

AMTRAK EXECUTIVE BONUS DISCLOSURE ACT

NOVEMBER 26, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GRAVES of Missouri, from the Committee on Transportation and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 8689]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 8689) to require Amtrak to publicly disclose certain bonus compensation paid to Amtrak executives, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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The amendments are as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Amtrak Executive Bonus Disclosure Act”.

SEC. 2. AMTRAK REPORTS AND AUDITS.

Section 24315(a) of title 49, United States Code, is amended—

(1) by inserting “, and make available to the public on the website of Amtrak,” after “submit to Congress”; and

(2) by striking paragraph (2) and inserting the following:

“(2) provide the annual base pay and any bonus compensation paid to a member of the executive leadership team (including the chief executive officer, president, and officers) of Amtrak, including the criteria and metrics used to determine any such bonus compensation; and”.

Amend the title so as to read:

A bill to amend title 49, United States Code, to require Amtrak to include information on base pay and bonus compensation of certain Amtrak executives, and for other purposes.

PURPOSE OF LEGISLATION

The purpose of H.R. 8689 is to amend title 49, United States Code, require Amtrak to publicly disclose certain bonus compensation paid to Amtrak executives, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

In 2005, the Government Accountability Office, at the request of the Chairman of the House Committee on Transportation and Infrastructure, issued a report with a number of observations on Amtrak efficiency and accountability.¹ The report noted that Amtrak lacked a performance-based compensation program for management employees to better incentivize achieving goals.² The *Passenger Rail Investment and Improvement Act* included a provision that encouraged Amtrak’s Board of Directors to develop an incentive pay program for management employees.³

H.R. 8689 requires Amtrak to publicly disclose the amount of annual base salary and any bonus compensation to Amtrak Executives and Officers who serve on the Executive Leadership Team, and the metrics used to calculate the bonuses. The disclosure will be included in Amtrak’s statutorily required annual Operations Report.⁴ This will permit policymakers, stakeholders, and the public to judge the appropriateness of annual executive bonuses.

HEARINGS

For the purposes of rule XIII, clause 3(c)(6)(A) of the 118th Congress, the following hearings were used to develop or consider H.R. 8689:

On June 6, 2023, the Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing entitled “*Amtrak Operations: Examining the Challenges and Opportunities for Improving Efficiency and Service*.” At the hearing, Members received testimony from Stephen Gardner, Chief Executive Office, Amtrak, and Mitch Warren, Executive Director, Northeast Corridor Commission. The

¹ U.S. GOV’T ACCOUNTABILITY OFF., GAO-06-145, AMTRAK MANAGEMENT: SYSTEMIC PROBLEMS REQUIRE ACTIONS TO IMPROVE EFFICIENCY, EFFECTIVENESS, AND ACCOUNTABILITY (2005).

² *Id.* at 10.

³ *Rail Safety Improvement Act of 2008*, Pub. L. No. 110-432, 122 Stat. 4932.

⁴ 5 U.S.C. §24315(a).

witnesses discussed the current state of Amtrak and plans for growth for passenger rail.

On June 12, 2024, the Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing entitled “*Amtrak Intercity Passenger Rail Oversight: Promoting Performance, Safety, and Accountability*.” At the hearing, Members received testimony from Stephen Gardner, Chief Executive Office, Amtrak, Anthony Coscia, Chair of the Board, Amtrak, and Julie White, Deputy Secretary for Multimodal Transportation, North Carolina Department of Transportation. The witnesses discussed the current state of Amtrak and plans for growth for passenger rail.

LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 8689, the *Amtrak Executive Bonus Disclosure Act*, was introduced in the United States House of Representatives on June 11, 2024, by Mr. Molinaro of New York and referred to the Committee on Transportation and Infrastructure. Within the Committee on Transportation and Infrastructure, H.R. 8689 was referred to the Subcommittee on Railroads, Pipelines, and Hazardous Materials. The Subcommittee on Railroads, Pipelines, and Hazardous Materials was discharged from further consideration of H.R. 8689 on September 18, 2024.

The Committee considered H.R. 8689 on September 18, 2024, and ordered the measure to be favorably reported to the House, as amended, by unanimous consent.

The following amendment was offered:

An Amendment in the Nature of a Substitute (ANS) to H.R. 8689, offered by Mr. Molinaro was AGREED TO by unanimous consent.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record 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.

No recorded votes were requested.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

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.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(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.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

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 enclosed cost estimate for H.R. 8689 from the Director of the Congressional Budget Office:

H.R. 8689, Amtrak Executive Bonus Disclosure Act			
As ordered reported by the House Committee on Transportation and Infrastructure on September 18, 2024			
By Fiscal Year, Millions of Dollars	<u>2024</u>	<u>2024-2029</u>	<u>2024-2034</u>
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

H.R. 8689 would require Amtrak to include information on the base pay and bonus compensation of its executive officers in its annual report to the Congress and post the report on its website. Because Amtrak is considered a nonfederal entity, CBO estimates that enacting the bill would have no effect on the federal budget.

The legislation would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on Amtrak by marginally expanding an existing reporting requirement. CBO estimates that the cost to Amtrak would fall well below the threshold established in UMRA for private-sector mandates (\$200 million in 2024, adjusted annually for inflation).

H.R. 8689 would not impose intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Kelly Durand (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

MARK P. HOELLER

(For Phillip L. Swagel, Director, Congressional Budget Office).

PERFORMANCE GOALS AND OBJECTIVES

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 are to increase transparency with the public regarding Amtrak executive bonuses.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 8689 establishes or reauthorizes a program of the Federal govern-

ment known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

An estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the *Unfunded Mandates Reform Act* was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

PREEMPTION CLARIFICATION

Section 423 of the *Congressional Budget Act of 1974* 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 finds that H.R. 8689 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 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).

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section states that this Act may be cited as the “Amtrak Executive Bonus Disclosure Act.”

Section 2. Amtrak reports and audits

This section requires Amtrak to disclose the amounts of and metrics used to calculate annual performance bonus compensation awarded to members of its Executive Leadership Team. The disclosure will be included in the statutorily required Amtrak Annual Operations Report which is due to Congress no later than February 15 of each year. While Amtrak has traditionally posted the report online, this section includes specific language requiring public online posting.

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):

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 italics, and existing law in which no change is proposed is shown in roman):

TITLE 49, UNITED STATES CODE

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SUBTITLE V—RAIL PROGRAMS

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PART C—PASSENGER TRANSPORTATION

* * * * *

CHAPTER 243—AMTRAK

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§ 24315. Reports and audits

(a) **AMTRAK ANNUAL OPERATIONS REPORT.**—Not later than February 15 of each year, Amtrak shall submit to Congress, *and make available to the public on the website of Amtrak*, a report that—

(1) for each route on which Amtrak provided intercity rail passenger transportation during the prior fiscal year, includes information on—

- (A) ridership;
- (B) passenger-miles;
- (C) the short-term avoidable profit or loss for each passenger-mile;
- (D) the revenue-to-cost ratio;
- (E) revenues;
- (F) the United States Government subsidy;
- (G) the subsidy not provided by the United States Government;
- (H) on-time performance; and
- (I) any change made to a route's or service's frequency or station stops;

[(2) provides relevant information about a decision to pay an officer of Amtrak more than the rate for level I of the Executive Schedule under section 5312 of title 5; and]

(2) *provide the annual base pay and any bonus compensation paid to a member of the executive leadership team (including*

the chief executive officer, president, and officers) of Amtrak, including the criteria and metrics used to determine any such bonus compensation; and

(3) specifies—

(A) significant operational problems Amtrak identifies; and

(B) proposals by Amtrak to solve those problems.

(b) AMTRAK GENERAL AND LEGISLATIVE ANNUAL REPORT.—(1) Not later than February 15 of each year, Amtrak shall submit to the President and Congress a complete report of its operations, activities, and accomplishments, including a statement of revenues and expenditures for the prior fiscal year. The report—

(A) shall include a discussion and accounting of Amtrak's success in meeting the goal described in section 24902(a);

(B) may include recommendations for legislation, including the amount of financial assistance needed for operations and capital improvements, the method of computing the assistance, and the sources of the assistance; and

(C) shall incorporate the category described in section 24319(c)(2)(C).

(2) Amtrak may submit reports to the President and Congress at other times Amtrak considers desirable.

(c) SECRETARY'S REPORT ON EFFECTIVENESS OF THIS PART.—The Secretary of Transportation shall prepare a report on the effectiveness of this part in meeting the requirements for a balanced transportation system in the United States. The report may include recommendations for legislation. The Secretary shall include this report as part of the annual report the Secretary submits under section 308(a) of this title.

(d) INDEPENDENT AUDITS.—An independent certified public accountant shall audit the financial statements of Amtrak each year. The audit shall be carried out at the place at which the financial statements normally are kept and under generally accepted auditing standards. A report of the audit shall be included in the report required by subsection (a) of this section.

(e) COMPTROLLER GENERAL AUDITS.—The Comptroller General may conduct performance audits of the activities and transactions of Amtrak. Each audit shall be conducted at the place at which the Comptroller General decides and under generally accepted management principles. The Comptroller General may prescribe regulations governing the audit.

(f) AVAILABILITY OF RECORDS AND PROPERTY OF AMTRAK AND RAIL CARRIERS.—Amtrak and, if required by the Comptroller General, a rail carrier with which Amtrak has made a contract for intercity rail passenger transportation shall make available for an audit under subsection (d) or (e) of this section all records and property of, or used by, Amtrak or the carrier that are necessary for the audit. Amtrak and the carrier shall provide facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. Amtrak and the carrier may keep all reports and property.

(g) COMPTROLLER GENERAL'S REPORT TO CONGRESS.—The Comptroller General shall submit to Congress a report on each audit, giving comments and information necessary to inform Congress on the financial operations and condition of Amtrak and recommenda-

tions related to those operations and conditions. The report also shall specify any financial transaction or undertaking the Comptroller General considers is carried out without authority of law. When the Comptroller General submits a report to Congress, the Comptroller General shall submit a copy of it to the President, the Secretary, and Amtrak at the same time.

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

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