

Statement on Signing the Amtrak Reform and Accountability Act of 1997 *December 2, 1997*

Today I am pleased to sign into law S. 738, the "Amtrak Reform and Accountability Act of 1997." This Act represents the first Amtrak reauthorization since 1992 and the most comprehensive restructuring of Amtrak since the early 1980s. Amtrak is a significant component of our national transportation services in densely populated corridors, such as the northeast; on medium- and short-haul routes; and on transcontinental routes linking cities across the Nation. In many areas of rural America it is the only alternative to the automobile. With the enactment of this legislation, we have the opportunity to set Amtrak on a course to continue these services into the 21st Century.

Amtrak has entered a critical stage in its existence. Over the past several years, Amtrak has restructured its operations and streamlined its approach to inter-city rail passenger service. It has improved its organization and created separate strategic business units that are better able to respond to customer needs. It has also significantly reduced its need for Federal operating subsidies. Today, Amtrak recovers a higher percentage of its operating costs from fares—85.1 percent—than any other passenger or commuter railroad in America, and higher than the rail systems in France and Germany. This Act will allow Amtrak to build upon this progress.

With this Act, Amtrak will now be able to access the \$2.3 billion capital account created in the Taxpayer Relief Act of 1997. With these funds, Amtrak will be able to make many needed capital improvements, including replacing its aging car fleet, upgrading its tracks, and rehabilitating stations and maintenance facilities nationwide. With these improvements in place, Amtrak will be able to attract new customers and better serve existing customers. The implementation of new high-speed operations in the northeast corridor between Boston and Washington is a key part of this greatly improved service.

This Act will also free Amtrak to operate in a more businesslike manner by repealing a number of outdated requirements that hampered its ability to operate more like a private entrepreneurial corporation. In particular, S. 738 frees Amtrak to adjust its route structure to meet demand and to respond to competition rather than to congressional directive.

The Act also addresses certain labor relations issues by directing that these issues be negotiated by Amtrak and its unions through collective bargaining, rather than by statute. In this respect, it carries forward the spirit of the reform-oriented labor agreement recently agreed to by Amtrak and one of its unions.

This Act calls for the creation of an Amtrak Reform Council that will bring together individuals with expertise in the fields of corporate management, finance, rail and other transportation operations, labor, economics, and law to assist Amtrak in identifying how to operate more efficiently and effectively.

As a result of these changes, we can all look forward to better rail service. I recognize that this Act represents a compromise of a number of competing concerns and competing visions for Amtrak and its future. I want to compliment the Senators and Representatives who devoted many hours to developing this needed legislation. I also want to commend the many individuals in the Department of Transportation and other Federal agencies who contributed to the development of this Act.

WILLIAM J. CLINTON

The White House,
December 2, 1997.

NOTE: S. 738, approved December 2, was assigned Public Law No. 105-134.