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To provide a restructured and rationalized rail passenger system that provides efficient service on viable routes; to eliminate budget deficits and management inefficiencies at Amtrak through the establishment of an Amtrak Control Board; to allow for the privatization of Amtrak; to increase the role of State and private entities in rail passenger service; and, to promote competition and improved rail passenger service opportunities.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 15, 2002

Mr. McCAIN introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To provide a restructured and rationalized rail passenger system that provides efficient service on viable routes; to eliminate budget deficits and management inefficiencies at Amtrak through the establishment of an Amtrak Control Board; to allow for the privatization of Amtrak; to increase the role of State and private entities in rail passenger service; and, to promote competition and improved rail passenger service opportunities.

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

1 **SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49; RE-**
 2 **PAYMENT OBLIGATIONS; TABLE OF CON-**
 3 **TENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Rail Passenger Service Improvement Act”.

6 (b) **AMENDMENT OF TITLE 49.**—Except as otherwise
 7 expressly provided, whenever in this Act an amendment
 8 or repeal is expressed in terms of an amendment to, or
 9 a repeal of, a section or other provision, the reference shall
 10 be considered to be made to a section or other provision
 11 of title 49, United States Code.

12 (c) **NO EFFECT ON AMTRAK REPAYMENT OBLIGA-**
 13 **TIONS.**—Nothing in this Act may be construed to relieve
 14 any obligations of Amtrak existing as of the date of the
 15 enactment of this Act to repay any individual or entity
 16 from whom Amtrak has borrowed funds.

17 (d) **TABLE OF CONTENTS.**—The table of contents for
 18 this Act is as follows:

See. 1. Short title; amendment of title 49; repayment obligations; table of contents.

See. 2. Findings; purpose.

See. 3. Purpose and goal of chapter 241 of title 49, United States Code.

TITLE I—THE ROLE OF THE SECRETARY

Sec. 101. Office of rail passenger development and franchising.

Sec. 102. Use of facilities.

TITLE II—RESTRUCTURING AMTRAK

Subtitle A—Privatization

Sec. 201. Establishment of subsidiaries.

Sec. 202. Redemption of common stock

Subtitle B—Interim Operations by Amtrak

See. 231. Limits on service provision.

Subtitle C—Northeast Corridor

See. 251. Northeast corridor transfer.

See. 252. Care, custody, and control.

See. 253. Northeast corridor plan.

See. 254. Northeast corridor improvements.

TITLE III—AMTRAK CONTROL BOARD

Subtitle A—Establishment

See. 301. Establishment and organization of Amtrak financial responsibility and management assistance authority.

See. 302. Executive director and staff of Amtrak control board.

See. 303. Powers of Amtrak control board.

See. 304. Exemption from liability for claims.

See. 305. Treatment of actions arising from Act.

See. 306. Funding for operation of Amtrak control board.

See. 307. Suspension of activities.

Subtitle B—Financial Stability and Management Responsibilities

See. 331. Amtrak control board responsibilities.

Subtitle C—Establishment and Enforcement of Amtrak Financial Plan and Budget

See. 351. Development of financial plan and budget for Amtrak.

See. 352. Process for submission and approval of financial plan and annual Amtrak budget.

See. 353. Review of activities of Amtrak to ensure compliance with approved financial plan and budget.

See. 354. Restrictions on borrowing by Amtrak during control year.

See. 355. Deposit of annual federal payment with Amtrak control board.

See. 356. Effect of finding of non-compliance with financial plan and budget.

See. 357. Recommendations on financial stability and management responsibility.

See. 358. Special rules for fiscal year 2002.

See. 359. Control period described.

See. 360. General assistance in achieving financial stability and management efficiency.

See. 361. Obtaining reports.

See. 362. Reports and comments.

See. 363. Inspector General review of Amtrak Control Board.

Subtitle D—Use of Highway Trust Fund

See. 371. Highway Trust Fund Flexibility.

TITLE IV—RAIL PASSENGER SECURITY

Sec. 401. Emergency security assistance.

TITLE V—APPROPRIATIONS

Sec. 501. Authorization of appropriations.

TITLE VI—TECHNICAL AND CONFORMING CHANGES IN EXISTING
LAW

Sec. 601. Amendments to chapter 241 of title 49, United States Code.
Sec. 602. Amendments to chapter 243 of title 49, United States Code.
Sec. 603. Amendments to chapter 247 of title 49, United States Code.
Sec. 604. Amendments to chapter 249 of title 49, United States Code.
Sec. 605. Amendments to chapter 281 of title 49, United States Code.
Sec. 606. Amendments to the Amtrak Reform and Accountability Act of 1997.

1 **SEC. 2. FINDINGS; PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Amtrak was established in 1971 by the Rail
4 Passenger Service Act of 1970 and was expected to
5 become self-sustaining within two years.6 (2) Since 1971, Amtrak has received \$25 billion
7 in Federal funding to help cover its operating and
8 capital costs and is seeking another \$3.2 billion for
9 emergency needs, \$1.2 billion annually for “basic
10 needs”, \$5.8 billion to address the system’s capital
11 investment backlog, and \$12 billion to fund higher
12 speed rail projects.13 (3) The Amtrak Reform and Accountability
14 Act, passed unanimously in 1997, requires that Am-
15 trak become operationally self-sufficient by Decem-
16 ber 2, 2002.17 (4) A combination of accumulated operating
18 deficits, cash shortages, management inefficiencies,
19 and delay in full implementation of Acela Express
20 service have created a fiscal emergency at Amtrak,

1 with growing and substantial debt obligations total-
2 ing over \$3.3 billion.

3 (5) The Amtrak Reform Council has found that
4 Amtrak will not be operationally self-sufficient by
5 December 2, 2002, as required by law, citing major
6 inherent flaws and weaknesses in Amtrak's institu-
7 tional design.

8 (6) The Department of Transportation Inspec-
9 tor General Report on the 2001 Assessment of Am-
10 trak's Financial Performance and Requirements
11 found that Amtrak suffered operating losses of \$1.1
12 billion, the largest in Amtrak's history, and that
13 Amtrak is no closer to operating self-sufficiency now
14 than it was in 1997.

15 (7) Amtrak's financial crisis must be addressed
16 by taking visionary actions to improve Amtrak's fis-
17 cal management and operational structure which ex-
18 empts no part of Amtrak.

19 (8) Amtrak should be restructured to eliminate
20 its reliance on the American taxpayers and to allow
21 for its privatization.

22 (9) A comprehensive reexamination of our na-
23 tion's rail passenger policy is required and a clearly
24 defined role for the Federal government, States, and
25 private industry must be established.

1 (10) The States and private sector must be al-
2 lowed a greater role in establishing a rail passenger
3 network.

7 (b) PURPOSES.—The purposes of this Act are—

12 (2) to ensure the most efficient and cost effec-
13 tive rail passenger service by Amtrak during a pe-
14 riod of fiscal emergency;

15 (3) to assist Amtrak in—

16 (A) restructuring its organization and
17 workforce to ensure that the users of intercity
18 rail passenger transportation are served by an
19 operator that is safe and efficient; and

20 (B) modernizing its budget, accounting,
21 personnel, procurement, information technology,
22 and management systems to ensure the max-
23 imum financial and performance accountability
24 of Amtrak, its officers, and employees;

4 (5) to remedy Amtrak's financial crisis in order
5 to become a viable private entity;

6 (6) to ensure States are afforded a greater role
7 in determining the rail passenger network and re-
8 quire a financial commitment to rail passenger serv-
9 ice while allowing states to determine where it wish-
10 es to invest in rail passenger transportation with the
11 federal transportation dollars it receives; and

16 SEC. 3. PURPOSE AND GOAL OF CHAPTER 241 OF TITLE 49.

UNITED STATES CODE

18 (a) IN GENERAL.—Section 24101 is amended to read
19 as follows:

20 “§ 24101. Purpose and goal

21 “(a) PURPOSE.—The purpose of this chapter is to
22 promote the provision of intercity rail passenger service
23 where it can play an important role in facilitating pas-
24 senger mobility in the United States.

1 “(b) GOAL.—It is the goal of this chapter to ensure
2 that intercity rail passenger service is safe, efficient, cost
3 effective, and of high quality. In order to achieve this goal,
4 this chapter promotes provision of intercity rail passenger
5 service by the private sector in those intercity corridors
6 where such service can be supported from revenues derived
7 from such service or where the State or local government
8 has determined that such service is in the public interest
9 and will adequately compensate the private sector entity
10 providing this service.”.

11 (b) CONFORMING AMENDMENT.—The chapter anal-
12 ysis for chapter 241 is amended by striking the item relat-
13 ing to section 24101 and inserting the following:

“24101. Purpose and goal.”

TITLE I—THE ROLE OF THE SECRETARY

16 SEC. 101. OFFICE OF RAIL PASSENGER DEVELOPMENT AND
17 FRANCHISING.

18 (a) CREATION OF THE OFFICE.—

23 (2) REDESIGNATION ALLOWED.—Nothing in
24 this subsection prevents the Secretary from redesign-
25 nating an existing Office of the Federal Railroad

1 Administration as the Office of Rail Passenger De-
2 velopment and Franchising.

3 (b) DUTIES.—The Office of Rail Passenger Develop-
4 ment and Franchising shall provide expert advice and ad-
5 ministrative support to the Secretary and the Federal
6 Railroad Administrator on the following matters:

7 (1) Administration of the rail passenger fran-
8 chising responsibilities of the Secretary under sec-
9 tion 24308 of title 49, United States Code.

10 (2) Undertaking capital improvements to the
11 Northeast Corridor authorized by section 254 of this
12 Act.

13 (3) Such other matters as the Secretary or the
14 Administrator may assign to the Office.

15 **SEC. 102. USE OF FACILITIES.**

16 (a) IN GENERAL.—Section 24308 is amended—

17 (1) by striking “Amtrak” in subsection (a)(1)
18 and inserting “The Secretary or a rail passenger op-
19 erator acting pursuant to a franchise granted by the
20 Secretary”;

21 (2) by striking “Amtrak;” in subsection
22 (a)(2)(A)(i) by striking and inserting “a rail pas-
23 senger operator acting pursuant to a franchise
24 granted by the Secretary;”;

5 (4) by striking “Amtrak’s right” in subsection
6 (a)(3) and inserting “The right of a rail passenger
7 operator acting pursuant to a franchise granted by
8 the Secretary”;

9 (5) by striking "Amtrak" in subsection (a)(3)
10 and inserting "the rail passenger operator";

11 (6) by striking “Amtrak” the first place it ap-
12 pears in subsection (a)(4) and inserting “a rail pas-
13 senger operator acting pursuant to a franchise
14 granted by the Secretary”;

15 (7) by striking “Amtrak” the second place it
16 appears in subsection (a)(4) and inserting “the rail
17 passenger operator”;

18 (8) by striking "Amtrak" the first place it ap-
19 pears in subsection (b) inserting "a rail passenger
20 operator acting pursuant to a franchise granted by
21 the Secretary";

22 (9) by striking “Amtrak” the second and third
23 places it appears in subsection (b) and inserting
24 “the rail passenger operator”;

1 (10) by striking “Amtrak” the first place it ap-
2 pears in subsection (c) and inserting “a rail pas-
3 senger operator acting pursuant to a franchise
4 granted by the Secretary”;

5 (11) by striking “Amtrak” the second place it
6 appears in subsection (c) and inserting “the rail pas-
7 senger operator”;

12 (13) by striking “Amtrak” in the last sentence
13 of subsection (d) and inserting “the rail passenger
14 operator’s”;

15 (14) by striking “Amtrak” the first place it ap-
16 pears in subsection (e)(1) and inserting “a rail pas-
17 senger operator acting pursuant to a franchise
18 granted by the Secretary”;

19 (15) by striking “Amtrak” the second place it
20 appears in subsection (e)(1) and inserting “the rail
21 passenger operator”;

22 (16) by striking “the statutory goal of Amtrak”
23 in subsection (e)(2)(B) and inserting “the ability of
24 the rail passenger operator”; and

1 (17) by striking “Amtrak” in subsection (e)(3)
2 and inserting “the rail passenger operator”.

3 (b) AWARD OF FRANCHISES TO PROVIDE PAS-
4 SENDER RAIL SERVICE.—Section 24308 is further
5 amended by adding at the end the following:

6 "(f) AWARDING OF FRANCHISES.—

7 “(1) IN GENERAL.—The Secretary may award
8 franchises to qualified rail passenger operators to
9 provide safe, efficient, and cost effective intercity
10 rail passenger service over portions of the rail sys-
11 tem of the United States, except over the Alaska
12 Railroad.

13 “(2) CONDITIONS.—The Secretary may not
14 award a franchise to a rail passenger operator
15 unless—

16 “(A) the rail passenger operator dem-
17 onstrates that—

1 “(ii) an access agreement has been ex-
2 ecuted; and

3 “(B) the Secretary determines that the
4 award of the franchise would not result in a
5 downgrade in the service of a freight operator
6 or its ability to serve its customers.

7 “(3) PROCEDURES.—Within a year after the
8 date of enactment of the Rail Passenger Service Im-
9 provement Act, the Secretary shall by rule establish
10 procedures for awarding franchises to provide inter-
11 city rail passenger service. At a minimum, that rule
12 shall include—

13 “(A) qualifications for a rail passenger op-
14 erator, including safety standards and liability
15 coverage;

16 “(B) procedures for soliciting and eval-
17 uating proposals to provide rail passenger serv-
18 ice;

19 “(C) procedures for determining the terms
20 of the franchise including exclusivity, duration,
21 compensation, and service standards; and

22 “(D) procedures for terminating the fran-
23 chise for cause or other reasons that the Sec-
24 retary may deem appropriate.”.

25 (c) TRANSITION.—

14 (d) CONFORMING AMENDMENTS.—

15 (1) The caption of section 24308 is amended to
16 read as follows:

17 “§ 24308. Use of facilities and providing services to
18 rail passenger operators”.

19 (2) The chapter analysis for chapter 243 is
20 amended by striking the item relating to section
21 24308 and inserting the following:

“24308. Use of facilities and providing services to rail passenger operators.”.

1 **TITLE II—RESTRUCTURING**2 **AMTRAK**3 **Subtitle A—Privatization**4 **SEC. 201. ESTABLISHMENT OF SUBSIDIARIES.**

5 (a) AUTHORIZATION OF SUBSIDIARIES.—Notwithstanding any other provision of law, including any law of the District of Columbia, the National Railroad Passenger Corporation is authorized to establish subsidiaries of the Corporation.

10 (b) ESTABLISHMENT OF SUBSIDIARIES.—

11 (1) IN GENERAL.—Within one year after the date of enactment of this Act, the National Railroad Passenger Corporation shall establish the following subsidiaries of the Corporation:

15 (A) AMTRAK OPERATIONS.—Amtrak Operations, which shall consist of those activities, employees, facilities and other assets and associated debt of the Corporation directly related to the operation of intercity trains, including the transportation of mail and express, and include train and engine operations, on-board services and personnel, dispatching, police and security functions, servicing of equipment, marketing, as well as control of equipment owned or leased by the Corporation.

1 (B) AMTRAK MAINTENANCE.—Amtrak
2 Maintenance, which shall consist of those activi-
3 ties, employees, facilities and other assets and
4 associated debt of the Corporation related to
5 the maintenance of way and maintenance of
6 equipment used for the operation of intercity
7 trains.

14 (D) OTHER SUBSIDIARIES.—Such other
15 subsidiaries that the Reform Board established
16 under section 24302(a) of title 49, United
17 States Code, (hereinafter referred to as the
18 “Reform Board”) believes represent a viable
19 business entity.

20 (2) LEGAL STATUS OF SUBSIDIARIES.—

1 (B) Neither the Amtrak maintenance sub-
2 sidiary nor the Intercity rail reservations sub-
3 sidiary shall be considered an employer under
4 the Railroad Retirement Act of 1974, the Rail-
5 road Unemployment Insurance Act, and the
6 Railroad Retirement Tax Act.

24 (c) MANAGEMENT AND ACCOUNTING.—

15 (d) INCORPORATION.—Not later than 2 years after
16 the date of enactment of this Act, the Reform Board shall
17 take whatever actions are necessary to incorporate each
18 of the subsidiaries under the District of Columbia Busi-
19 ness Corporation Act.

20 (e) INITIAL STOCK OWNERSHIP.—Subsequent to in-
21 corporation, the Reform Board shall distribute the owner-
22 ship of the common stock of the new corporations as fol-
23 lows:

11 (f) PRIVATIZATION.—Not later than 4 years after the
12 date of enactment, the Reform Board shall undertake all
13 necessary measures to sell the common stock owned by
14 the National Railroad Passenger Corporation in each of
15 the subsidiaries or distribute a portion or all of such stock
16 to the subsidiary corporation's employee stock ownership
17 plan.

18 (g) SUNSET.—Upon completion of the privatization
19 of each subsidiary, the Reform Board shall—

3 SEC. 202. REDEMPTION OF COMMON STOCK.

4 (a) REDEMPTION.—After the transfer of assets to the
5 Secretary of Transportation under section 251 of this Act,
6 Amtrak shall attempt to redeem all common stock in the
7 National Railroad Passenger Corporation issued before
8 the date of enactment of this Act for the fair market of
9 such stock.

10 (b) ACQUISITION THROUGH EMINENT DOMAIN.—If
11 Amtrak and the owners of the common stock in the Na-
12 tional Railroad Passenger Corporation have not completed
13 the redemption of such stock by May 1, 2003, Amtrak
14 shall on that date exercise the eminent domain provisions
15 of section 24311 of title 49, United States Code, to ac-
16 quire that stock.

17 (c) CONVERSION OF PREFERRED STOCK TO COM-
18 MON—

1 Act into 10 shares of common stock in the Corpora-
2 tion.

3 (2) OTHER ISSUANCES OF COMMON STOCK.—
4 The Corporation may not issue any other common
5 stock without the express written consent of the Sec-
6 retary of Transportation.

7 **Subtitle B—Interim Operations by**
8 **Amtrak**

9 **SEC. 231. LIMITS ON SERVICE PROVISION.**

10 (a) COVERAGE OF AVOIDABLE COSTS.—Notwith-
11 standing any other provision of law, beginning October 1,
12 2003, and continuing until the stock in Amtrak's subsidi-
13 aries has been sold or transferred to employee stock own-
14 ership plans under section 201(f) of this Act, Amtrak shall
15 not operate over any route or provide any service that does
16 not cover, at a minimum, Amtrak's avoidable costs unless
17 expressly approved by the Amtrak Control Board.

18 (b) DEVELOPMENT OF A PROCEDURE TO CAL-
19 CULATE AVOIDABLE COST.—Not later than 6 months
20 after the date of enactment of this Act, the Amtrak Con-
21 trol Board shall develop, in consultation with the Inspector
22 General of the Department of Transportation, the General
23 Accounting Office, States currently contributing operating
24 or capital subsidies directly to Amtrak for service, and any
25 other person the Amtrak Control Board deems appro-

1 priate, a procedure to identify the avoidable cost of routes
2 and services provided by Amtrak.

3 (c) ANNUAL ESTIMATE OF AVOIDABLE COST.—Be-
4 ginning no later than February 1, 2003, and continuing
5 annually thereafter until the common stock of the subsidi-
6 aries of the National Railroad Passenger Corporation is
7 sold or transferred to an employee stock ownership plan,
8 Amtrak shall provide to the Committees on Appropriations
9 of the Senate and the House of Representatives, the Com-
10 mittee on Commerce, Science, and Transportation of the
11 Senate and the Committee on Transportation and Infra-
12 structure of the House of Representatives, and to the Gov-
13 ernor and the Secretary of Transportation (or the equiva-
14 lent State official) in each State in which Amtrak oper-
15 ates, an estimate of the avoidable cost of each route and
16 service Amtrak plans to provide in the following Federal
17 fiscal year and an estimate of the difference between the
18 estimated avoidable cost and anticipated revenues from
19 that route and service.

20 (d) TERMINATION OF SERVICE.—

21 (1) TERMINATION OF UNSUBSIDIZED LOSS
22 ROUTES.—Amtrak shall terminate a net loss route
23 or service on the first day of any Federal fiscal year
24 beginning after September 30, 2003, if it has not re-
25 ceived a route-specific funding commitment, or a

1 binding agreement from a State, local government,
2 or other entity by the end of the preceding fiscal
3 year to cover the net loss from that service.

4 (2) PERIOD OF APPLICATION.—Paragraph (1)
5 applies to any fiscal year ending before the fiscal
6 year in which the common stock of all subsidiaries
7 established under section 201 has been sold or
8 transferred to employee stock ownership plans.

9 (3) WAIVER.—The Amtrak Control Board may
10 waive the requirement of paragraph (1) if it finds
11 that the national interest would be served by pre-
12 serving a specific route or service that would be ter-
13 minated under paragraph (1).

14 (4) NET LOSS ROUTE.—For purposes of para-
15 graph (1), the term “net loss route” means a route
16 or service on which the avoidable costs are not cov-
17 ered by revenue from that route or service.

18 **Subtitle C—Northeast Corridor**

19 **SEC. 251. NORTHEAST CORRIDOR TRANSFER.**

20 (a) TRANSFER.—Before the National Railroad Pas-
21 senger Corporation may receive any Federal funds author-
22 ized by section 24104 of title 49, United States Code, for
23 fiscal year 2003 or any subsequent fiscal year, it shall
24 transfer title to those portions of the Northeast Corridor
25 currently owned by the Corporation and which were origi-

1 nally acquired by the Corporation pursuant to section
2 701(b) of the Railroad Revitalization and Regulatory Re-
3 form Act of 1976 (45 U.S.C. 851(b)), as well as any sub-
4 sequent improvements made to these assets, to the Sec-
5 retary of Transportation. The assets transferred to the
6 Secretary shall include the rail right-of-way, stations,
7 track, signal equipment, electric traction facilities, bridges,
8 tunnels, and all other improvements owned by the Cor-
9 poration between Boston, Massachusetts, and Wash-
10 ington, District of Columbia (including the route through
11 Springfield, Massachusetts and the routes to Harrisburg,
12 Pennsylvania, and Albany, New York, from the Northeast
13 Corridor main line).

14 (b) EXISTING ENCUMBRANCES.—With regard to any
15 portion of the Northeast Corridor that the Corporation
16 has provided as security or collateral for a debt entered
17 into before the date of enactment of this Act, the Corpora-
18 tion shall transfer its underlying interest in such asset and
19 shall remain liable for the debt secured by that asset.

20 (c) EXCEPTION TO ASSETS TRANSFERRED.—The as-
21 sets transferred shall not include maintenance of way and
22 maintenance of equipment facilities transferred to the Am-
23 trak maintenance subsidiary established under section 201
24 of this Act.

1 (d) CONSIDERATION.—In consideration for the assets
2 transferred to the United States under subsection (b), the
3 Secretary of Transportation shall—

4 (1) provide funds appropriated pursuant to the
5 authorization contained in this Act;

6 (2) deliver to the Corporation all but 1 share of
7 the preferred stock of the Corporation held by the
8 Secretary and cancel any debt, including accrued in-
9 terest, evidenced by these preferred stock certifi-
10 cates; and

11 (3) release the Corporation from all mortgages
12 and liens held by the Secretary on or before June 1,
13 2003.

14 **SEC. 252. CARE, CUSTODY, AND CONTROL.**

15 (a) AGREEMENT.—Before accepting title to the as-
16 sets to be transferred under section 251, the Secretary of
17 Transportation shall enter into an agreement with the
18 Corporation under which the Corporation will exercise on
19 behalf of the Secretary care, custody, and control of the
20 assets to be transferred.

21 (b) EXPIRATION.—The term of the agreement en-
22 tered into under subsection (a) shall expire no later than
23 the fourth anniversary of the date of enactment of this
24 Act.

1 **SEC. 253. NORTHEAST CORRIDOR PLAN.**

2 (a) DEVELOPMENT OF A PLAN.—Within 1 year after
3 the date of enactment of this Act, the Secretary of Trans-
4 portation shall—

5 (1) report to the Congress on—

6 (A) capital investment needs related to the
7 assets acquired under section 251 and other
8 portions of the main line of the Northeast Cor-
9 ridor; and

10 (B) the priority for these investments; and
11 (2) make recommendations on the future oper-
12 ation, control, and ownership of those assets.

13 (b) CONSULTATION.—In preparing the report, the
14 Secretary shall consult with the Departments of Transpor-
15 tation of the States in which the assets are located, any
16 freight rail or commuter rail authority operating over any
17 portion of the Northeast Corridor, the National Railroad
18 Passenger Corporation, and any other persons or entities
19 the Secretary deems appropriate.

20 **SEC. 254. NORTHEAST CORRIDOR IMPROVEMENTS.**

21 (a) AUTHORITY.—

22 (1) IN GENERAL.—The Secretary of Transpor-
23 tation is authorized to undertake capital improve-
24 ments to assets acquired under section 251 of this
25 Act as well as other portions of the main line of the
26 Northeast Corridor which, in the Secretary's judg-

1 ment, are needed to improve the security and safety
2 of the traveling public, address deferred mainte-
3 nance, increase capacity, and enhance the capability
4 of the Northeast Corridor to accommodate intercity,
5 commuter, and freight rail transportation.

6 (2) COMPETITIVE BIDDING.—The Secretary
7 shall undertake the improvements authorized by this
8 section in an efficient and cost effective manner and
9 shall, to the maximum extent practicable, seek com-
10 petitive bids from firms qualified to design or build
11 such improvements.

12 (3) SAFETY.—In undertaking the improvements
13 authorized by this section, the Secretary shall ensure
14 all reasonable measures are taken to assure the safe-
15 ty of railroad workers, contractor employees, the
16 traveling public, and persons living or working in the
17 vicinity of the Northeast Corridor.

18 (4) FUNDING OF RELATED ACTIVITIES.—The
19 Secretary may retain from funds appropriated to un-
20 dertake improvements to Northeast Corridor, suffi-
21 cient amounts to fund the Secretary's related activi-
22 ties including planning, preparation of necessary en-
23 vironmental studies, and project oversight.

24 (5) USE OF STATE TRANSPORTATION DEPART-
25 MENTS.—In carrying out this subsection, the Sec-

1 retary may act directly or through a State depart-
2 ment of transportation or other public authority that
3 otherwise can meet the requirements of this section.

4 (b) CONTRIBUTIONS.—

5 (1) IN GENERAL.—In undertaking improve-
6 ments to the Northeast Corridor, the Secretary shall
7 seek the maximum level of contributions from
8 States, localities, transit authorities, and freight rail-
9 roads operating over the Northeast Corridor.

10 (2) 20 PERCENT MINIMUM MATCH REQUIRED.—
11 Except as provided in paragraph (3), the Secretary
12 shall require that parties other than the Secretary
13 contribute not less than 20 percent of the cost of the
14 improvement.

15 (3) NO MATCH REQUIRED FOR SAFETY AND SE-
16 CURITY IMPROVEMENTS.—The Secretary may fund
17 100 percent of the cost of investments that, in the
18 opinion of the Secretary, are essential for the secu-
19 rity and safety of rail passengers and residents adja-
20 cent to the Northeast Corridor.

21 (4) CONTRIBUTION CONSIDERED FOR
22 PRIORITIZATION.—The Secretary may use the extent
23 to which parties other than the Secretary commit to
24 contribute in excess of 20 percent of the cost of an
25 improvement as one criteria for determining the pri-

1 ority for undertaking improvements to the Northeast
2 Corridor.

3 (c) REVIEW BY THE INSPECTOR GENERAL.—The In-
4 spector General of the Department of Transportation shall
5 undertake a periodic review of the program of improve-
6 ments undertaken under this section and include in the
7 report required by section 409(c) of the Amtrak Reform
8 and Accountability Act of 1997 (5 U.S.C. App. 8G note)
9 the Inspector General's observations as to the efficiency
10 and cost effectiveness of the improvements undertaken.

11 **TITLE III—AMTRAK CONTROL
12 BOARD**

13 **Subtitle A—Establishment**

14 **SEC. 301. ESTABLISHMENT AND ORGANIZATION OF AM-**
15 **TRAK FINANCIAL RESPONSIBILITY AND MAN-**
16 **AGEMENT ASSISTANCE AUTHORITY.**

17 (a) ESTABLISHMENT.—

18 (1) There is hereby established the Amtrak Fi-
19 nancial Responsibility and Management Assistance
20 Authority (referred to elsewhere in this Act as the
21 Amtrak Control Board), consisting of members ap-
22 pointed by the President in accordance with sub-
23 section (b).

24 (b) MEMBERSHIP.—

24 (5) TERM OF SERVICE.—

5 (C) An individual appointed to fill a va-
6 cancy occurring before the expiration of the
7 term for which the predecessor of that indi-
8 vidual was appointed, shall be appointed for the
9 remainder of that term. When the term of office
10 of a member ends, the member may continue to
11 serve until a successor is appointed and quali-
12 fied, but for a period not to exceed 1 year.

13 (c) **QUALIFICATIONS FOR MEMBERSHIP.**—An individual
14 meets the qualifications for membership on the Am-
15 trak Control Board if the individual—

16 (1) has demonstrated knowledge and expertise
17 in finance, management, and the organization and
18 operation of a for-profit business;

19 (2) is not an officer or employee of Amtrak or
20 a current or former member of Amtrak's Board of
21 Directors; and

22 (3) is not an employee of a local or state gov-
23 ernment or of the United States.

24 (d) NO COMPENSATION FOR SERVICE.—Members of
25 the Amtrak Control Board shall serve without pay, but

1 may receive reimbursement for any reasonable and nec-
2 essary expenses incurred by reason of service on the
3 Board.

4 (e) ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-
5 NESS OF AMTRAK CONTROL BOARD.—

6 (1) IN GENERAL.—As soon as practicable after
7 the appointment of its members, the Amtrak Control
8 Board shall adopt by-laws, rules, and procedures
9 governing its activities under this Act, including pro-
10 cedures for hiring experts and consultants. Such by-
11 laws, rules, and procedures shall be public docu-
12 ments, and shall be submitted by the Amtrak Con-
13 trol Board upon adoption to Amtrak, the President,
14 and Congress.

15 (2) CERTAIN ACTIVITIES REQUIRING APPROVAL
16 OF MAJORITY OF MEMBERS.—Under the by-laws
17 adopted pursuant to paragraph (1), the Amtrak
18 Control Board may conduct its operations under
19 such procedures as it considers appropriate, except
20 that an affirmative vote of a majority of the mem-
21 bers of the Amtrak Control Board shall be required
22 in order for the Amtrak Control Board to—

23 (A) approve or disapprove a financial plan
24 and budget under section 352; and

1 (B) direct Amtrak to implement recommendations on financial stability and management responsibility under section 357.

4 SEC. 302. EXECUTIVE DIRECTOR AND STAFF OF AMTRAK
5 CONTROL BOARD.

6 (a) EXECUTIVE DIRECTOR.—The Amtrak Control
7 Board is authorized to appoint an Executive Director. The
8 Executive Director shall be paid at a rate determined by
9 the Amtrak Control Board, except that such rate may not
10 exceed the rate of basic pay payable for level IV of the
11 Executive Schedule.

12 (b) STAFF.—With the approval of the Chair, the Ex-
13 ecutive Director may appoint and fix the pay of additional
14 personnel as the Executive Director considers appropriate,
15 except that no individual appointed by the Executive Di-
16 rector may be paid at a rate greater than the rate of pay
17 for the Executive Director.

18 (c) INAPPLICABILITY OF CERTAIN EMPLOYMENT
19 AND PROCUREMENT LAWS.—The Executive Director and
20 staff of the Authority may be appointed without regard
21 to the provisions of title 5, United States Code, governing
22 appointments in the competitive service, and paid without
23 regard to the provisions of chapter 51 and subchapter III
24 of chapter 53 of that title relating to classification and
25 General Schedule pay rates.

1 (d) STAFF OF FEDERAL AGENCIES.—Upon request
2 of the Chair, the head of any Federal department or agen-
3 cy may detail, on a reimbursable or non-reimbursable
4 basis, any of the personnel of that department or agency
5 to the Authority to assist it in carrying out its duties
6 under this Act.

7 **SEC. 303. POWERS OF AMTRAK CONTROL BOARD.**

8 (a) HEARINGS AND SESSIONS.—The Amtrak Control
9 Board may, for the purpose of carrying out this Act, hold
10 hearings, sit and act at times and places, take testimony,
11 and receive evidence as the Amtrak Control Board con-
12 siders appropriate. The Amtrak Control Board may ad-
13 minister oaths or affirmations to witnesses appearing be-
14 fore it.

15 (b) POWERS OF MEMBERS AND AGENTS.—Any mem-
16 ber or agent of the Amtrak Control Board may, if author-
17 ized by the Amtrak Control Board, take any action which
18 the Amtrak Control Board is authorized to take by this
19 section.

20 (c) OBTAINING OFFICIAL DATA.—

21 (1) FROM FEDERAL GOVERNMENT.—Notwith-
22 standing sections 552 and 552b of title 5, United
23 States Code, the Amtrak Control Board may secure
24 directly from any department or agency of the
25 United States information necessary to enable it to

1 carry out this Act, with the approval of the head of
2 that department or agency.

3 (2) FROM AMTRAK.—Notwithstanding any
4 other provision of law, the Amtrak Control Board
5 shall have the right to secure copies of such records,
6 documents, information, or data from Amtrak nec-
7 essary to enable the Amtrak Control Board to carry
8 out its responsibilities under this Act. At the request
9 of the Amtrak Control Board, the Amtrak Control
10 Board shall be granted direct access to such infor-
11 mation systems, records, documents or information
12 or data as will enable the Amtrak Control Board to
13 carry out its responsibilities under this Act. The offi-
14 cial of Amtrak responsible shall provide the Amtrak
15 Control Board with such information and assistance
16 (including granting the Amtrak Control Board direct
17 access to automated or other information systems)
18 as the Amtrak Control Board requires under this
19 paragraph.

20 (d) GIFTS, BEQUESTS, AND DEVISES.—The Amtrak
21 Control Board may accept, use, and dispose of gifts, be-
22 quests, or devises of services or property, both real and
23 personal, for the purpose of aiding or facilitating the work
24 of the Amtrak Control Board. Gifts, bequests, or devises
25 of money and proceeds from sales of other property re-

1 received as gifts, bequests, or devises shall be deposited in
2 such account as the Amtrak Control Board may establish
3 and shall be available for disbursement upon order of the
4 Chair.

5 (e) ADMINISTRATIVE SUPPORT SERVICES.—Upon
6 the request of the Amtrak Control Board, the Secretary
7 of Transportation shall provide to the Amtrak Control
8 Board the administrative support services necessary for
9 the Amtrak Control Board to carry out its responsibilities
10 under this Act.

11 (f) AUTHORITY TO ENTER INTO CONTRACTS.—The
12 Executive Director may enter into such contracts as the
13 Executive Director considers appropriate (subject to the
14 approval of the Chair) to carry out the Amtrak Control
15 Board's responsibilities under this Act.

16 (g) CIVIL ACTIONS TO ENFORCE POWERS.—The
17 Amtrak Control Board may seek judicial enforcement of
18 its authority to carry out its responsibilities under this
19 Act.

20 (h) PENALTIES.—

21 (1) ACTS PROHIBITED.—Any officer or em-
22 ployee of Amtrak who—
23 (A) takes any action in violation of any
24 valid order of the Amtrak Control Board or

1 fails or refuses to take any action required by
2 any such order; or

3 (B) prepares, presents, or certifies any in-
4 formation (including any projections or esti-
5 mates) or report for the Amtrak Control Board
6 or any of its agents that is false or misleading,
7 or, upon learning that any such information is
8 false or misleading, fails to immediately advise
9 the Amtrak Control Board or its agents thereof
10 in writing, shall be guilty of a misdemeanor.

11 (2) ADMINISTRATIVE DISCIPLINE.—In addition
12 to any other applicable penalty, any officer or em-
13 ployee of Amtrak who knowingly and willfully vio-
14 lates paragraph (1) shall be subject to appropriate
15 administrative discipline, including (when appro-
16 priate) suspension from duty without pay or removal
17 from office by order of either Amtrak or the Amtrak
18 Control Board.

19 (3) REPORT BY AMTRAK ON DISCIPLINARY AC-
20 TIONS TAKEN.—In the case of a violation of para-
21 graph (1) by an officer or employee of Amtrak, the
22 Amtrak Reform Board shall immediately report to
23 the Amtrak Control Board all pertinent facts to-
24 gether with a statement of the action taken thereon.

1 **SEC. 304. EXEMPTION FROM LIABILITY FOR CLAIMS.**

2 The Amtrak Control Board and its members may not
3 be liable for any obligation of or claim against Amtrak
4 resulting from actions taken to carry out this Act.

5 **SEC. 305. TREATMENT OF ACTIONS ARISING FROM ACT.**

6 (a) **JURISDICTION ESTABLISHED IN DISTRICT**
7 **COURT FOR DISTRICT OF COLUMBIA.**—Any action against
8 the Amtrak Control Board or any action otherwise arising
9 out of this Act, in whole or in part, shall be brought in
10 the United States District Court for the District of Colum-
11 bia.

12 (b) **PROMPT APPEAL.**—

13 (1) **COURT OF APPEALS.**—Notwithstanding any
14 other provision of law, any order of the United
15 States District Court for the District of Columbia
16 which is issued pursuant to an action brought under
17 subsection (a) shall be reviewable only pursuant to
18 a notice of appeal to the United States Court of Ap-
19 peals for the District of Columbia Circuit.

20 (2) **SUPREME COURT.**—Notwithstanding any
21 other provision of law, review by the Supreme Court
22 of the United States of a decision of the Court of
23 Appeals which is issued pursuant to paragraph (1)
24 may be had only if the petition for such review is
25 filed within 10 days after the entry of such decision.

1 (c) TIMING OF RELIEF.—No order of any court
2 granting declaratory or injunctive relief against the Am-
3 trak Control Board, including relief permitting or requir-
4 ing the obligation, borrowing, or expenditure of funds,
5 shall take effect during the pendency of the action before
6 such court, during the time appeal may be taken, or (if
7 appeal is taken) during the period before the court has
8 entered its final order disposing of such action.

9 (d) EXPEDITED CONSIDERATION.—It shall be the
10 duty of the United States District Court for the District
11 of Columbia, the United States Court of Appeals for the
12 District of Columbia Circuit, and the Supreme Court of
13 the United States to advance on the docket and to expe-
14 dite to the greatest possible extent the disposition of any
15 matter brought under subsection (a).

16 SEC. 306. FUNDING FOR OPERATION OF AMTRAK CONTROL
17 BOARD.

18 (a) SUBMISSION OF BUDGET.—The Amtrak Control
19 Board shall submit a proposed budget for each fiscal year
20 to the President for inclusion in the annual budget for
21 Amtrak not later than the May 1 prior to the first day
22 of the fiscal year. In the case of the budget for fiscal year
23 2003, the Amtrak Control Board shall submit its proposed
24 budget not later than July 15, 2002.

1 (b) CONTENTS OF BUDGET.—The budget shall
2 describe—

3 (1) expenditures of the Amtrak Control Board
4 by each object class, including expenditures for staff
5 of the Amtrak Control Board;

6 (2) services of personnel and other services pro-
7 vided by or on behalf of the Amtrak Control Board
8 for which the Amtrak Control Board made no reim-
9 bursement; and

10 (3) any gifts or bequests made to the Amtrak
11 Control Board during the previous fiscal year.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to the Amtrak Control
14 Board such sums as may be necessary to enable it to carry
15 out its responsibilities under this Act.

16 (d) SECRETARY OF TRANSPORTATION TO PROVIDE
17 INTERIM SUPPORT.—For fiscal year 2002, the Secretary
18 of Transportation shall advance to the Amtrak Control
19 Board, out of any amounts appropriated to the Secretary
20 and not otherwise obligated, such sums as may be nec-
21 essary to enable the Amtrak Control Board to commence
22 operations in fiscal year 2002. Any sums so advanced may
23 be recouped by the Secretary in fiscal year 2003 if so pro-
24 vided in appropriations Acts.

1 **SEC. 307. SUSPENSION OF ACTIVITIES.**2 (a) SUSPENSION UPON PAYMENT OF AMTRAK CON-
3 TROL BOARD OBLIGATIONS.—4 (1) IN GENERAL.—The Amtrak Control Board
5 shall suspend any activities carried out under this
6 Act, and the terms of the members of the Amtrak
7 Control Board, shall expire on the date that the Am-
8 trak Control Board certifies that—9 (A) Amtrak has been fully privatized; and
10 (B) all obligations arising from the
11 issuance by the Amtrak Control Board of
12 bonds, notes, or other obligations pursuant to
13 subtitle C have been discharged, and that all
14 borrowings by or on behalf of Amtrak have
15 been repaid, secured, or assumed.16 (2) NO SUSPENSION DURING CONTROL PE-
17 RIOD.—The Amtrak Control Board may not suspend
18 its activities pursuant to paragraph (1) at any time
19 during a control period.20 **Subtitle B—Financial Stability and
21 Management Responsibilities**22 **SEC. 331. AMTRAK CONTROL BOARD RESPONSIBILITIES.**23 (a) IN GENERAL.—The Amtrak Control Board is di-
24 rected to seek Amtrak operational and management effi-
25 ciencies, including personnel changes and route elimi-
26 nations or service reductions and direct implementation of

1 such efficiencies by Amtrak. The Amtrak Control Board
2 shall consider and promote options to improve Amtrak's
3 financial condition and operational structure and may con-
4 sult with the Executive Director, Amtrak, corporate and
5 financial experts, Federal, State, and local officials, and
6 the Congress.

7 (b) PRIVATIZATION ASSISTANCE.—The Amtrak Con-
8 trol Board is directed to assist Amtrak in improving its
9 financial and operational condition to enable Amtrak to
10 be privatized no later than 4 years after the date of enact-
11 ment of this Act. Amtrak's privatization shall include spin-
12 ning off Amtrak's operations, reservation system, and
13 maintenance shops into private for-profit entities that can
14 provide competitive services.

15 (c) ROUTE RESTRUCTURING.—In carrying out its du-
16 ties, the Amtrak Control Board is authorized to direct
17 Amtrak to restructure its route structure, including the
18 elimination of routes which are operated at a financial
19 loss, if Amtrak does not exercise its authority to restruc-
20 ture its route structure. Amtrak may maintain service on
21 routes it has been operating at a financial loss only if
22 States or regional compacts provide financial assistance
23 to maintain such existing route operations.

24 (d) STATE AND LOCAL FINANCIAL SUPPORT AGREE-
25 MENTS.—The Amtrak Control Board is authorized to di-

1 rect Amtrak to negotiate with States and regional com-
2 pacts and to enter into agreements to offset expenditures
3 associated with rail passenger service. Amtrak is encour-
4 aged to work with states and multi-state compacts in an
5 effort to retain or restructure routes and improve service
6 quality but Amtrak must not bear the financial loses for
7 money-losing routes.

8 (e) COMMUTER SERVICES.—The Amtrak Control
9 Board is authorized to direct Amtrak to transfer all com-
10 muter services operated by Amtrak to regional compacts
11 which will hold responsibility for commuter operation
12 functions. The Amtrak Control Board shall ensure Am-
13 trak provides adequate notice to any regional compact to
14 which the services are transferred.

15 **Subtitle C—Establishment and En-
16 forcement of Amtrak Financial
17 Plan and Budget**

18 **SEC. 351. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
19 ET FOR AMTRAK.**

20 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-
21 ET.—For each fiscal year for which Amtrak is in a control
22 period, the Reform Board shall develop and submit to the
23 Amtrak Control Board a financial plan and budget for
24 Amtrak in accordance with this section.

1 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—

2 A financial plan and budget for Amtrak for a fiscal year
3 shall specify the budgets for Amtrak for the applicable fis-
4 cal year and all subsequent fiscal years until Amtrak is
5 fully privatized (including the projected revenues and ex-
6 penditures for such years), in accordance with the fol-
7 lowing requirements:

8 (1) The financial plan and budget shall meet
9 the standards described in subsection (c) to promote
10 the financial stability of Amtrak.

11 (2) The financial plan and budget shall provide
12 for estimates of ridership, revenues and expendi-
13 tures.

14 (3) The financial plan and budget shall—

15 (A) describe lump sum expenditures and
16 sources of funding;

17 (B) describe capital expenditures (together
18 with a schedule of projected capital commit-
19 ments of Amtrak and sources of funding;

20 (C) contain estimates of short-term and
21 long-term debt (both outstanding and antici-
22 pated);

23 (D) contain cash flow forecasts at such in-
24 tervals as the Amtrak Control Board may re-
25 quire; and

(E) include other information as may be required by the Amtrak Control Board.

15 (c) STANDARDS TO PROMOTE FINANCIAL STABILITY

16 DESCRIBED.—

21 (A) In the case of the financial plan and
22 budget for a fiscal year during the control pe-
23 riod, the expenditures of Amtrak for each fiscal
24 year (beginning with fiscal year 2003) may not
25 exceed Amtrak revenues, State, local, or private

1 entity financial support, and appropriated ex-
2 penditures to Amtrak for each such fiscal year.

3 (B) During fiscal years 2003, 2004, 2005,
4 and 2006, Amtrak shall make continuous, sub-
5 stantial progress towards equalizing the expend-
6 itures and revenues of Amtrak for such fiscal
7 years (in equal annual installments to the
8 greatest extent possible).

9 (C) Amtrak shall provide for the orderly
10 liquidation of its cumulative fund balance def-
11 icit, as evidenced by financial statements pre-
12 pared in accordance with generally accepted ac-
13 counting principles.

14 (D) If funds in accounts of Amtrak which
15 are dedicated for specific purposes have been
16 withdrawn from such accounts for other pur-
17 poses, Amtrak shall fully restore the funds to
18 such accounts.

19 (E) The financial plan and budget shall as-
20 sure the continuing financial stability of Am-
21 trak, as indicated by factors including access to
22 short-term and long-term capital markets, the
23 efficient management of Amtrak's workforce,
24 and the effective provision of services by Am-
25 trak.

12 SEC. 352. PROCESS FOR SUBMISSION AND APPROVAL OF FI-
13 NANCIAL PLAN AND ANNUAL AMTRAK
14 BUDGET.

15 (a) SUBMISSION OF FINANCIAL PLAN AND BUDGET
16 BY AMTRAK.—Not later than the February 1 preceding
17 a fiscal year for which Amtrak is in a control period, Am-
18 trak shall submit to the Amtrak Control Board a financial
19 plan and budget for the fiscal year which meets the re-
20 quirements of section 351.

21 (b) REVIEW BY AMTRAK CONTROL BOARD.—Upon
22 receipt of the financial plan and budget for a fiscal year
23 from Amtrak under subsection (a), the Amtrak Control
24 Board shall promptly review the financial plan and budget.
25 In conducting the review, the Amtrak Control Board may

1 request any additional information it considers necessary
2 and appropriate to carry out its duties under this subtitle.

3 (c) ACTION UPON APPROVAL OF AMTRAK'S FINAN-
4 CIAL PLAN AND BUDGET.—

5 (1) IN GENERAL.—If the Amtrak Control
6 Board determines that the financial plan and budget
7 for the fiscal year submitted by the Amtrak Reform
8 Board under subsection (a) meets the requirements
9 of section 351, the Amtrak Control Board shall ap-
10 prove the financial plan and budget and shall pro-
11 vide Amtrak, the President, and Congress with a no-
12 tice certifying its approval.

13 (2) ADOPTION OF FINANCIAL PLAN AND BUDG-
14 ET BY REFORM BOARD AFTER RECEIPT OF AP-
15 PROVED FINANCIAL PLAN AND BUDGET.—Not later
16 than 30 days after receiving notification of approval
17 of the financial plan and budget for the fiscal year
18 from the Amtrak Control Board under paragraph
19 (1), the Reform Board shall by Act adopt a financial
20 plan and budget for the fiscal year which shall serve
21 as the adoption of the budgets of Amtrak for the fis-
22 cal year under such section, and shall submit such
23 financial plan and budget to the Amtrak Control
24 Board and the Congress.

1 (d) DISAPPROVAL OF REFORM BOARD INITIAL
2 BUDGET.—

3 (1) If the Amtrak Control Board determines
4 that the financial plan and budget for the fiscal year
5 under subsection (a) does not meet the requirements
6 of section 351, the Amtrak Control Board shall dis-
7 approve the financial plan and budget, and shall
8 provide Amtrak, the President, and Congress with a
9 statement containing—

10 (A) the reasons for such disapproval;
11 (B) the amount of any shortfall in the
12 budget or financial plan; and
13 (C) any recommendations for revisions to
14 the budget the Amtrak Control Board considers
15 appropriate to ensure that the budget is con-
16 sistent with the financial plan and budget.

17 (2) AMTRAK CONTROL BOARD REVIEW OF RE-
18 FORM BOARD'S REVISED FINANCIAL PLAN AND
19 BUDGET.—

20 (A) SUBMISSION OF REVISED FINANCIAL
21 PLAN AND BUDGET.—Not later than 15 days
22 after receiving the statement from the Amtrak
23 Control Board under paragraph (1), the Re-
24 form Board shall promptly adopt a revised fi-
25 nancial plan and budget for the fiscal year

1 which addresses the reasons for the Amtrak
2 Control Board's disapproval cited in the state-
3 ment, and shall submit such financial plan and
4 budget to the Amtrak Control Board.

5 (B) APPROVAL OF REVISED FINANCIAL
6 PLAN AND BUDGET.—If, after reviewing the re-
7 vised financial plan and budget for a fiscal year
8 submitted under subparagraph (A) in accord-
9 ance with the procedures described in this sub-
10 section, the Amtrak Control Board determines
11 that the revised financial plan and budget
12 meets the requirements of section 351, the Am-
13 trak Control Board shall approve the financial
14 plan and budget and shall provide Amtrak, the
15 President, and Congress with a notice certifying
16 its approval.

17 (C) DISAPPROVAL OF REFORM BOARD'S
18 REVISED FINANCIAL PLAN AND BUDGET.—If,
19 after reviewing the revised financial plan and
20 budget for a fiscal year submitted under sub-
21 paragraph (A) in accordance with the proce-
22 dures described in this subsection, the Amtrak
23 Control Board determines that the revised fi-
24 nancial plan and budget does not meet the ap-

1 plicable requirements under section 351, the
2 Amtrak Control Board shall—

3 (i) disapprove the financial plan and
4 budget;

5 (ii) provide Amtrak, the President,
6 and Congress with a statement containing
7 the reasons for such disapproval and de-
8 scribing the amount of any shortfall in the
9 financial plan and budget; and

10 (iii) approve and recommend a financial
11 plan and budget for Amtrak which
12 meets the applicable requirements under
13 section 351, and submit such financial
14 plan and budget to Amtrak, the President,
15 and Congress.

16 (D) ADOPTION OF AMTRAK CONTROL
17 BOARD FINANCIAL PLAN AND BUDGET.—The
18 Reform Board shall adopt the financial plan
19 and budget of the Amtrak Control Board and
20 shall provide the Amtrak Control Board, the
21 President, and Congress with a notice certifying
22 its adoption.

23 (3) DEADLINE FOR TRANSMISSION OF FINAN-
24 CIAL PLAN AND BUDGET BY AMTRAK CONTROL
25 BOARD.—Notwithstanding any other provision of

1 this section, not later than the June 15 preceding
2 each fiscal year in the control period, the Amtrak
3 Control Board shall—

4 (A) provide Congress with a notice certi-
5 fying its approval of Amtrak's financial plan
6 and budget for the fiscal year under subsection

7 (c)(1);

8 (B) provide Congress with a notice certi-
9 fying its approval of Amtrak's revised financial
10 plan and budget for the fiscal year under para-
11 graph (2)(B); or

12 (C) submit to Congress an approved and
13 recommended financial plan and budget of the
14 Amtrak Control Board for the Amtrak for the
15 fiscal year under paragraph (2)(C).

16 **SEC. 353. REVIEW OF ACTIVITIES OF AMTRAK TO ENSURE**
17 **COMPLIANCE WITH APPROVED FINANCIAL**
18 **PLAN AND BUDGET.**

19 (a) **REVIEW OF AMTRAK ACTIONS.—**

20 (1) **SUBMISSION OF ACTIONS TO AMTRAK CON-**
21 **TROL BOARD.**—Amtrak shall submit to the Amtrak
22 Control Board a detailed description of each pro-
23 posed action adopted by the Reform Board during a
24 fiscal year during the control period, together with
25 the estimate of costs accompanying such action.

10 (3) ACTIONS BY AMTRAK CONTROL BOARD.—

23 (i) notify Amtrak of its finding;
24 (ii) provide Amtrak with an expla-
25 nation of the reasons for its finding; and

1 (iii) to the extent the Amtrak Control
2 Board considers appropriate, provide Am-
3 trak with recommendations for modifica-
4 tions to the action.

5 (C) EXCEPTION FOR EMERGENCY AC-
6 TIONS.—Subparagraphs (A) and (B) shall not
7 apply with respect to any action which Amtrak
8 determines should take effect immediately be-
9 cause of emergency circumstances. If Amtrak
10 takes action under this subparagraph, it shall
11 notify the Amtrak Control Board within 5 days
12 after its determination. The Amtrak Control
13 Board shall immediately review the determina-
14 tion and action taken by Amtrak and take
15 whatever action the Amtrak Control Board
16 deems appropriate and necessary.

1 viewing any action subsequently submitted under
2 this subsection.

3 (b) EFFECT OF APPROVED FINANCIAL PLAN AND
4 BUDGET ON CONTRACTS AND LEASES.—

5 (1) MANDATORY PRIOR APPROVAL FOR CER-
6 TAIN CONTRACTS AND LEASES.—

7 (A) IN GENERAL.—In the case of a con-
8 tract or lease described in subparagraph (B)
9 which is proposed to be entered into by Amtrak
10 during a fiscal year in the control period, the
11 Reform Board shall submit the proposed con-
12 tract or lease to the Amtrak Control Board.
13 The Amtrak Control Board shall review each
14 contract or lease submitted under this subpara-
15 graph, and Amtrak may not enter into the con-
16 tract or lease unless the Amtrak Control Board
17 determines that the proposed contract or lease
18 is consistent with the financial plan and budget
19 for the fiscal year.

20 (B) CONTRACTS AND LEASES DE-
21 SCRIBED.—A contract or lease described in this
22 subparagraph is—

23 (i) a labor contract entered into
24 through collective bargaining; or

1 (ii) such other type of contract or
2 lease as the Amtrak Control Board may
3 specify for purposes of this subparagraph.

4 (2) AMTRAK CONTROL BOARD TO REVIEW
5 OTHER CONTRACTS AND LEASES AFTER EXECU-
6 TION.—

7 (A) IN GENERAL.—In addition to the prior
8 approval of certain contracts and leases under
9 paragraph (1), the Amtrak Control Board may
10 require Amtrak to submit to the Amtrak Con-
11 trol Board any other contract (including a con-
12 tract to carry out a grant) or lease entered into
13 by Amtrak during a fiscal year in the control
14 period which is executed after the Amtrak Con-
15 trol Board has approved the financial plan and
16 budget for the year under section 352(c) or (d),
17 or any proposal of Amtrak to renew, extend, or
18 modify a contract or lease in a fiscal year dur-
19 ing the control period which is made after the
20 Amtrak Control Board has approved such fi-
21 nancial plan and budget.

22 (B) REVIEW BY AMTRAK CONTROL
23 BOARD.—The Amtrak Control Board shall re-
24 view each contract or lease submitted under
25 subparagraph (A) to determine if the contract

1 or lease is consistent with the financial plan
2 and budget for the fiscal year. If the Amtrak
3 Control Board determines that the contract or
4 lease is not consistent with the financial plan
5 and budget, the Reform Board shall revise the
6 contract or lease, or shall submit a proposed re-
7 vision to the financial plan and budget in ac-
8 cordance with section 352(d), so that the con-
9 tract or lease will be consistent with the finan-
10 cial plan and budget.

11 (c) RESTRICTIONS ON REPROGRAMMING OF
12 AMOUNTS IN BUDGET DURING CONTROL YEARS.—

13 (1) SUBMISSIONS OF REQUESTS TO AMTRAK
14 CONTROL BOARD.—If Amtrak seeks to reprogram
15 any amounts provided in a budget for a fiscal year
16 in the control period after the budget is adopted by
17 Amtrak, the Reform Board shall submit such re-
18 quest to the Amtrak Control Board, which shall ana-
19 lyze the effect of the proposed reprogramming on
20 the financial plan and budget for the fiscal year and
21 submit its analysis to Amtrak not later than 15 days
22 after receiving the request.

23 (2) NO ACTION PERMITTED UNTIL ANALYSIS
24 RECEIVED.—The Reform Board may not adopt a re-
25 programming during a fiscal year in the control pe-

1 riod, and no officer or employee of Amtrak may
2 carry out any reprogramming during such a year,
3 until the Amtrak Control Board has—

4 (A) provided Amtrak with an analysis of a
5 request for the reprogramming in accordance
6 with paragraph (1); and

10 SEC. 354. RESTRICTIONS ON BORROWING BY AMTRAK DUR-
11 ING CONTROL YEAR.

12 (a) PRIOR APPROVAL REQUIRED.—

1 the financial plan and budget in accordance with
2 section 352(d) so that the borrowing will be con-
3 sistent with the financial plan and budget as so re-
4 vised.

5 (3) BORROWING DESCRIBED.—This subsection
6 shall apply with respect to any borrowing under-
7 taken by Amtrak.

8 **SEC. 355. DEPOSIT OF ANNUAL FEDERAL PAYMENT WITH**
9 **AMTRAK CONTROL BOARD.**

10 (a) DEPOSIT INTO ESCROW ACCOUNT.—In the case
11 of a fiscal year in the control period, the Secretary of the
12 Treasury shall deposit the annual Federal payment to Am-
13 trak into an escrow account held by the Amtrak Control
14 Board, which shall allocate the funds to the Reform Board
15 at such intervals and in accordance with such terms and
16 conditions as it considers appropriate to implement the fi-
17 nancial plan for the year. In establishing such terms and
18 conditions, the Amtrak Control Board shall give priority
19 to using the Federal payment for cash flow management
20 and the payment of outstanding bills owed by Amtrak.

21 (b) EXPENDITURE OF FUNDS FROM ACCOUNT IN
22 ACCORDANCE WITH AMTRAK CONTROL BOARD INSTRU-
23 TIONS.—Any funds allocated by the Amtrak Control
24 Board to Amtrak from the escrow account described in
25 paragraph (1) may be expended by the Amtrak only in

1 accordance with the terms and conditions established by
2 the Amtrak Control Board at the time the funds are allo-
3 cated.

4 **SEC. 356. EFFECT OF FINDING OF NON-COMPLIANCE WITH**
5 **FINANCIAL PLAN AND BUDGET.**

6 (a) **SUBMISSION OF REPORTS.**—Not later than 30
7 days after the expiration of each quarter of each fiscal
8 year (beginning with the current fiscal year), Amtrak shall
9 submit reports to the Amtrak Control Board describing
10 the actual revenues obtained and expenditures made by
11 Amtrak during the quarter with its cash flows during the
12 quarter, and comparing such actual revenues, expendi-
13 tures, and cash flows with the most recent projections for
14 these items.

15 (b) **DEMAND FOR ADDITIONAL INFORMATION.**—If
16 the Amtrak Control Board determines, based on reports
17 submitted by Amtrak under subsection (a), independent
18 audits, or such other information as the Amtrak Control
19 Board may obtain, that the revenues or expenditures of
20 Amtrak in a fiscal year during the control period are not
21 consistent with the financial plan and budget for the year,
22 the Amtrak Control Board shall require Amtrak to provide
23 such additional information as the Amtrak Control Board
24 determines to be necessary to explain the inconsistency.

25 (c) **CERTIFICATION OF VARIANCE.**—

7 (A)(i) the additional information provides
8 an explanation for the inconsistency which the
9 Amtrak Control Board finds reasonable and ap-
10 propriate; or

18 (B) Amtrak agrees to submit the reports
19 described in subsection (a) on a monthly basis
20 for such period as the Amtrak Control Board
21 may require.

22 (2) SPECIAL RULE FOR INCONSISTENCIES AT-
23 TRIBUTABLE TO ACTS OF CONGRESS —

24 (A) DETERMINATION BY AMTRAK CON-
25 TROL BOARD.—If the Amtrak Control Board

1 determines that the revenues or expenditures of
2 Amtrak during a fiscal year during the control
3 period are not consistent with the financial plan
4 and budget for the year as approved by the Am-
5 trak Control Board under section 352 as a re-
6 sult of the terms and conditions of the budget
7 of Amtrak for the year as enacted by Congress
8 or as a result of any other law enacted by Con-
9 gress which affects, Amtrak, the Amtrak Con-
10 trol Board shall so notify the Reform Board
11 and the Congress.

12 (B) CERTIFICATION.—In the case of an in-
13 consistency described in subparagraph (A), the
14 Amtrak Control Board shall certify to Amtrak,
15 the President, the Secretary of Transportation,
16 and Congress that Amtrak is at variance with
17 the financial plan and budget unless Amtrak
18 adopts or implements remedial action (including
19 revising the financial plan and budget pursuant
20 to section 352(d)) to correct the inconsistency
21 which the Amtrak Control Board finds reason-
22 able and appropriate, taking into account the
23 terms of the financial plan and budget.

1 (d) EFFECT OF CERTIFICATION.—If the Amtrak
2 Control Board certifies to the Secretary of Transportation
3 that a variance exists—

4 (1) the Amtrak Control Board may withhold
5 any funds deposited with the Amtrak Control Board
6 under section 355 which would otherwise be ex-
7 pended on behalf of Amtrak; and

8 (2) the Secretary may withhold funds otherwise
9 payable to Amtrak under such Federal programs as
10 the Amtrak Control Board may specify, in such
11 amounts and under such other conditions as the
12 Amtrak Control Board may specify.

13 **SEC. 357. RECOMMENDATIONS ON FINANCIAL STABILITY
14 AND MANAGEMENT RESPONSIBILITY.**

15 (a) IN GENERAL.—The Amtrak Control Board may
16 at any time submit recommendations to Amtrak, the
17 President, and Congress on actions Amtrak or the Federal
18 Government may take to ensure compliance by Amtrak
19 with a financial plan and budget or to otherwise promote
20 the financial stability, management responsibility, and
21 service delivery efficiency of Amtrak, including rec-
22 ommendations relating to—

23 (1) the management of Amtrak's financial af-
24 fairs, including cash forecasting, information tech-
25 nology, placing controls on expenditures for per-

1 sonnel, reducing benefit costs, reforming procurement
2 practices, and placing other controls on expenditures;

4 (2) the relationship between Amtrak and the
5 Federal Government;

6 (3) the structural relationship of business units
7 within Amtrak;

8 (4) the modification of existing revenue structures, including route structures, or the establishment of additional revenue structures;

11 (5) the establishment of alternatives for meeting obligations to pay for railroad retirement expenses;

14 (6) modifications or transfers of the types of services which are the responsibility of Amtrak;

16 (7) the effects of Amtrak policies;

17 (8) the establishment of a personnel system for employees of Amtrak which is based upon employee performance standards; and

20 (9) the improvement of personnel training and proficiency, the adjustment of staffing levels, and the improvement of training and performance of management and supervisory personnel.

24 (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS

25 WITHIN AMTRAK.—

18 (A) specific performance measures to de-
19 termine the extent to which Amtrak has adopt-
20 ed the recommendation; and

21 (B) a schedule for auditing Amtrak's com-
22 pliance with the plan.

23 (3) EXPLANATIONS REQUIRED FOR REC-
24 OMMENDATIONS NOT ADOPTED.—If Amtrak notifies
25 the Amtrak Control Board, the President, and Con-

1 gress under paragraph (1) that Amtrak will not
2 adopt any recommendation submitted under sub-
3 section (a) which Amtrak has authority to adopt, the
4 Reform Board shall include in the statement expla-
5 nations for the rejection of the recommendations.

6 (c) IMPLEMENTATION OF REJECTED RECOMMENDA-
7 TIONS BY AMTRAK CONTROL BOARD.—If Amtrak notifies
8 the Amtrak Control Board, the President, and Congress
9 under subsection (b)(1) that Amtrak will not adopt any
10 recommendation submitted under subsection (a) which
11 Amtrak has authority to adopt, the Amtrak Control Board
12 may by a majority vote of its members take such action
13 concerning the recommendation as it deems appropriate,
14 after consulting with the Secretary of Transportation.

15 **SEC. 358. SPECIAL RULES FOR FISCAL YEAR 2002.**

16 (a) ADOPTION OF TRANSITION BUDGET.—Notwith-
17 standing any provision of section 352 to the contrary, in
18 the case of fiscal year 2002, the following rules shall apply:

19 (1) Not later than 45 days after the appoint-
20 ment of its members, the Amtrak Control Board
21 shall review the proposed budget and Strategic Busi-
22 ness Plan for Amtrak for such fiscal year submitted
23 to Congress, and shall submit any recommendations
24 for modifications to such financial plan and budget

1 to promote the financial stability of Amtrak to the
2 Reform Board, the President, and Congress.

3 (2) Not later than 15 days after receiving the
4 recommendations of the Amtrak Control Board sub-
5 mitted under paragraph (1), the Reform Board shall
6 promptly adopt a revised budget for the fiscal year
7 (in this section referred to as the “transition bud-
8 get”), and shall submit the transition budget to the
9 Amtrak Control Board, the President, and Congress.

10 (3) Not later than 15 days after receiving the
11 transition budget from the Reform Board under
12 paragraph (2), the Amtrak Control Board shall sub-
13 mit a report to Amtrak, the President, and Congress
14 analyzing the budget and shall include in the report
15 such recommendations for revisions to the transition
16 budget as the Amtrak Control Board considers ap-
17 propriate to promote the financial stability of Am-
18 trak during the fiscal year.

19 (b) FINANCIAL PLAN AND BUDGET.—

20 (1) DEADLINE FOR SUBMISSION.—For purposes
21 of section 352, Amtrak shall submit the financial
22 plan and budget for fiscal year 2002 as soon as
23 practicable after the date of the enactment of this
24 Act (in accordance with guidelines established by the
25 Amtrak Control Board).

5 (A) Amtrak shall adopt the financial plan
6 and budget for the fiscal year; and

7 (B) the financial plan and budget adopted
8 by Amtrak (and, in the case of a financial plan
9 and budget disapproved by the Amtrak Control
10 Board, together with the financial plan and
11 budget approved and recommended by the Am-
12 trak Control Board) shall be submitted to Con-
13 gress.

23 SEC. 359. CONTROL PERIOD DESCRIBED.

24 (a) INITIATION.—The control period is deemed to
25 exist upon the enactment of this Act.

1 (b) TERMINATION.—

11 SEC. 360. GENERAL ASSISTANCE IN ACHIEVING FINANCIAL
12 STABILITY AND MANAGEMENT EFFICIENCY.

13 In addition to any other actions described in this title,
14 the Amtrak Control Board may undertake cooperative ef-
15 forts to assist Amtrak in achieving financial stability and
16 management efficiency, including—

21 (2) assisting Amtrak in improving the training
22 and effectiveness of personnel, and the efficiency of
23 management and supervision; and

24 (3) making recommendations to the President
25 for transmission to Congress on changes to this Act

1 or other Federal laws, or other actions of the Fed-
2 eral Government, which would assist Amtrak in com-
3 plying with an approved financial plan and budget
4 under subtitle A.

5 **SEC. 361. OBTAINING REPORTS.**

6 The Amtrak Control Board may require Amtrak to
7 prepare and submit such reports as the Amtrak Control
8 Board considers appropriate to assist it in carrying out
9 its responsibilities under this Act, including submitting
10 copies of any reports regarding revenues, expenditures,
11 budgets, costs, plans, operations, estimates, and other fi-
12 nancial or budgetary matters of Amtrak.

13 **SEC. 362. REPORTS AND COMMENTS.**

14 (a) ANNUAL REPORTS TO CONGRESS.—Not later
15 than 30 days after the last day of each fiscal year in the
16 control period, the Amtrak Control Board shall submit a
17 report to Congress describing—

18 (1) the progress made by Amtrak in meeting
19 the objectives of this Act during the fiscal year;
20 (2) the assistance provided by the Amtrak Con-
21 trol Board to Amtrak in meeting the purposes of
22 this Act for the fiscal year; and
23 (3) any other activities of the Amtrak Control
24 Board during the fiscal year.

1 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND
2 FINANCIAL ACCOUNTABILITY REPORTS.—The Amtrak
3 Control Board shall review each report prepared and sub-
4 mitted by Amtrak, and shall submit a report to Congress
5 analyzing the completeness and accuracy of such reports.

6 (c) COMMENTS REGARDING ACTIVITIES OF AM-
7 TRAK.—At any time during a fiscal year in the control
8 period, the Amtrak Control Board may submit a report
9 to Congress describing any action taken by Amtrak (or
10 any failure to act by Amtrak) which the Amtrak Control
11 Board determines will adversely affect Amtrak's ability to
12 comply with an approved financial plan and budget under
13 subtitle A or will otherwise have a significant adverse im-
14 pact on the best interests of Amtrak, its employees and
15 its customers.

16 (d) MAKING REPORTS PUBLICLY AVAILABLE.—The
17 Amtrak Control Board shall make any report submitted
18 under this section available to the public, except to the
19 extent that the Amtrak Control Board determines that the
20 report contains confidential material.

21 **SEC. 363. INSPECTOR GENERAL REVIEW OF AMTRAK CON-**
22 **TROL BOARD.**

23 (a) APPLICATION OF INSPECTOR GENERAL ACT.—
24 The Inspector General Act of 1978 (5 U.S.C. App.), and
25 any other provision of law authorizing activities of the In-

1 spector General of the Department of Transportation,
2 shall apply to the Amtrak Control Board.

3 (b) REVIEW AND AUDIT.—The Inspector General of
4 the Department of Transportation shall, on an annual
5 basis, review and audit the operations, budget, and pro-
6 gram actions of the Amtrak Control Board. The Inspector
7 General shall provide the results of the review to the Sen-
8 ate Committee on Commerce, Science, and Transportation
9 and the House of Representatives Committee on Trans-
10 portation and Infrastructure.

11 **Subtitle D—Use of Highway Trust 12 Fund**

13 **SEC. 371. HIGHWAY TRUST FUND FLEXIBILITY.**

14 Notwithstanding any provision of law to the contrary,
15 a State may use amounts otherwise available for obligation
16 or expenditure from the Highway Trust Fund established
17 by section 9503 of the Internal Revenue Code of 1986 to
18 provide intercity rail passenger transportation service. A
19 State may not use such amounts to provide the State
20 share for a Federally-assisted project.

21 **TITLE IV—RAIL PASSENGER 22 SECURITY**

23 **SEC. 401. EMERGENCY SECURITY ASSISTANCE.**

24 (a) IN GENERAL.—

16 (b) AVAILABILITY OF APPROPRIATED FUNDS.—
17 Amounts appropriated pursuant to subsection (a) shall re-
18 main available until expended.

19 (c) PLAN REQUIRED.—

20 (1) SYSTEMWIDE UPGRADES.—The Secretary
21 may not make amounts available to Amtrak for obli-
22 gation or expenditure under subsection (a)(1) for
23 implementing systemwide security upgrades until—

1 (A) Amtrak has submitted to the Sec-
2 retary, and the Secretary has approved, a plan
3 for such upgrades; and

4 (B) Amtrak has submitted to the Secretary
5 such additional information as the Secretary
6 may require in order to ensure full account-
7 ability for the obligation or expenditure of
8 amounts made available to Amtrak for the pur-
9 pose for which the funds are provided.

16 (d) FINANCIAL CONTRIBUTION FROM OTHER TUN-
17 NEL USERS.—The Secretary shall, taking into account the
18 need for the timely completion of all life safety portions
19 of the tunnel projects described in subsection (a)(2)—

20 (1) consider the extent to which rail carriers
21 other than Amtrak use the tunnels;

22 (2) consider the feasibility of seeking a financial
23 contribution from those other rail carriers toward
24 the costs of the projects; and

3 (e) TARGETING SECURITY EXPENDITURES.—The
4 Secretary shall ensure that amounts appropriated pursu-
5 ant to subsection (a)(1) are obligated or expended for the
6 most significant projects for addressing security concerns,
7 but not limited to projects in the Northeast Corridor.

8 (f) OVERLAP REVIEW BY DOT INSPECTOR GEN-
9 ERAL.—The Inspector General shall, as part of the De-
10 partment's annual assessment of Amtrak's financial sta-
11 tus and capital funding requirements review the obligation
12 and expenditure of funds under each such funding docu-
13 ment, procedure, or arrangement to ensure that the ex-
14 penditure and obligation of those funds are consistent with
15 the purposes for which they are provided under this Act.

TITLE V—APPROPRIATIONS

17 SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

18 Section 24104 is amended to read as follows:

19 “§ 24104. Authorization of appropriations

20 "(a) OPERATING EXPENSES OF THE CORPORATION
21 TION.—There are authorized to be appropriated to the
22 Secretary of Transportation—

25 “(3) \$200,000,000 for fiscal year 2005, and

1 “(4) \$100,000,000 for fiscal year 2006,
2 for the benefit of Amtrak and its subsidiaries for operating
3 expenses including payments of tax liabilities under sec-
4 tion 3221 of the Internal Revenue Code of 1986, obliga-
5 tions under section 8(a) of the Railroad Unemployment
6 Insurance Act (45 U.S.C. 358(a)), and obligations of Am-
7 trak under section 3321 of the Internal Revenue Code of
8 1986.

9 “(b) CAPITAL EXPENSES.—

10 “(1) There are authorized to be appropriated to
11 the Secretary of Transportation—
12 “(A) \$400,000,000 for fiscal year 2003,
13 “(B) \$400,000,000 for fiscal year 2004,
14 “(C) \$400,000,000 for fiscal year 2005, and
15 “(D) \$400,000,000 for fiscal year 2006,
16 for the purpose of making capital grants to facilitate the
17 operation of intercity rail passenger service.

18 “(2) In making capital grants under this sub-
19 section, the Secretary shall require that investments
20 undertaken with funds provided by such grants meet
21 the standards for capital investments as provided for
22 under Generally Accepted Accounting Principles.

23 “(3) In making capital grants under this sub-
24 section, the Secretary may require Amtrak or any
25 other potential recipient of grant funds to submit

1 such information as the Secretary may require in
2 order to ensure full accountability for the obligation
3 or expenditure of the amounts made available.

4 "(4) The Secretary shall require that the grant
5 recipient provide not less than 20 percent of the cost
6 of the capital investment to be undertaken with the
7 grant funds.

8 "(c) NORTHEAST CORRIDOR IMPROVEMENTS.—

9 There are authorized to be appropriated to the Secretary
10 of Transportation—

11 "(1) \$500,000,000 for fiscal year 2003,
12 "(2) \$500,000,000 for fiscal year 2004,
13 "(3) \$500,000,000 for fiscal year 2005, and
14 "(4) \$500,000,000 for fiscal year 2006,

15 to undertake the capital investments in the Northeast Cor-
16 ridor authorized by section 254 of the Rail Passenger
17 Service Improvement Act.

18 "(d) AVAILABILITY OF AMOUNTS APPROPRIATED.—

19 Amounts appropriated under this section remain available
20 until expended.”.

1 **TITLE VI—TECHNICAL AND CON-**
2 **FORMING CHANGES IN EXIST-**
3 **ING LAW**

4 **SEC. 601. AMENDMENTS TO CHAPTER 241 OF TITLE 49,**

5 **UNITED STATES CODE.**

6 (a) **DEFINITIONS.**—Section 24102 is amended—

7 (1) by striking paragraph (2) and redesignating
8 paragraphs (3), (4), (5), and (6) as paragraphs (2),
9 (3), (4), and (5), respectively; and

10 (2) by inserting after paragraph (5), as so re-
11 designated, the following:

12 “(6) ‘rail passenger operator’ means a person,
13 including a unit of State or local government, acting
14 pursuant to a franchise granted by the Secretary of
15 Transportation to provide intercity rail passenger
16 service for compensation.”.

17 (b) **ENFORCEMENT.**—Section 24103 is amended—

18 (1) by striking “Amtrak or” in subsection (a)
19 and inserting “Amtrak, a rail passenger operator,
20 or”;

21 (2) by inserting “or a rail passenger operator”
22 after “Amtrak” in subsection (b); and

23 (3) by striking “Amtrak or” in subsection (c)
24 and inserting “Amtrak, a rail passenger operator,
25 or”.

1 SEC. 602. AMENDMENTS TO CHAPTER 243 OF TITLE 49,

2 UNITED STATES CODE.

3 (a) STATUS OF AMTRAK; APPLICABLE LAWS.—Sec-

4 tion 24301 is amended—

5 (1) by striking “Amtrak,” and inserting “Am-
6 trak or a rail passenger operator,” in the first sen-
7 tence of subsection (c);8 (2) by striking the second sentence of sub-
9 section (c);10 (3) by striking “Amtrak.” in subsection (d) and
11 inserting “Amtrak or a rail passenger operator.”;12 (4) by inserting “or a rail passenger operator”
13 after “Amtrak” in subsection (g);14 (5) by striking “Amtrak.” in subsection (h) and
15 inserting “Amtrak or a rail passenger operator.”;16 (6) by inserting “or a rail passenger operator”
17 after “Amtrak” the second place it appears in sub-
18 section (h);19 (7) by inserting “or a rail passenger operator”
20 after “Amtrak” in subsection (i);21 (8) by striking “Amtrak.” in subsection (m)(2)
22 and inserting “Amtrak or a rail passenger oper-
23 ator.”;24 (9) by striking “Amtrak” the first place it ap-
25 pears in subsection (n) and inserting “Amtrak and
26 other rail passenger operators”; and

(10) by striking “Amtrak” the second place it appears in subsection (n) and inserting “rail”.

3 (b) BOARD OF DIRECTORS.—Section 24302 is
4 amended—

5 (1) by striking subsection (a)(3); and
6 (2) by striking subsection (c).

7 (c) GENERAL AUTHORITY.—Section 24305 is
8 amended—

14 (3) by inserting “For items acquired with funds
15 provided by the Federal Government,” in subsection
16 (f)(2) before “Amtrak”.

17 (d) MAIL, EXPRESS, AND AUTO-FERRY TRANSPOR-
18 TATION.—Section 24306(b) is amended—

19 (1) by striking “Amtrak or” and inserting
20 “Amtrak, a rail passenger operator, or”; and

21 (2) by inserting “or a rail passenger operator”
22 after “Amtrak” in the second sentence.

23 (e) SPECIAL TRANSPORTATION.—Section 24307 is
24 amended by inserting “and any other rail passenger oper-
25 ator” after “Amtrak” in subsection (a).

1 (f) RETAINING AND MAINTAINING FACILITIES.—Sec-
2 tion 24309 is amended—

3 (1) by striking subsection (c) and redesignating
4 subsections (d) and (e) as subsections (c) and (d),
5 respectively;

6 (2) by inserting “or another rail passenger op-
7 erator” after “Amtrak” in paragraph (1) of sub-
8 section (c), as redesignated; and

9 (3) by inserting “or the other rail passenger op-
10 erator” after “Amtrak” each place it appears in
11 paragraph (2) of subsection (c), as redesignated.

12 (g) ACQUIRING INTERESTS IN PROPERTY BY EMI-
13 NENT DOMAIN.—Section 24311 is amended—

14 (1) by striking “or” after the semicolon in sub-
15 section (a)(1)(A);

16 (2) by striking “Amtrak.” in subsection
17 (a)(1)(B) and inserting “Amtrak; or”;

18 (3) by inserting after subsection (a)(1)(B) the
19 following:

20 “(C) common stock of the National Rail-
21 road Passenger Corporation outstanding on the
22 date of enactment of the Rail Passenger Service
23 Improvement Act.”; and

24 (4) by striking “located.” in subsection (b)(1)
25 and inserting “located, or, in the case of common

1 stock of the National Railroad Passenger Corpora-
2 tion outstanding on the date of enactment of the
3 Rail Passenger Service Improvement Act, the dis-
4 trict court for the District of Columbia.”.

5 (h) REPORTS AND AUDITS.—Section 24315 is
6 amended—

7 (1) by striking “year,” in subsection (a) the
8 first place it appears and inserting “year in which
9 Amtrak receives a Federal operating subsidy,”;

10 (2) by striking “year,” in subsection (b) the
11 first place it appears and inserting “year in which
12 Amtrak receives a Federal operating subsidy,”; and

13 (3) by striking subsection (c) and redesignating
14 subsections (d) through (h) as subsections (c)
15 through (g), respectively.

16 **SEC. 603. AMENDMENTS TO CHAPTER 247 OF TITLE 49,**

17 **UNITED STATES CODE.**

18 (a) REPEALS.—Sections 24701 and 24706 are re-
19 pealed.

20 (b) INTERNATIONAL TRANSPORTATION.—Section
21 24709 is amended—

22 (1) by redesignating it as section 24701;

23 (2) by inserting “or a rail passenger operator”
24 after “Amtrak” the first place it appears; and

4 (c) CONFORMING AMENDMENTS.—

5 (1) The chapter analysis for chapter 247 is
6 amended to read as follows:

“CHAPTER 247. INTERNATIONAL TRANSPORTATION

“Sec.
“24701. International transportation.”.

247. International transportation 24701".

10 SEC. 604. AMENDMENTS TO CHAPTER 249 OF TITLE 49,

UNITED STATES CODE.

12 (a) REPEALS.—Chapter 249 is amended by striking
13 sections 24901, 24904, 24906, 24908, and 24909.

14 (b) APPLICABLE PROCEDURES.—Section 24902 is
15 amended—

16 (1) by striking the section caption and inserting
17 the following:

18 “§ 24902. Applicable procedures”:

19 (2) by striking subsections (a) through (j):

20 (3) by striking “by or for the benefit of Amtrak
21 as part of, or in furtherance of the Northeast Cor-
22 rridor Improvement Project” in subsection (j) and in-

1 serting “by the Secretary under section 254 of the
2 Rail Passenger Service Improvement Act”;

3 (4) by striking the last sentence of subsection
4 (j);

5 (5) by striking “(i)” and “(ii)” in subsection (j)
6 and inserting “(1)” and “(2)”, respectively; and

7 (6) by striking “(j) APPLICABLE PROCE-
8 DURES.—” in subsection (j).

9 (c) COORDINATION BOARD AND SAFETY COM-
10 MITTEE.—Section 24905 is amended—

11 (1) by striking the section caption and inserting
12 the following:

13 **“§ 24905. Northeast corridor safety committee”;**

14 (2) by striking subsection (a);

15 (3) by striking “(b) NORTHEAST CORRIDOR
16 SAFETY COMMITTEE.—(1)” and inserting “(a) IN
17 GENERAL.—”;

18 (4) by redesignating subparagraphs (A) through
19 (G) of paragraph (1) as paragraphs (1) through (7),
20 respectively;

21 (5) by striking “Amtrak” in paragraph (2), as
22 redesignated, and inserting “the rail passenger oper-
23 ator providing intercity rail passenger service on the
24 main line of the Northeast Corridor;”;

3 (7) by striking “(3) At” and inserting “(c) RE-
4 PORT.—”; and

5 (8) by striking "(4) The" and inserting "(d)
6 TERMINATION.—".

7 (d) CONFORMING AMENDMENTS.—

“24902. Applicable procedures.”.

11 (2) The chapter analysis for chapter 249 is
12 amended by striking the item relating to section
13 24905 and inserting the following:

“24905. Northeast corridor safety committee.”.

14 SEC. 605. AMENDMENTS TO CHAPTER 281 OF TITLE 49,
15 UNITED STATES CODE.

16 (a) LIMIT ON ACCIDENT OR INCIDENT LIABILITY.—

17 Section 28102 is amended—

18 (1) by striking "Amtrak" the first and third
19 places it appears in subsection (a) and inserting
20 "Amtrak or a rail passenger operator";

21 (2) by striking “Amtrak,” in subsection (a) and
22 inserting “Amtrak or the rail passenger operator,”;
23 and

1 (3) by striking “Amtrak” in subsection (c) and
2 inserting “Amtrak, a rail passenger operator.”.

5 (1) by inserting “and any other rail passenger
6 operator” in subsection (c) after “Amtrak”; and

10 SEC. 606. AMENDMENTS TO THE AMTRAK REFORM AND AC-
11 COUNTABILITY ACT OF 1997.

12 (a) REPEAL OF CERTAIN SECTIONS OF TITLE II.—
13 Sections 202, 203, 204, 205, and 209 of the Amtrak Re-
14 form and Accountability Act of 1997 (49 U.S.C. 24101
15 note and 24104 note) are repealed.

16 (b) REPEAL OF CERTAIN SECTIONS OF TITLE IV.—
17 Sections 412 and 413 of the Amtrak Reform and Account-
18 ability Act of 1997 (49 U.S.C. 24305 note) are repealed.

19 (c) INSPECTOR GENERAL ASSESSMENT.—Section
20 409(c)(1) of the Amtrak Reform and Accountability Act
21 of 1997 (5 U.S.C. App. 8G note) is amended by striking
22 “similar to the assessment required by section 202(a).”
23 and inserting “of the financial requirements of Amtrak
24 through fiscal year 2006, including a review of Amtrak’s
25 strategic business and capital plans (including strategic

1 business and capital plans of any subsidiary of Amtrak),
2 revenues and expenses including the allocation of these
3 among subsidiaries, and such other matters as the Inspec-
4 tor General deems appropriate.”.

