is required to submit a bi-monthly report detailing work completed under said business plan and any reasons for change therein.

(e) Availability of Amounts.—

(1) Amounts appropriated remain available until expended.

(2) Amounts for capital acquisitions and improvements may be appropriated in a fiscal year before the fiscal year in which the amounts will be obligated.

(f) Limitations on Use. Amounts appropriated may not be used to cross-subsidize commuter rail or freight operations.

LEGISLATIVE HISTORY AND COMMITTEE CONSIDERATION

No hearings were held by the Committee on H.R. 2572. However, hearings were held by the Subcommittee on Railroads on future rail passenger service, as well as rail infrastructure requirements for passenger and high-speed rail, including issues affecting Amtrak.

On June 25, 2003, the Full Committee met in open session and favorably reported H.R. 2572 by voice vote.

ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each rollcall vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no rollcall votes.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

COST OF LEGISLATION

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of this legislation provide for greater funding accountability for Amtrak and procedures to achieve that goal, consistent with the procedures in place under the Fiscal Year 2003 Department of Transportation appropriations law.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 2572 from the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 3, 2003.

Hon. DON YOUNG,
*Chairman, Committee on Transportation and Infrastructure,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2572, the Amtrak Reauthorization Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Rachel Milberg.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

H.R. 2572—Amtrak Reauthorization Act of 2003

Summary: H.R. 2572 would authorize the appropriation of \$6 billion over the next three years for Amtrak's capital expenses, operating costs, and certain employee benefits. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 2572 would cost \$6 billion over the 2004–2006 period. Enacting H.R. 2572 would not affect direct spending or receipts.

The bill contains no intergovernmental mandates as defined by the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

H.R. 2572 would impose private-sector mandates as defined in UMRA on Amtrak, established under the name of the National Railroad Passenger Corporation. Based on information from Amtrak, CBO estimates that the direct costs of those mandates would fall well below the annual threshold established in UMRA (\$117 million in 2003, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 2572 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By fiscal year, in millions of dollars—					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law:						
Budget authority ¹	1,043	0	0	0	0	0
Estimated outlays	1,085	17	10	4	0	0
Proposed changes:						
Authorization level	0	2,000	2,000	2,000	0	0
Estimated outlays	0	2,000	2,000	2,000	0	0
Spending under H.R. 2572:						
Authorization level ¹	1,043	2,000	2,000	2,000	0	0
Estimated outlays	1,085	2,017	2,010	2,004	0	0

¹ The 2003 level is the amount appropriated for that year for Amtrak.

Basis of estimate: For this estimate, CBO assumes that the authorized amounts will be appropriated near the beginning of each fiscal year and that outlays will follow historical trends for similar Amtrak activities. CBO expects that Amtrak spending under this bill primarily would be for short-term capital projects and operating expenses. Currently, the Secretary of Transportation makes appropriations immediately available to Amtrak for such expenses.

Estimated impact on state, local, and tribal governments: H.R. 2572 contains no intergovernmental mandates as defined by UMRA and would impose no costs on state, local, or tribal governments.

Estimated impact on the private-sector: H.R. 2572 would impose private-sector mandates as defined in UMRA on Amtrak. The bill would require Amtrak to submit an annual comprehensive business plan and a bimonthly supplemental report for the fiscal years 2004 through 2006 to the Secretary of Transportation and to the Congress. The bimonthly supplemental report must describe the work completed to date, any changes in the business plan, and the reasons for such changes. Amtrak has released a comprehensive business plan for fiscal years 2004–2008. Furthermore, Amtrak submits a monthly report regarding changes in Amtrak's business plan to Congress as required in the Consolidated Appropriations Resolution, 2003. Based on information from Amtrak, CBO estimates that the incremental costs of the requirements in H.R. 2572 would fall

well below the annual threshold established in UMRA (\$117 million in 2003, adjusted annually for inflation).

Estimate prepared by: Federal Costs: Rachel Milberg. Impact on State, Local, and Tribal Governments: David Conway/Greg Waring. Impact on the Private Sector: Jean Talarico.

Estimate approved by: Paul R. Cullinan, Chief for Human Resources Cost Estimates Unit, Budget Analysis Division.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. (Public Law 104–4).

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1994 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local or tribal law. The Committee states that H.R. 2572 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act. (Public Law 104–1).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 24104 OF TITLE 49, UNITED STATES CODE

[§ 24101. Findings, purpose, and goals

[(a) IN GENERAL.]—There are authorized to be appropriated to the Secretary of Transportation—

- [(1) \$1,138,000,000 for fiscal year 1998;
- [(2) \$1,058,000,000 for fiscal year 1999;
- [(3) \$1,023,000,000 for fiscal year 2000;
- [(4) \$989,000,000 for fiscal year 2001; and
- [(5) \$955,000,000 for fiscal year 2002,

for the benefit of Amtrak for capital expenditures under chapters 243, 247, and 249 of this title, operating expenses, and payments described in subsection (c)(1) (A) through (C). In fiscal years following the fifth anniversary of the enactment of the Amtrak Reform and Accountability Act of 1997 no funds authorized for Amtrak shall be used for operating expenses other than those prescribed for tax liabilities under section 3221 of the Internal Revenue Code of 1986 that are more than the amount needed for benefits of individuals who retire from Amtrak and for their beneficiaries.

[(b) OPERATING EXPENSES.—(1) Not more than \$381,000,000 may be appropriated to the Secretary for each of the fiscal years ending September 30, 1993, and September 30, 1994, for the benefit of Amtrak for operating expenses. Not more than 5 percent of the amounts appropriated for each fiscal year shall be used to pay operating expenses under section 24704 of this title for transportation in operation on September 30, 1992.

[(2)(A) Not more than the following amounts may be appropriated to the Secretary for the benefit of Amtrak for operating losses under section 24704 of this title for transportation beginning after September 30, 1992:

- [(i) \$7,500,000 for the fiscal year ending September 30, 1993.
- [(ii) \$9,500,000 for the fiscal year ending September 30, 1994.

[(B) The expenditure by Amtrak of an amount appropriated under subparagraph (A) of this paragraph is deemed not to be an operating expense when calculating the revenue-to-operating expense ratio of Amtrak.

[(c) MANDATORY PAYMENTS.—(1) Not more than \$150,000,000 for the fiscal year ending September 30, 1993, and amounts that may be necessary for the fiscal year ending September 30, 1994, may be appropriated to the Secretary to pay—

[(A) tax liabilities under section 3221 of the Internal Revenue Code of 1986 (26 U.S.C. 3221) due in those fiscal years that are more than the amount needed for benefits for individuals who retire from Amtrak and for their beneficiaries;

[(B) obligations of Amtrak under section 8(a) of the Railroad Unemployment Insurance Act (45 U.S.C. 358(a)) due in those fiscal years that are more than obligations of Amtrak calculated on an experience-related basis; and

[(C) obligations of Amtrak due under section 3321 of the Code (26 U.S.C. 3321).

[(2) Amounts appropriated under this subsection are not a United States Government subsidy of Amtrak.

[(d) PAYMENT TO AMTRAK.—Amounts appropriated under this section shall be paid to Amtrak under the budget request of the Secretary as approved or modified by Congress when the amounts are appropriated. A payment may not be made more frequently than once every 90 days, unless Amtrak, for good cause, requests more frequent payment before a 90-day period ends. In each fiscal

year in which amounts are authorized to be appropriated under this section, amounts appropriated shall be paid to Amtrak as follows:

- [(1) 50 percent on October 1.
- [(2) 25 percent on January 1.
- [(3) 25 percent on April 1.

[(e) AVAILABILITY OF AMOUNTS AND EARLY APPROPRIATIONS.—(1) Amounts appropriated under this section remain available until expended.

[(2) Amounts for capital acquisitions and improvements may be appropriated in a fiscal year before the fiscal year in which the amounts will be obligated.

[(f) LIMITATIONS ON USE.—Amounts appropriated under this section may not be used to subsidize operating losses of commuter rail passenger or rail freight transportation.]

§ 24104. Authorization of appropriations

(a) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation \$2,000,000,000 for each of the fiscal years 2004 through 2006, for the benefit of Amtrak for capital expenditures under chapters 243, 247, and 249 of this title, operating expenses, and payments described in subsection (b).

(b) MANDATORY PAYMENTS.—

(1) IN GENERAL.—Funds authorized under subsection (a) shall include—

(A) an amount equal to the amount Amtrak is required to pay under section 3221 of the Internal Revenue Code of 1986 that is more than the amount needed for anticipated benefits for individuals who retire from Amtrak and for their beneficiaries; and

(B) amounts necessary to pay—

(i) obligations of Amtrak under section 8(a) of the Railroad Unemployment Insurance Act (45 U.S.C. 358(a)) due in those fiscal years that are more than obligations of Amtrak calculated on an experience-related basis; and

(ii) obligations of Amtrak due under section 3321 of the Code (26 U.S.C. 3321).

(2) REQUEST FOR TRANSFER OF FUNDS.—The Secretary shall make payments to the Treasury of amounts authorized under paragraph (1) only after the Secretary has received from Amtrak a request for the transfer of such funds, which shall include materials supporting, to the satisfaction of the Secretary, the amount of the request.

(c) CONTRACTUAL OBLIGATIONS.—From amounts appropriated pursuant to this section, the Secretary and the Amtrak Board of Directors shall ensure that sufficient funds are reserved to satisfy Amtrak's contractual obligations for commuter and State-supported passenger rail service.

(d) ANNUAL BUSINESS PLAN AND SUPPLEMENTAL REPORTS.—

(1) BUSINESS PLAN.—Not later than September 15 of each of 2003, 2004, and 2005, Amtrak shall transmit to the Secretary and the Congress a comprehensive business plan for the subsequent fiscal year, including, as applicable, targets for ridership,

revenues, and capital and operating expenses. The plan shall include the following:

(A) A separate accounting of such targets for each of the following:

- (i) Northeast Corridor.
- (ii) Commuter service.
- (iii) Long-distance Amtrak service.
- (iv) State-supported service.
- (v) Commercial activities (including contract operations and mail and express).

The plan shall also include targets for each intercity train route, including Autotrain.

(B) With respect to capital projects, a description of the work to be funded, a work timetable, cost estimates, and a list of other funding sources if the project is not entirely funded by the Federal Government.

(2) SUPPLEMENTAL REPORTS.—Not later than October 1, 2003, and once each alternate month thereafter, Amtrak shall transmit to the Secretary and the Congress a supplemental report regarding the business plan transmitted under paragraph (1), which shall describe the work completed to date, any changes to the business plan, and the reasons for such changes.

(e) AVAILABILITY OF AMOUNTS AND EARLY APPROPRIATIONS.—(1) Amounts appropriated under this section remain available until expended.

(2) Amounts for capital acquisitions and improvements may be appropriated in a fiscal year before the fiscal year in which the amounts will be obligated.

(f) LIMITATIONS ON USE.—Amounts appropriated under this section may not be used to subsidize operating losses of commuter rail passenger or rail freight transportation.