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APPROVED
OCT 28 1974

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 23 1974

Statement received 10/29/74

MEMORANDUM FOR THE PRESIDENT

To ARCHIVES 10/29

Subject: Enrolled Bill H.R. 15427 - Amtrak Improvement Act of 1974
Sponsor - Rep. Staggers (D) West Virginia

Last Day for Action

October 29, 1974 - Tuesday

Purpose

Increases Amtrak authorizations for Federal Grants and loan guarantees, amends DOT's review authority over loan guarantees, authorizes the ICC to conduct its own litigation in certain cases, requires the establishment of on-board customs inspection procedures for trains operating in international service, and authorizes funds for intermodal transportation terminals.

Agency Recommendations

Office of Management and Budget	Approval
Department of Transportation	Approval
National Passenger Railroad Corporation	Approval
Interstate Commerce Commission	Approval (sections 10 and 14 only)
Department of the Treasury	No objection (sections 4 and 9) (signing statement attached)
Department of Justice	Concerned with litigation provisions
Washington Metropolitan Area Transit Authority	Defers to DOT
Department of the Interior	Reluctant to recommend disapproval



Discussion

H.R. 15427 as enrolled would increase the ceiling on authorizations for Federal grants to the National Railroad Passenger Corporation (Amtrak) by \$200 million, an amount agreed to in DOT testimony on the bill before the House Commerce Committee. The bill would also increase the maximum amount of guaranteed loans which may be outstanding at any one time by \$400 million. The Administration had requested an open-ended authorization for grants and an increase of \$200 million for loan guarantees. We do not believe Amtrak can develop adequate proposals for loan guarantees in excess of \$200 million, so the increase in the authorization level over the request should not be a problem.

The bill would amend the procedures under which DOT approves loan guarantees to Amtrak. Currently, DOT rules on each requested guarantee. Under the bill, it would be required to issue guidelines within 180 days of enactment to assist Amtrak in formulating its capital and budgetary plans. Each guarantee request approved by Amtrak's board of directors would then be approved by DOT if it determined that the request fell within the guidelines.

Both OMB in a letter to the Senate Commerce Committee and DOT in a letter to the conference committee indicated that a veto would be recommended if the original Senate provision removing all of DOT's review authority over loan guarantees were not eliminated. Although H.R. 15427 would further circumscribe Executive Branch stewardship of Amtrak funds, both DOT and we believe that the provision in the enrolled bill would still provide sufficient Federal review.

The bill would allow independent ICC civil litigation in enforcement of its service and equipment regulations (Section 801 of the ICC Act) in cases where (1) the ICC is challenging action or inaction by any party already represented by the Attorney General, or (2) the Attorney General fails to notify the ICC, within 45 days of an ICC request, that he will represent it. In its views letter on the enrolled bill, Justice objects to this provision. Justice's coordination of litigation, which is especially important before the Supreme Court, ensures a more uniform presentation of the Government's position and ensures that one agency does not undercut the position of another. Justice often allows the agencies to conduct their own



litigation but only after review of their presentation to ensure uniformity. While the enrolled bill is an improvement over the original Senate version, which would have allowed independent ICC litigation in all Section 801 cases, the provision is still undesirable. Justice feels that the 45-day limitation would not allow it sufficient review of an ICC case and that ICC could change its approach to litigation after getting Justice's approval to litigate on its own. In its memorandum on the enrolled bill, Justice states:

"Although this intrusion on the Attorney General's litigating responsibilities is most objectionable to this Department, the fact that this is our only objection to H.R. 15427 makes us hesitate to recommend a veto. However, if there are other objections to the bill, we would recommend against Executive approval of the bill."

The bill would, in effect, require Treasury to establish and maintain customs inspection procedures on board Amtrak trains operated in international service. In a letter to the conference committee, DOT pointed out that Treasury would have preferred language authorizing such procedures, but not requiring them. In many cases, on-board procedures could hamper Treasury's efforts to stop the flow of narcotics and other contraband at ports of entry. In addition, the passenger is often separated from his baggage, and thus the procedures could be impractical as well as inconsistent with good enforcement practices. After some experience, it may be necessary to propose remedial legislation in this matter.

The bill would authorize appropriations of \$5 million for DOT to design, plan, and coordinate the construction of a model intermodal transportation terminal to replace Union Station, which is being converted into a visitors' center under the terms of the National Visitor Center Facilities Act of 1968 (P.L. 90-264). Another recently enrolled bill, H.R. 17027, which is also awaiting your action, would amend the latter Act to provide additional Federal money for converting Union Station into a Visitor Center. Under that Act, the private owners of Union Station are required to build a substitute railroad station. The language in H.R. 15427 would authorize DOT to assist the owners in developing a terminal to handle additional modes, including buses, taxis, and airline ticketing services, rather than just railroads. While language submitted to the Congress by the Department of the Interior on April 26, 1974 would have been preferable, the compromise worked out with the Congress is acceptable.

In addition, the bill would authorize appropriations of \$25 million for DOT to provide financial, technical, and advisory assistance for the purpose of converting other existing railroad terminals into intermodal terminals and/or civic or cultural centers, and preventing destruction of historically or architecturally significant terminals. The Administration opposed the original Senate version of this provision which would have authorized \$100 million for this new program. Whether or not this provision will be funded within DOT's budget will depend on its priority in relation to other programs.

In addition to the above provisions, the enrolled bill would make a number of other revisions to the Amtrak basic act and other related laws. The bill would freeze the basic Amtrak system for another year, until July 1, 1975, thus barring any routes from being dropped. It would require that, in picking the experimental route required annually by existing law, Amtrak give priority consideration to the major population areas of the contiguous 48 States which do not now have intercity rail service. While not written into the legislation, the conference report states that the 1975 experimental route should provide service to Boise, Idaho. Both DOT and Amtrak object to this specific mandate.

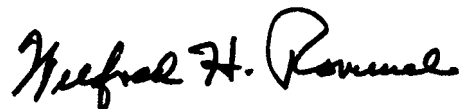
The bill would also require (1) that a study be made of the feasibility and desirability of a high speed ground transportation system between major west coast cities, (2) that priority be given to coordinating Amtrak's passenger train plans with the reorganization of the rail system in the Northeast corridor called for by the Regional Rail Reorganization Act of 1973 (P.L. 93-236), (3) that Amtrak give priority to acquiring and operating its own maintenance and repair facilities, and (4) that States and localities pay a flat two-thirds share of the net operating losses of nonprofitable local lines maintained in operation. Presently, States and localities are required to pay a minimum of two-thirds of those losses.

* * * * *

While there are some undesirable provisions in H.R. 15427, as noted above, the bill is generally acceptable and represents, we believe, a great improvement over earlier versions. We agree with DOT's statement in its views letter on the enrolled bill that

". . . While we have reservations about certain provisions, we believe it is imperative that Amtrak be provided financial assistance for an additional year until the Department can complete the ongoing study of the future role of Amtrak in the nation's transportation system."

Treasury has recommended a signing statement dealing with the on-board customs inspection provision, which would request Congress to revise the provision to ensure effective customs enforcement. Since Treasury can request remedial legislation at an appropriate time, we doubt the need for a signing statement on this issue alone and question whether the other undesirable features of the bill warrant issuance of a signing statement.

A handwritten signature in black ink, reading "Michael H. Roman". The signature is written in a cursive style with a large, prominent initial "M".

Assistant Director for
Legislative Reference

Enclosure

10/28

THE WHITE HOUSE
WASHINGTON

ACTION

Last Day - October 29

October 26, 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Enrolled Bill H.R. 15427
Amtrak Improvement Act of 1974

Attached for your consideration is House bill, H.R. 15427, sponsored by Representative Staggers, which increases Amtrak authorizations for Federal Grants and loan guarantees, amends DOT's review authority over loan guarantees, authorizes the ICC to conduct its own litigation in certain cases, requires the establishment of on-board customs inspection procedures for trains operating in international service, and authorizes funds for intermodal transportation terminals.

Roy Ash recommends approval and provides you with additional background information in his enrolled bill report (Tab A).

Treasury, Justice, DOT, the Counsel's office (Chapman), Bill Timmons and Domestic Council all recommend approval. Initially, Treasury recommended a signing statement be issued with your approval of the bill but they now defer to OMB that such a statement is not necessary.

RECOMMENDATION

That you sign House bill, H.R. 15427 (Tab B).

October 18, 1974



Mr. W. H. Rommel
Assistant Director
for Legislative Affairs
Office of Management and Budget
Washington, D. C.

Dear Mr. Rommel:

The National Railroad Passenger Corporation recommends
that H. R. 15427 become law as soon as possible.

Sincerely,

A handwritten signature in cursive script that reads "Jerry W. Friedheim". The signature is written in black ink and is positioned above the typed name and title.

Jerry W. Friedheim
Vice President
Public and Government Affairs

JWF:rf

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GENERAL COUNSEL

OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

OCT 18 1974

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Ash:

Reference is made to your request for the views of the Department concerning H.R. 15427, an enrolled bill,

"To amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes."

The bill amends the Rail Passenger Service Act of 1970 ("Act"), to provide continued necessary financial assistance to the National Railroad Passenger Corporation ("Amtrak"), makes certain limited changes to existing provisions in the law which allow the Corporation to expand its service at the request of the States or localities, and also imposes certain requirements for the selection of §403(d) experimental routes. While we have reservations about certain provisions, we believe it is imperative that Amtrak be provided financial assistance for an additional year until the Department can complete the ongoing study of the future role of Amtrak in the nation's transportation system.

Section 2 of the bill would amend section 304(b) of the Act to remove the prohibition against any one person or railroad owning more than one-third of Amtrak's outstanding common stock. The Department proposed this amendment.

Section 3 would amend section 305 of the Act to require Amtrak, to the maximum extent practicable, directly to perform all maintenance and repairs to its rolling stock. Until Amtrak attains such capabilities, other railroads are directed to do so as expeditiously as possible. The bill does not contain the provision proposed in previous drafts

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requiring the railroads to give a higher priority to passenger train repairs than to freight car repairs. Therefore, we support this provision. Section 3 also would authorize Amtrak to assist in the implementation of the Northeast Corridor project as defined in section 206(a)(3) of the Regional Rail Reorganization Act of 1973. We consider this provision unnecessary, but we do not have any objection to it.

Section 4 would amend section 305(e) of the Act by requiring the Secretary of the Treasury in cooperation with the Corporation to establish "on-board" customs inspection procedures on international intercity trains. The Department of the Treasury expressed strong opposition to this provision, as we indicated in our letter to the Conferees.

Section 5(a) would amend section 403 of the Act to require Amtrak to provide service outside the basic system upon the request of a State, regional, or local agency, if such agency agrees to subsidize two-thirds of the operating deficit. The existing provision calls for a subsidy of a "reasonable portion" of such loss which cannot be less than two-thirds. As originally proposed in the Senate, the State contribution would have been lowered to one-third. Although we consider that the present provision with respect to a "reasonable portion" to be preferable, we do not oppose the amendment.

Section 5(b) would amend Section 403(d) to require that priority be given to experimental routes to major population areas in each of the 48 contiguous States which do not have rail passenger service. We consider this amendment unwise public policy. Selection of experimental routes should be based upon such considerations as need and potential economic viability. In addition, we note the Conference Report No. 93-1248, page 15, but not the bill, indicates that under this amendment service "will" be provided to Boise, Idaho.

Section 6 provides the Corporation with certain powers of eminent domain, and we do not have any objection to this section.

Section 6 also authorizes a total of \$25 million to the Secretary for a demonstration project, involving the conversion of at least

three railroad stations into intermodal transportation terminals and civil and cultural activity centers. Although we expressed certain reservations about this provision relating to the conversion of the three stations, this provision represents a considerable improvement over the original provisions in the Senate bill which would have authorized \$100 million dollars. We consider the conference provision as an acceptable compromise. We also note that the Federal share in these projects has been reduced to a uniform 60 percent.

Section 7 "freezes" the Amtrak routes for an additional year.

Section 8 would amend section 601(a) to authorize an additional \$200,000,000 in grant funds to the Secretary to assist Amtrak in financing the cost of continued operations, with the proviso that payments to the Corporation cannot be made more frequently than every 90 days, "unless for good cause" Amtrak requests more frequent payments. We would consider the determination of "good cause" to be within the judgment of the Secretary, and therefore, it is not of particular concern to us.

Section 9(a) would amend section 602(d) of the Act to increase the loan guarantee authority of the Secretary from \$500,000,000 to \$900,000,000. Within 180 days after enactment of the bill, the Secretary must establish guidelines for capital expenditures by Amtrak. Thereafter, any loan guarantee request by Amtrak will be approved by the Secretary if "in the discretion of the Secretary" the request falls within the approved guidelines. We consider this procedure for advance notice to Amtrak with review by the Secretary to be an acceptable compromise and a substantial improvement to the provision proposed in the Senate bill.

Section 11 provides a civil action may be brought by the Interstate Commerce Commission to enforce any provision of section 801(a) relating to adequacy of service. Section 10 further provides that the Department of Justice is to represent the Commission in these cases with two exceptions:

- (1) if the Department of Justice represents the defendant; and
- (2) if the Attorney General refuses to represent the Commission.

We continue to believe that the Department of Justice should represent Amtrak without exception.

Section 11 makes it mandatory for the Comptroller General to audit Amtrak operations and we do not object to this provision.

Section 12 changes the name of the Act.

Section 13 amends the High Speed Ground Transportation Act to require the Secretary to make a study of a high-speed ground transportation system between Tijuana and Vancouver, and authorizes \$8 million for the study. We have expressed opposition to the scope of this study in the past.

Section 14 is a technical amendment to a motor carrier provision, concerning which we do not have any objection.

Section 15 authorizes \$5 million to be appropriated to the Secretary to design, plan, and "coordinate the construction" of a model intermodal terminal at Union Station, Washington, D.C. We support this provision.

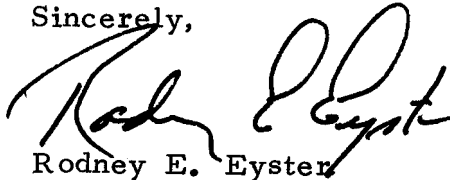
Section 16 in the bill would change the Under Secretary's title to "Deputy Secretary". We support this change.

Section 17 would require the Secretary to study the potential for integrating rail service provided by Amtrak with other modes of transportation. As proposed in the Senate bill, the study would also evaluate the possibility of using Amtrak funds to assist other modes of transportation connecting to Amtrak. This latter provision was not included in the Conference Report, and we do not have any objections to this Section 17.

Although the bill makes certain amendments to the Amtrak Act which we find objectionable, including those provisions related to State requested and experimental routes and to ICC participation in court proceedings, the bill does provide

authorization for necessary financing for one more year while the Department reviews the entire Amtrak program and it does retain appropriate Executive Branch participation in the loan guarantee program. We therefore recommend that the President sign this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney E. Eyster". The signature is written in a cursive style with a large initial "R" and "E".

Rodney E. Eyster



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

OCT 18 1974

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20503

Attention: Assistant Director for Legislative
Reference

Sir:


Your office has requested the views of this Department on the enrolled enactment on H.R. 15427, the Amtrak Improvement Act of 1974.

Section 4 of the enrolled enactment would add a paragraph to section 305(e) of the Rail Passenger Service Act of 1970 which would require the Secretary of the Treasury to establish and maintain customs inspection procedures aboard trains in certain international intercity rail passenger service. For the reasons stated in the enclosed proposed statement, the Department believes the foregoing provision is undesirable.

Section 9 of the enrolled enactment would amend section 602 of the Rail Passenger Service Act of 1970 to increase the amount of Amtrak obligations which the Secretary of Transportation may guarantee from \$500 million outstanding to \$900 million outstanding. Guarantees issued under section 602 are subject to approval by the Secretary of the Treasury.

The Department would have no objection to a recommendation that the enrolled enactment be approved by the President insofar as sections 4 and 9 are concerned, but recommends that the enclosed statement be issued at the time of his approval of the measure.

Sincerely yours,


General Counsel

Enclosure



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Statement by the President

I have signed today H.R. 15427, the Amtrak Improvement Act of 1974. However, I believe that a provision in the measure making mandatory customs inspection aboard trains operated in the international intercity rail passenger service is undesirable.

This provision would adversely affect the interdiction of the flow of narcotics and other contraband at ports of entry. On-board customs inspection is inconsistent with effective enforcement of customs laws and not always practical. There must be flexibility in determining when and where on-board inspection is to be conducted. Moreover, the requirement for on-board inspection on trains could result in requests for similar treatment aboard airlines and ocean vessels.

I request that the Congress take action to revise the provision to provide for customs inspection consistent with the effective enforcement of the customs and related laws.

Department of Justice
Washington, D.C. 20530

OCT 22 1974

Honorable Roy L. Ash
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Ash:

In compliance with your request, I have examined a facsimile of the enrolled bill H.R. 15427, the proposed Amtrak Improvement Act of 1974.

Section 10 of the bill would amend section 801(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 641(b)) to authorize the Interstate Commerce Commission to bring civil actions to enforce any provision of subsection (a) of section 801. The amended subsection (b) would also contain the following language:

The Department of Justice shall represent the Commission in all court proceedings pursuant to this subsection, except that in any case in which the Commission seeks to challenge action or inaction on the part of any party which the Department of Justice is representing, the Commission may be represented by its own attorneys. Unless the Attorney General notifies the Commission within 45 days of a request for representation that he will represent the Commission, such representation may be made by attorneys designated by the Commission.

The second sentence of the quoted language could be construed to mean that the Commission can assume that the Attorney General has a conflict of interest if he fails to state the contrary within forty-five days. However, we understand from discussions with Senate Commerce Committee staff members that the second sentence was intended to require the Attorney General to notify the Commission that he will represent the Commission as requested within forty-five days or the Commission can designate other attorneys for such representation.

MEMORANDUM FOR THE RECORD

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SUBJECT: [Illegible]

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The latter construction, of course, relegates the Attorney General to the role of an automaton--a role that no professional attorney can, in good conscience, accept. To require the Attorney General's professional judgment whether a particular matter should be litigated to be controlled by the whims of his client, in this case the ICC, is not only unfair to the client but effectively deprives the Attorney General of the necessary supervision and control of Government litigation.

The reasons why this and previous administrations as well as the Congress have centralized control of Government litigation within the Department of Justice are, I am sure, familiar to you. Suffice to say that any legislation which gives the Attorney General something less than complete control over the in-court litigating position of a Government agency is unacceptable to this Department.

Although this intrusion on the Attorney General's litigating responsibilities is most objectionable to this Department, the fact that this is our only objection to H.R. 15427 makes us hesitate to recommend a veto. However, if there are other objections to the bill, we would recommend against Executive approval of the bill.

Sincerely,



W. Vincent Rakestraw
Assistant Attorney General

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE CHAIRMAN

October 22, 1974

Mr. W. H. Rommel
Assistant Director
for Legislative Reference
Office of Management and Budget
Washington, DC 20503

Dear Mr. Rommel:

This replies to your request for our comments on enrolled bill H.R. 15427, the "Amtrak Improvement Act of 1974."

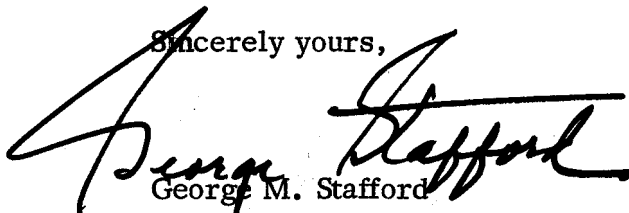
Sections 10 and 14 of the legislation directly affect the functions of this Commission. Section 10 gives us the power to enforce compliance with the adequacy of service requirements imposed by section 801 of the Rail Passenger Service Act of 1970 (RPSA). In our 1974 Amtrak report to Congress, we requested that the mechanics for enforcement of the forfeiture provision in section 801 of the RPSA be established in the statute. Section 10 of the bill accomplishes this; however, the section as now constituted eliminates the \$500 civil forfeiture provision. As now drafted, the section authorizes us through the Attorney General or on our own to bring a civil action to enforce the provisions of section 801 of RPSA. The connotation of civil action is somewhat vague and could lead to some problems in interpreting precisely what enforcement powers are actually conferred upon us. Although we believe this ambiguity should be clarified, we do not believe it warrants postponing enactment of this section.

Section 14 of the bill duplicates S. 1911 (92d Congress) upon which the Commission commented in letters sent to Chairman Magnuson of the Senate Committee on Commerce and Chairman Staggers of the House Committee on Interstate and Foreign Commerce (copies enclosed). The amendment we suggested has been incorporated properly into section 14; therefore we support its enactment.

We have no comments on any of the remaining sections of
the bill.

Thank you for the opportunity to comment on this legislation.

Sincerely yours,

A handwritten signature in black ink, appearing to read "George Stafford", written in a cursive style.

George M. Stafford
Chairman

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

OFFICE OF THE CHAIRMAN

August 15, 1972

Honorable Warren G. Magnuson
Chairman
Committee on Commerce
United States Senate
Washington, D. C. 20510

Dear Chairman Magnuson:

This responds to your request for our comments on S. 1911, a bill, "To amend the Interstate Commerce Act to expedite the making of amendments to the uniform standards for evidencing the lawfulness of interstate operations of motor carriers".

Section 202(b)(2) of the Interstate Commerce Act allows the states to require registration with them of operating authority issued by the Commission to interstate motor carriers, provided that their registration regulations comply with standards "determined and officially certified to the Commission by the national organization of the State commissions" (that is, the National Association of Regulatory Utility Commissioners) and promulgated by the Commission. The statute as it now reads provides that such standards certified to the Commission by the NARUC, become effective five years

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after the date of promulgation. Standards certified by NARUC were promulgated by the Commission on December 14, 1966, and became effective on December 14, 1971.

S. 1911 would amend section 202(b)(2) to accomplish two things. First, it would provide that any amendments to the standards certified by NARUC and promulgated by the Commission prior to the effective date of the standards themselves would become effective at the same time as the standards, that is, retroactively to December 14, 1971, rather than five years from the date of publication of each amendment. Certain amendments were certified by NARUC and promulgated by the Commission prior to December 14, 1971, and thus would be affected by this provision. We envision no problem with this retroactive feature. In fact, this provision would serve to give statutory effect to the position taken by the Commission, for at the time each amendment was published in the Federal Register, our order provided specifically that the amendment should become effective concurrently with the original standards. Enactment of this feature of S. 1911, then, would serve to codify our administrative interpretation of the existing law, and eliminate any question that could exist concerning the correctness of that interpretation.

Second, S. 1911 would provide that amendments to the standards promulgated subsequent to the effective date of the standards themselves would become effective at the time of their promulgation "or at such other time as may be determined by such organization" (that is, by NARUC). It is conceivable that this provision could be read as allowing the NARUC to set an effective date prior to the publication of an amendment by the Commission, and we suggest that the language just quoted be modified to read "or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization".

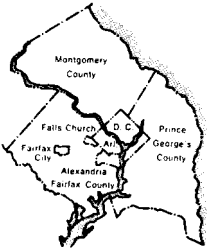
With this minor modification, we endorse S. 1911, and recommend that it receive the prompt approval of your Committee.

Thank you for the opportunity to comment upon this legislation.

Sincerely yours,

/s/ George M. Stafford

George M. Stafford
Chairman



WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

600 Fifth Street, N.W., Washington, D. C. 20001

(202) 637-1234

OCT 22 1974

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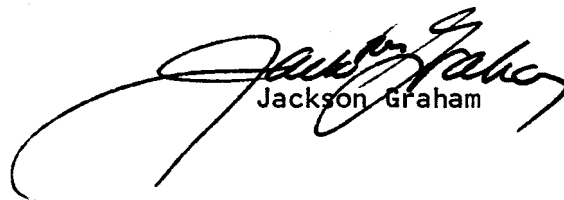
Mr. Wilfred H. Rommel
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Rommel:

The Washington Metropolitan Area Transit Authority has been requested to submit its views and recommendations with regard to Enrolled Bill H. R. 15427.

First noting that we see no substantial effect on the Authority arising from approval of this enrolled bill, we wish to defer to the views of the Department of Transportation on what appears to be vitally needed legislation to improve intercity rail transportation.

Sincerely,



Jackson Graham





United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OCT 23 1974

Dear Mr. Ash:

This responds to your request for our views on the enrolled bill H.R. 15427, "To amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes."

While we are reluctant to recommend that the President not approve this bill, we are seriously concerned that the railroad interests will attempt to use this legislation as a vehicle for further delay in construction of the National Visitor Center project on the theory that the legislation substantially alters their rights and responsibilities under the National Visitor Center Facilities Act of 1968, as amended (40 U.S.C. Sections 801 et seq.) and the agreements entered into pursuant thereto.

H.R. 15427 is designed to provide continued support for the National Railroad Passenger Corporation (Amtrak). The purpose of such support is to improve Amtrak's record and performance. The bill would raise the amount of guaranteed loans that may be outstanding at one time. The bill would further require Amtrak to perform all maintenance, rehabilitation repair and refurbishing of rail passenger equipment and authorize Amtrak to cooperate to facilitate the completion of the Northeast corridor pursuant to the Regional Rail Reorganization Act of 1973. The bill would also effect a change in the present provision of law which authorizes Federal funds to State, regional, and local transportation entities.

Both sections 6 and 15 contain apparently ambiguous language which, we are concerned, could be construed by the railroads as a means to delay further the progress of the National Visitor Center project. Section 6 creates an ambiguity as to whether Amtrak has the authority to acquire railroad-owned property by eminent domain for purposes of constructing an intermodal terminal at Union Station. The uncertainty in section 15 concerning who will operate the intermodal terminal, could possibly enable the Washington Terminal Company to argue that they are vested with dual authority to operate both a substitute rail station and the rail service portion of the intermodal terminal.



Save Energy and You Serve America!

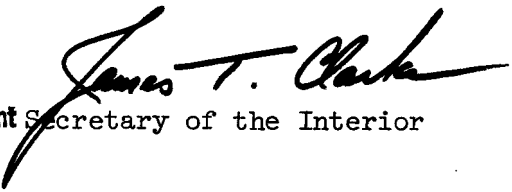
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We believe that the potential problems we envision with regard to the railroads and the National Visitor Center construction can be avoided if the President, at the time he approves H.R. 15427, makes a strong statement emphasizing that nothing contained in the bill shall be construed as inconsistent with the Administration's stated objective to get the National Visitor Center finished in time for the Nation's bicentennial celebration.

Sincerely yours,


Assistant Secretary of the Interior

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D.C. 20503

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 705

Date: October 24, 1974

Time: 9:00 a.m.

FOR ACTION: Michael Duval
 Andre Buckles
 ✓ Phil Buchen
 Bill Timmons
 Paul Theis

cc (for information): Warren K. Hendriks
 Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, October 25, 1974

Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 15427 - Amtrak Improvement Act
of 1974

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

No objection
D.C.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
 For the President

PLEASE RETURN TO:
RESEARCH
ROOM 121 E. O. B.

Statement by the President

I have signed ~~the~~ ^{ok} H.R. 15427, the Amtrak Improvement Act ^{ok} of 1974. However, I believe that ^{ok} a provision ^{of this act is undesirable} in the measure ^{refer to the section which makes require} making mandatory customs inspection aboard trains operated in the international intercity rail passenger service. ^{ok} ~~is undesirable~~.

This provision would adversely affect the interdiction of the flow of narcotics and other contraband at ports of entry. On-board ^{ok} customs inspection is inconsistent with effective enforcement of customs laws and not always practical. There must be flexibility in determining when and where on-board inspection is to be conducted. Moreover, the requirement for on-board inspection on trains could result in requests for similar treatment aboard airlines and ocean vessels.

I request that the Congress take action to revise the provision to provide for customs inspection consistent with the effective enforcement of the customs and related laws.

October 25, 1974

PLEASE RETURN TO:
RESEARCH
ROOM 121 E. O. B.

SG

H. R. 15427 SIGNING STATEMENT

I have today signed H. R. 15427, the Amtrak Improvement Act of 1974. However, in signing it, I must express my concern over one of its provisions. I refer to the section^{OK} which requires mandatory customs inspection aboard trains operated in the international intercity rail passenger service.

This provision would adversely affect the interdiction of the flow of narcotics and other contraband at ports of entry. On-board customs inspection is inconsistent with effective enforcement of customs laws and is sometimes impractical and inconvenient. There must be flexibility in determining when and where on-board inspection is to be conducted. Moreover, the requirement for on-board inspection on trains could result in requests for similar treatment aboard airlines and ocean vessels, and considerable added expense to the taxpayer.^{OK}

For these reasons, while I have signed H. R. 15427, I urge the Congress to revise the Act to provide for inspections consistent with the effective enforcement of the customs and related laws.^{OK}

#

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 705

Date: October 24, 1974

Time: 9:00 a.m.

FOR ACTION: Michael Duval
Andre Buckles
Phil Buchen
Bill Timmons
Paul Theis

cc (for information): Warren K. Hendriks
Jerry Jones

SG

PLEASE RETURN TO:
RESEARCH
ROOM 121 E. O. B.

FROM THE STAFF SECRETARY

DUE: Date: Friday, October 25, 1974

Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 15427 - Amtrak Improvement Act
of 1974

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

1974 OCT 24 AM 10 27

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 23 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15427 - Amtrak Improvement Act
of 1974
Sponsor - Rep. Staggers (D) West Virginia

Last Day for Action

October 29, 1974 - Tuesday

Purpose

Increases Amtrak authorizations for Federal Grants and loan guarantees, amends DOT's review authority over loan guarantees, authorizes the ICC to conduct its own litigation in certain cases, requires the establishment of on-board customs inspection procedures for trains operating in international service, and authorizes funds for intermodal transportation terminals.

Agency Recommendations

Office of Management and Budget	Approval
Department of Transportation	Approval
National Passenger Railroad Corporation	Approval
Interstate Commerce Commission	Approval (sections 10 and 14 only)
Department of the Treasury	No objection (sections 4 and 9) (signing statement attached)
Department of Justice	Concerned with litigation provisions
Washington Metropolitan Area Transit Authority	Defers to DOT
Department of the Interior	Reluctant to recommend disapproval

Discussion

H.R. 15427 as enrolled would increase the ceiling on authorizations for Federal grants to the National Railroad Passenger Corporation (Amtrak) by \$200 million, an amount agreed to in DOT testimony on the bill before the House Commerce Committee. The bill would also increase the maximum amount of guaranteed loans which may be outstanding at any one time by \$400 million. The Administration had requested an open-ended authorization for grants and an increase of \$200 million for loan guarantees. We do not believe Amtrak can develop adequate proposals for loan guarantees in excess of \$200 million, so the increase in the authorization level over the request should not be a problem.

The bill would amend the procedures under which DOT approves loan guarantees to Amtrak. Currently, DOT rules on each requested guarantee. Under the bill, it would be required to issue guidelines within 180 days of enactment to assist Amtrak in formulating its capital and budgetary plans. Each guarantee request approved by Amtrak's board of directors would then be approved by DOT if it determined that the request fell within the guidelines.

Both OMB in a letter to the Senate Commerce Committee and DOT in a letter to the conference committee indicated that a veto would be recommended if the original Senate provision removing all of DOT's review authority over loan guarantees were not eliminated. Although H.R. 15427 would further circumscribe Executive Branch stewardship of Amtrak funds, both DOT and we believe that the provision in the enrolled bill would still provide sufficient Federal review.

The bill would allow independent ICC civil litigation in enforcement of its service and equipment regulations (Section 801 of the ICC Act) in cases where (1) the ICC is challenging action or inaction by any party already represented by the Attorney General, or (2) the Attorney General fails to notify the ICC, within 45 days of an ICC request, that he will represent it. In its views letter on the enrolled bill, Justice objects to this provision. Justice's coordination of litigation, which is especially important before the Supreme Court, ensures a more uniform presentation of the Government's position and ensures that one agency does not undercut the position of another. Justice often allows the agencies to conduct their own

litigation but only after review of their presentation to ensure uniformity. While the enrolled bill is an improvement over the original Senate version, which would have allowed independent ICC litigation in all Section 801 cases, the provision is still undesirable. Justice feels that the 45-day limitation would not allow it sufficient review of an ICC case and that ICC could change its approach to litigation after getting Justice's approval to litigate on its own. In its memorandum on the enrolled bill, Justice states:

"Although this intrusion on the Attorney General's litigating responsibilities is most objectionable to this Department, the fact that this is our only objection to H.R. 15427 makes us hesitate to recommend a veto. However, if there are other objections to the bill, we would recommend against Executive approval of the bill."

The bill would, in effect, require Treasury to establish and maintain customs inspection procedures on board Amtrak trains operated in international service. In a letter to the conference committee, DOT pointed out that Treasury would have preferred language authorizing such procedures, but not requiring them. In many cases, on-board procedures could hamper Treasury's efforts to stop the flow of narcotics and other contraband at ports of entry. In addition, the passenger is often separated from his baggage, and thus the procedures could be impractical as well as inconsistent with good enforcement practices. After some experience, it may be necessary to propose remedial legislation in this matter.

The bill would authorize appropriations of \$5 million for DOT to design, plan, and coordinate the construction of a model intermodal transportation terminal to replace Union Station, which is being converted into a visitors' center under the terms of the National Visitor Center Facilities Act of 1968 (P.L. 90-264). Another recently enrolled bill, H.R. 17027, which is also awaiting your action, would amend the latter Act to provide additional Federal money for converting Union Station into a Visitor Center. Under that Act, the private owners of Union Station are required to build a substitute railroad station. The language in H.R. 15427 would authorize DOT to assist the owners in developing a terminal to handle additional modes, including buses, taxis, and airline ticketing services, rather than just railroads. While language submitted to the Congress by the Department of the Interior on April 26, 1974 would have been preferable, the compromise worked out with the Congress is acceptable.

In addition, the bill would authorize appropriations of \$25 million for DOT to provide financial, technical, and advisory assistance for the purpose of converting other existing railroad terminals into intermodal terminals and/or civic or cultural centers, and preventing destruction of historically or architecturally significant terminals. The Administration opposed the original Senate version of this provision which would have authorized \$100 million for this new program. Whether or not this provision will be funded within DOT's budget will depend on its priority in relation to other programs.

In addition to the above provisions, the enrolled bill would make a number of other revisions to the Amtrak basic act and other related laws. The bill would freeze the basic Amtrak system for another year, until July 1, 1975, thus barring any routes from being dropped. It would require that, in picking the experimental route required annually by existing law, Amtrak give priority consideration to the major population areas of the contiguous 48 States which do not now have intercity rail service. While not written into the legislation, the conference report states that the 1975 experimental route should provide service to Boise, Idaho. Both DOT and Amtrak object to this specific mandate.

The bill would also require (1) that a study be made of the feasibility and desirability of a high speed ground transportation system between major west coast cities, (2) that priority be given to coordinating Amtrak's passenger train plans with the reorganization of the rail system in the Northeast corridor called for by the Regional Rail Reorganization Act of 1973 (P.L. 93-236), (3) that Amtrak give priority to acquiring and operating its own maintenance and repair facilities, and (4) that States and localities pay a flat two-thirds share of the net operating losses of nonprofitable local lines maintained in operation. Presently, States and localities are required to pay a minimum of two-thirds of those losses.

* * * * *

While there are some undesirable provisions in H.R. 15427, as noted above, the bill is generally acceptable and represents, we believe, a great improvement over earlier versions. We agree with DOT's statement in its views letter on the enrolled bill that

". . . While we have reservations about certain provisions, we believe it is imperative that Amtrak be provided financial assistance for an additional year until the Department can complete the ongoing study of the future role of Amtrak in the nation's transportation system."

Treasury has recommended a signing statement dealing with the on-board customs inspection provision, which would request Congress to revise the provision to ensure effective customs enforcement. Since Treasury can request remedial legislation at an appropriate time, we doubt the need for a signing statement on this issue alone and question whether the other undesirable features of the bill warrant issuance of a signing statement.

Wesley H. Russell

Assistant Director for
Legislative Reference

Enclosure

THE WHITE HOUSE

WASHINGTON

October 24, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS *WT*

SUBJECT: Action Memorandum - Log No. 705
Enrolled Bill H. R. 15427 - AMTRAK
Improvement Act

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 705

Date: October 24, 1974

Time: 9:00 a.m.

FOR ACTION: Michael Duval
Andre Buckles
Phil Buchen
✓ Bill Timmons
Paul Theis

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY.

DUE: Date: Friday, October 25, 1974

Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 15427 - Amtrak Improvement Act
of 1974

ACTION REQUESTED:

- | | |
|---------------------------------------------------|--------------------------------------------------------------|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 705

Date: October 23, 1974

Time: 9:00 a.m.

FOR ACTION: ✓ Michael Duval
✓ Andre Buckles
✓ Phil Buchen
✓ Bill Timmons
Paul Theis

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, October 25, 1974

Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 15427 - Amtrak Improvement Act
of 1974

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

WASHINGTON

October 24, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS
FROM: WILLIAM E. TIMMONS *W.E.T. for H* ✓
SUBJECT: Action Memorandum - Log No. 695
Enrolled Bill H. R. 131057 - National
Park System Omnibus bill

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 695

Date: October 23, 1974

Time: 12:00 Noon

FOR ACTION: Michael Duval
Phil Buchen
✓ Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date Friday, October 25, 1974

Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 13157 - National Park
System omnibus bill

ACTION REQUESTED:

- | | |
|---------------------------------------------------|--------------------------------------------------------------|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE
WASHINGTON

October 25, 1974

MEMORANDUM FOR WARREN HENDRIKS
FROM: MIKE DUVAL *Mike*
SUBJECT: AMTRAK AUTHORIZATION BILL

The Amtrak Authorization Bill, H.R. 15427, has a last day of action of October 29 - Tuesday.

This Act changes the criteria which DOT must use to set up experimental Amtrak railroad routes. The Secretary is about ready to announce one experimental route, either Monday or Tuesday of next week.

It is therefore important that the President not act on H.R. 15427 until Tuesday afternoon. If he were to sign the bill prior to this, it might change the criteria prior to the announcement of the new route which could be grounds for a challenge to the Secretary's decision.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 705

Date: October 24, 1974

Time: 9:00 a.m.

FOR ACTION: ✓ Michael Duval
Andre Buckles
Phil Buchen
Bill Timmons
Paul Theis

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, October 25, 1974

Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 15427 - Amtrak Improvement Act of 1974

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS: *OK - do not act until 1950 day. Please return to Kathy Rindie - West Wing 10/24/74*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

STATEMENT BY THE PRESIDENT

I have signed H.R. 15427, the Amtrak Improvement Act of 1974. However, I believe that one provision of this act is undesirable. I refer to the section which requires mandatory customs inspection aboard trains operated in the international intercity rail passenger service.

This provision would adversely affect the interdiction of the flow of narcotics and other contraband at ports of entry. On-board customs inspection is inconsistent with effective enforcement of customs laws and not always practical. There must be flexibility in determining when and where on-board inspection is to be conducted. Moreover, the requirement for on-board inspection on trains could result in requests for similar treatment aboard airlines and ocean vessels.

I request that the Congress take action to revise the provision to provide for customs inspection consistent with the effective enforcement of the customs and related laws.

Gerald R. Ford



FOR IMMEDIATE RELEASE

October 29, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed H.R. 15427, the Amtrak Improvement Act of 1974. However, I believe that one provision of this act is undesirable. I refer to the section which requires mandatory customs inspection aboard trains operated in the international intercity rail passenger service.

T
This provision would adversely affect the interdiction of the flow of narcotics and other contraband at ports of entry. On-board customs inspection is inconsistent with effective enforcement of customs laws and not always practical. There must be flexibility in determining when and where on-board inspection is to be conducted. Moreover, the requirement for on-board inspection on trains could result in requests for similar treatment aboard airlines and ocean vessels.

I request that the Congress take action to revise the provision to provide for customs inspection consistent with the effective enforcement of the customs and related laws.

#

AMENDMENTS TO RAIL PASSENGER SERVICE ACT
OF 1970

JUNE 25, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. STAGGERS, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

together with

SUPPLEMENTAL VIEWS and MINORITY VIEWS

[To accompany H.R. 15427]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That section 404(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 564 (b)), relating to discontinuance of service by the Corporation, is amended—

(1) by striking out "July 1, 1974" in paragraph (1) and paragraph (3) and inserting in lieu thereof in each such paragraph "July 1, 1975"; and

(2) by striking out "the expiration of the one-year period beginning on the date of enactment of this sentence" in the second sentence of paragraph (2) and inserting in lieu thereof "July 1, 1975".

SEC. 2. Section 601 of such Act (45 U.S.C. 601), relating to authorization for appropriations, is amended by striking out "\$334,300,000" and inserting in lieu thereof "\$534,300,000".

SEC. 3. Section 602(d) of such Act (45 U.S.C. 602 (d)), relating to the maximum amount of guaranteed loans which may be outstanding at any one time, is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$900,000,000".

SEC. 4. Section 34(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 544(b)), relating to stock ownership limitation, is amended by striking out "owned" and inserting in lieu thereof "voted", and by adding at the end thereof the following new sentence: "If any railroad or any person controlling one or more railroads, as defined in this subsection, owns, in any manner referred to in this subsection, a number of shares in excess of 33½ per centum of the total

number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding."

Sec. 5. Section 601(a) of the Rail Passenger Service Act of 1970 (45 U.S.C. 601(a)) is amended by adding at the end thereof the following new sentence: "Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days."

Sec. 6. (a) The first sentence of section 805(2)(A) of the Rail Passenger Service Act of 1970 (45 U.S.C. 644(2)(A)) is amended by striking out "may be audited by the Comptroller General of the United States" and inserting in lieu thereof "shall be audited annually by the Comptroller General of the United States".

(b) Such section 805 (45 U.S.C. 644), relating to records and audit of the Corporation, is amended by adding at the end thereof the following new paragraph:

"(3) This Act shall be construed to require the Corporation to furnish information and records to duly authorized committees of the Congress."

SUMMARY OF REPORTED BILL

Section one of the reported bill prohibits Amtrak from discontinuing service over any route on which service was being operated on January 1, 1973. The "freeze" on existing service lasts until July 1, 1975.

Section two of the reported bill authorizes a fiscal year 1975 appropriation of \$200 million in federal grants to Amtrak for operating expenses.

Section three of the reported bill authorizes an increase in the maximum amount of federal guaranteed loans which Amtrak can have outstanding at any one time of \$400 million. The present ceiling on loans is \$500 million—the bill would increase this to \$900 million.

Section four of the reported bill amends section 304(b) of the Rail Passenger Service Act of 1970 to allow railroads to own more than 33 $\frac{1}{3}$ per centum of the total number of Amtrak common shares issued and outstanding, but they may not vote shares in excess of 33 $\frac{1}{3}$ per centum.

Section five of the reported bill amends sec. 601 of the Act to require the Department of Transportation to disburse appropriations to Amtrak on a quarterly basis.

Section six of the reported bill authorizes an annual audit of the National Railroad Passenger Corporation by the Comptroller General of the United States, and requires Amtrak to furnish any information and records requested by a duly authorized Committee of Congress.

PURPOSE

H.R. 15427 amends the Rail Passenger Service Act of 1970 in order to provide authorizations for appropriations for fiscal year 1975.

The legislation also authorizes an increase in the maximum loan authority, and makes additions to the Act which the Committee feels will improve the manner in which Amtrak operates intercity passenger service.

HEARINGS

The Subcommittee on Transportation and Aeronautics held public hearings on H.R. 15427 and H.R. 15428 on June 10 and June 17, 1974, and an executive session on June 20, 1974.

Witnesses included spokesmen for the National Railroad Passenger Corporation (Amtrak), The Department of Transportation, and the National Association of Railroad Passengers.

COMMITTEE ACTION

On June 20, 1974, the Subcommittee on Transportation and Aeronautics reported by voice vote H.R. 15427 to the full committee, with an amendment.

The Committee on Interstate and Foreign Commerce considered H.R. 15427 on June 21, 1974, and ordered it reported with the substitute amendment by voice vote.

BACKGROUND AND NEED

The 91st Congress passed the Rail Passenger Service Act of 1970 in hopes that it would reverse decades of declining intercity rail passenger travel.

Congress created a private for-profit corporation, the National Railroad Passenger Corporation (Amtrak) which would be responsible for providing most of the nation's intercity rail passenger service. All railroads then providing passenger service would be relieved of further responsibility for providing passenger service by buying into the new entity.

The basic concept which gave birth to Amtrak was that the national transportation policy of this nation should provide the public with alternatives for intercity travel, and that rail passenger service in the country was necessary. Prior to Amtrak's assumption of service on May 1, 1971, there were less than 500 passenger trains in existence, from the thousands that served the nation in the earlier part of the century. The aggregate deficit these remaining rail passenger trains were accumulating reached \$200 million a year by 1970.

Amtrak was started with a \$40 million Federal grant, and payments of \$197 million from participating railroads (over a 36-month period, ending in 1974). Since then, the Federal subsidy has totaled \$319.1 million. In addition, Amtrak has been able to borrow money on the strength of \$500 million in Federal guarantees since 1970.

Rail passenger travel not only stopped declining when Amtrak had finished its first year of operation in May 1972, but by May 1974, it shows every sign of a permanent revival.

Amtrak carried 16.3 million passengers in 1973. In the first quarter of 1974, ridership increased by 41 percent over the same period in the previous year. Noteworthy in this increase in ridership are the gains recorded on long haul routes. Long haul routes have been traditional money-losers for Amtrak. Ridership was up by 80 percent on the New York-Florida route during the first quarter of 1974; 78 percent on the Chicago-Oakland route, 58 percent on the Chicago-New Orleans route and 52 percent on the Chicago-Florida route.

The energy crisis with its reduced highway speed limits, higher fuel costs and scarcity of fuel, accounted for a large portion of the enormous gains Amtrak recorded in the first quarter. The Committee finds it encouraging, that while the energy crisis seems to have abated,

at least in the traveling public's mind, ridership on Amtrak trains still is running ahead of previous years, and forecasts indicate an overall 25 percent increase in ridership in 1974 over the record 1973 figures.

While Amtrak appears to be attracting many new converts to travel by rail at the same time wooing back many former rail passengers who can still remember the colorful rail passenger era of a few decades ago, it now has new problems.

With the increase in passengers, Amtrak must improve service in order to keep its new customers satisfied. The Committee, in an extensive study conducted by its Special Subcommittee on Investigations,¹ found that customer dissatisfaction is rising in concert with the overall passenger increase.

Conditions of most Amtrak trains were found unsatisfactory by the committee staff in the special study. On-time performance records indicate that long distance Amtrak trains were late 70 percent of the time in 1973, and that "poor on-time performance is reducing ridership and resulting in considerable additional operating costs."²

Amtrak inherited most of its equipment from the railroads, and a large percentage of the rolling stock is more than 20 years old and has had to be refurbished or continually repaired. An average of 20 percent of Amtrak's fleet of 1,979 cars is out of service each day because of repair needs, and repair work does not seem adequate nor is Amtrak enforcing warranty guarantees on repair work as vigorously as they should. Further, in 1973 Amtrak trains were delayed 12,248 times because of equipment failure. The committee notes that Amtrak has embarked on an ambitious procurement program for new cars, and new locomotives, and that this will help improve service.

The problem of track and roadbed conditions has been of particular concern to Amtrak, and it has accounted for most of its poor on-time performance. A General Accounting Office study conducted for the subcommittee which was published in January 1974 indicates that two railroads account for more than fifty percent of the Amtrak problems with on-time performance because of poor roadbed conditions. The Illinois-Central Gulf and Penn Central were blamed for much of Amtrak's problems in this regard. Penn Central, now in bankruptcy, carries 40 percent of Amtrak's passenger trains over its rails.

The committee is particularly concerned with the problem of tracks. The lack of maintenance on roadbed carrying passenger trains constitutes a danger to the public, and causes serious economic problems for Amtrak.

Under the 1970 Act as amended in 1973, railroads are obliged to maintain the condition of tracks at least to the level of May 1, 1971 when Amtrak began service. The committee believes Amtrak should vigorously pursue in the Courts, and with the Interstate Commerce Commission and the Department of Transportation, all avenues available to them to force the railroads to comply with adequate track standards. The committee notes with displeasure the practice by some railroads of deferring maintenance on tracks which are used for pas-

¹ House Committee on Interstate and Foreign Commerce, Special Subcommittee on Investigations, 1974 issued in four separate reports: "Review of Amtrak Operations," "Maintenance and Repair Activities," "The Blue Ridge," and "The National Limited." Available from the Committee.

² See Special Subcommittee Report, "Review of Amtrak Operations."

senger service, and the deplorable attitude of the rail industry in this matter. If the maintenance problem on these tracks continues to exist when the 1970 Act is reviewed in the next Congress, this committee intends to seek strong new legislation to correct this deplorable situation.

The committee is also disturbed that while Amtrak revenues were at an all-time high in 1973, deficits continue to exceed revenues. Although Amtrak continues to be plagued with deficits, it apparently has circumvented an Act of Congress (Amtrak Amendments, 1972) which imposed a \$60,000 a year limitation on executive salaries. Amtrak entered into separation agreements with six executives providing for deferred compensation. Both the Interstate Commerce Commission and the Comptroller General have questioned the legality of these agreements. At a time when Amtrak has been heavily subsidized, and testified before the Committee that it will have deficits through 1979, the committee cannot justify Amtrak's policy on salaries. Therefore, it has advised Amtrak of its displeasure, and if matters are not corrected, a legislative prohibition for such "fringe benefits" will be considered.

The committee also considered the question of the Department of Transportation's control over Amtrak operating expenses and guaranteed loan authority. The committee felt that Amtrak should receive grant payments from the Department on a quarterly basis, rather than on a monthly schedule. A monthly disbursement of grants which have been appropriated by Congress is not conducive to good business practices. The committee will review this subject at length in its review of Amtrak in the next Congress. The committee did not change existing authority of the Department to review Amtrak's loan authority.

The resurgence of passenger travel in the United States because of the energy crisis gives the Committee hope that Amtrak will succeed. Rather than to discontinue any routes now in existence, the committee feels Amtrak should expand, and therefore voted to maintain all existing service and encourage new routes on an experimental basis. Amtrak has been in actual operation only 37 months. Sufficient time has not passed in order for anyone to make accurate projections on whether the existing routes will "make money", nor can we know at this time whether the increased ridership because of the fuel crisis will be maintained by Amtrak, in view of continuing problems in operation. The committee feels the next Congress will have a better perspective, after Amtrak has been in operation for four years, on whether Amtrak should continue to expand or whether it should curtail some of its routes. At this time, however, the committee is optimistic, and feels Amtrak has carved a permanent niche into the travel industry in America.

With an increase in borrowing authority to procure better equipment and improve its physical plant, the committee believes Amtrak can handle the expected continuing annual increases in ridership. Although the committee is concerned with some of the Interstate Commerce Commission standards of quality regulations promulgated under the Amtrak Improvement Act of 1973 (e.g., the reservation requirements which are very stringent), the end result will be a much improved rail passenger service.

As an energy conserver, rail passenger service is one of the most efficient means of transporting people. In an era when fuels are growing scarce, the wisdom of the 91st Congress in saving rail passenger service from almost certain doom, is now recognized. It is the committee's hope that this and future Congress' will improve rail service so that it will give most Americans a viable alternative for intercity travel, conserve our natural resources, help keep the environment clean, and meet the changing demands of an urban nation.

COST OF LEGISLATION

H.R. 15427 authorizes an appropriation of \$200 million to Amtrak for fiscal year 1975, to be available until expended.

In addition, the legislation provides that the federal government is authorized to guarantee an additional \$400 million in securities, loans and obligations available to Amtrak.

AGENCY COMMENTS

The Department of Transportation requested introduction of H.R. 15428 (see letter of transmittal), and testified in favor of its passage. Amtrak testified in favor of the passage of H.R. 15427. No other agency comments were received by the date this report was filed.

SECTION-BY-SECTION ANALYSIS

The Committee amendment to H.R. 15427 strikes out all after the enactment clause and adds the following:

SECTION 1

This section amends Section 404(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 564(b)) to prohibit the Corporation from discontinuing service over any route which was operating on January 1, 1973. The prohibition, which amounts to a freeze on existing route service, lasts until July 1, 1975. Part (2) of the section prohibits the discontinuance of any experimental train which was in operation on January 1, 1973 until July 1, 1975.

The Committee feels that Amtrak, which has been operating trains for only 37 months, should continue the present service for at least another year before deciding to discontinue any service. By July 1, 1975, Amtrak will have had four years of operating experience, and the profitability of the different routes will be subject to better analysis.

SECTION 2

Section two of the reported bill amends section 601 of the Act to authorize \$200 million in appropriations for the National Rail Passenger Corporation.

The authorization is the result of careful study by the Committee, which takes into account the freeze on existing service authorized under this Act; raising fuel costs (\$20 million projected during fiscal year 1975) the culmination of the initial railroad pay-in which started in 1971, totaling \$197 million in monthly installments; and the cost

of ICC regulations issued in Ex Parte 277 (Sub No. 1) relating to quality of standards.

SECTION 3

Section three of the reported bill amends section 602(d) of the Act to increase the maximum amount of guaranteed loans which may be outstanding at any one time by \$400 million. The Amtrak Improvement Act of 1973 set a ceiling of \$500 million for federal guaranteed loans for Amtrak. This section of the reported bill will raise that ceiling to \$900 million. The committee feels this action is necessary in order to allow Amtrak to purchase new equipment, which necessitates a lengthy lead time on orders for locomotives and rolling stock.

SECTION 4

Section four of the reported bill amends section 304(b) of the Act relating to stock ownership limitation. The original Act prohibited any one railroad or any person controlling one or more railroads from owning more than 33 $\frac{1}{3}$ per centum of the total number of Amtrak common shares issued and outstanding. The committee amendment would remove this restriction, but would prohibit any railroad or person controlling one or more railroads from voting any shares in excess of 33 $\frac{1}{3}$ per centum.

The Department of Transportation requested this change, noting that two railroads are in technical violation of this requirement. When the railroads bought into Amtrak, they had a choice of either taking a tax deduction on their losses available under sec. 901, or receiving common stock in return for their payments. The initial issuance of common stock was completed May 1, 1974, and as a result, Penn Central owns 56 percent of the stock, and Burlington Northern owns 36 percent. Two smaller railroads owning the remaining eight percent. By limiting the voting to 33 $\frac{1}{3}$ of the stock, the section preserves the existing limitation on the number of directors that can be elected by any one railroad.

SECTION 5

Section five of the reported bill amends section 601(a) of the Act regarding appropriations to the Department of Transportation for use by Amtrak. This section would require the Secretary to disburse appropriated funds on a quarterly basis, rather than on a monthly basis as is current practice by the Department. The committee felt the monthly disbursement of funds was unduly restrictive, and precluded an orderly operating and planning process by the Corporation. The Committee expects the Department to cooperate in cases of emergencies in the disbursement of funds under this new section.

SECTION 6

This section changes the first sentence of section 805(2)(A) of the Act to require an annual audit of Amtrak by the Comptroller General of the United States. Under the 1970 Act, Amtrak was subject to a discretionary audit.

Subsection (b) of this section requires Amtrak to furnish information and records to duly authorized committees of Congress on request.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED
H.R. 15427

In compliance with clause 3 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) :

RAIL PASSENGER SERVICE ACT OF 1970

* * * * *
TITLE III—CREATION OF A RAIL PASSENGER CORPORATION
* * * * *

SEC. 304. FINANCING OF THE CORPORATION

(a) * * *

(b) At no time after the initial issue is completed shall the aggregate of the shares of common stock of the Corporation [owned] voted by a single railroad or by any person controlling one or more railroads, as defined in section 1(3)(b) of the Interstate Commerce Act, directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control, exceeded 33 $\frac{1}{3}$ per centum of such shares issued and outstanding. *If any railroad or any person controlling one or more railroads, as defined in this subsection, owns, in any manner referred to in this subsection, a number of shares in excess of 33 $\frac{1}{3}$ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding.*

* * * * *

TITLE IV—PROVISION OF RAIL PASSENGER SERVICES

* * * * *

SEC. 404. DISCONTINUANCE OF SERVICE

(a) * * *

(b) (1) The Corporation must provide the service included within the basic system until July 1, [1974] 1975, to the extent it has assumed responsibility for such service by contract with a railroad pursuant to section 401 of this Act.

(2) Except as otherwise provided in this paragraph and in section 403(a) of this Act, service beyond that prescribed for the basic system undertaken by the Corporation upon its own initiative may be discontinued at any time. No such service undertaken by the Corporation on or after January 1, 1973, shall be discontinued until [the expiration of the one-year period beginning on the date of enactment of this sentence] July 1, 1975.

(3) If at any time after July 1, [1974] 1975, the Corporation determines that any train or trains in the basic system in whole or in part are not required by public convenience and necessity, or will impair the ability of the Corporation to adequately provide other services, such train or trains may be discontinued under the procedures of section 13a of the Interstate Commerce Act (49 U.S.C. 13a) : *Provided, however.* That at least thirty days prior to any change or discontinu-

ance, in whole or in part, of any service under this subsection, the Corporation shall mail to the Governor of each State in which the train in question is operated, and post in every station, depot, or other facility served thereby notice of the proposed change or discontinuance. The Corporation may not change or discontinue this service if prior to the end of the thirty-day notice period, State, regional, or local agencies request continuation of the service and within ninety days agree to reimburse the Corporation for a reasonable portion of any losses associated with the continuation of service beyond the notice period.

(4) For the purposes of paragraph (3) of this subsection, the reasonable portion of such losses to be assumed by the State, regional, or local agency shall be no less than 66 $\frac{2}{3}$ per centum of, nor more than, the solely related costs and associated capital costs, including interest on passenger equipment, less revenues attributable to, such service. If the Corporation and the State, regional, or local agencies are unable to agree upon a reasonable apportionment of such losses, the matter shall be referred to the Secretary for decision. In deciding this issue the Secretary shall take into account the purposes of this Act and the impact of requiring the Corporation to bear such losses upon its ability to provide improved service within the basic system.

* * * * *

TITLE VI—FEDERAL FINANCIAL ASSISTANCE

SEC. 601. AUTHORIZATION FOR APPROPRIATIONS

(a) There are authorized to be appropriated to the Secretary for the benefit of the Corporation in fiscal year 1971, \$40,000,000, and in subsequent fiscal years a total of [\$334,300,000] \$534,300,000. Funds appropriated pursuant to such authorization shall be made available to the Secretary during the fiscal year for which appropriated and shall remain available until expended. Such sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with spending plans approved by Congress at the time of appropriation and general guidelines established annually by the Secretary. *Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days.*

(b) (1) Whenever the Corporation submits any budget estimate or request to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

(2) Whenever the Corporation submits any legislative recommendation, proposed testimony, or comments on legislation to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Corporation to submit its legislative recommendations, proposed testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

SEC. 602. GUARANTEE OF LOANS

(a) * * *

* * * * *

(d) The aggregate unpaid principal amount of securities, obligations, or loans outstanding at any one time, which are guaranteed by

the Secretary under this section, may not exceed **[\$500,000,000]** \$900,000,000. The Secretary shall prescribe and collect a reasonable annual guaranty fee.

* * * * *

TITLE VIII—MISCELLANEOUS PROVISIONS

* * * * *

SEC. 805. RECORDS AND AUDIT OF THE CORPORATION AND CERTAIN RAILROADS.

(1) (A) ***

(2) (A) The financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations **[may]** shall be audited *annually* by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General. Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representative of the Comptroller General shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Corporation shall remain in possession and custody of the Corporation.

(B) To the extent the Comptroller General deems necessary in connection with audits as he may make of the financial transactions of the Corporation pursuant to paragraph (A) of this subsection, his representatives shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by any railroad with which the Corporation has entered into a contract for the performance of intercity rail passenger service, pertaining to such railroad's financial transactions and necessary to facilitate the audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of such railroad shall remain in the possession and custody of the railroad.

(C) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform Congress of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary, and to the Corporation at the time submitted to the Congress.

(3) *This Act shall be construed to require the Corporation to furnish information and records to duly authorized committees of the Congress.*

SUPPLEMENTAL VIEW TO H.R. 15427

I support H.R. 15427 without reservation. I also commend the Transportation Subcommittee for its efforts to improve our national rail passenger transportation system.

A true assessment of the Congress' effort to maintain, and revitalize, the nation's passenger trains is found in the story of each passenger train run.

Through my Congressional district, thrice weekly runs the Inter-American on its way from St. Louis, Missouri, to Laredo, Texas, or vice versa.

The Inter-American was established by Congress in 1972, and was intended to provide rail service between the United States and Mexico.

I want to present some of the difficulties being faced by this train because I feel that the same story could be true for other trains. By doing so, I hope that more Members of Congress will come forward with full discussions of how Amtrak train service is faring in their own districts.

By putting together these many stories, the Congress can more forcefully assert its will in providing rail service at least equal to other industrialized nations.

The main controversy surrounding the Inter-American is its route through Texas.

There is no need to highlight this routing controversy here for two reasons. One, it is mentioned in "Review of Amtrak Operations", Special Subcommittee of Investigations, Committee on Interstate and Foreign Commerce, Subcommittee Print, pp 23-26. Secondly, I want to put the spotlight on seemingly minor problems.

Suffice it to say that the slow routing of the Inter-American south of the Dallas-Ft. Worth area is the overriding consideration for the train in Texas. Many of the problems mentioned below could be solved by a faster run for the Inter-American in Texas.

AIR-CONDITIONING

Texas summers are hot. They can become unbearable, and even hazardous, if experienced in a closed, unair-conditioned rail passenger car.

This is what the Amtrak passenger is faced with in Texas with alarming frequency as the summer days progress.

There are instances of passengers disembarking the train in Austin, Texas, and refusing to travel further because of the failure of the air-conditioning system on the train.

To the outside observer, and the normal Amtrak rider, the expectation of air-conditioned rail cars through Texas in the summer is not an unreasonable expectation.

One would think that providing and maintaining an adequate system of air-conditioned cars is a simple and easily obtained goal.

The air-conditioning of a rail car depends on an electrical system. If the rail car has its batteries recharged properly, the air-conditioning will normally work.

By providing more electrical re-charging facilities along the line, and perhaps even an electrician in Laredo, Texas, Amtrak could take a constructive step in improving the reliability of the air-conditioning.

By allowing the cars to take more water for their air-conditioning systems, Amtrak could help solve this problem.

If the train could run faster on the tracks it uses, the batteries would receive more re-charging and thus help alleviate the air-conditioning problem.

Needless to say, the air-conditioning problem has not been corrected by any of these steps.

It is hard to convince people to travel the train when the experience can be an extreme test of their ability to withstand stifling heat.

TRACKS AND SPEED

As with all Amtrak runs in America, the Inter-American is plagued by poor tracks, which hinder the speed of the train.

The Committee's report accompanying H.R. 15223, the Federal Railroad Safety and Hazardous Materials Transportation Amendments of 1974, discusses clearly the problem of track maintenance inadequacies in this country (House Report No. 93-1083, pp. 9-15).

Track inadequacies from the Dallas-Ft. Worth area south to Laredo were the main factors determining the present Inter-American route.

Even on the best tracks Amtrak could find for the run, the Inter-American's speed is one reason that the run is less attractive than it should be.

The Inter-American arrives in Laredo, Texas, a short time *after* the Mexican train has left Nuevo Laredo for Mexico City.

For Texas-boarding passengers, this means a layover in Texas before the Mexican train can be taken.

Mexico's railroad corporation has adjusted their departure time by 45 minutes; thus over the present Inter-American route, connections in Laredo-Nuevo Laredo could be made, if the Inter-American had a slight adjustment in schedule plus traveling somewhat faster.

Track conditions prevent the faster Inter-American speeds, and again the success of an Amtrak run is being hindered by the woefully inadequate track maintenance policies of this nation's railroad companies.

The Congress should seriously consider legislation that would require the railroads to invest as much as possible in maintaining and upgrading their tracks.

STATION FACILITIES

In the heyday of train travel, many wonderful buildings were constructed as terminals for passenger trains.

It would be unrealistic to ask of Amtrak to embark on a station-building program to match that departed golden era.

At the same time, Amtrak and the railroad companies cannot be excused for what they refuse to do in a small way to improve existing deteriorating stations.

Again, examples from my district will be cited, but surely these examples would have counterparts elsewhere in Texas.

Austin, Texas, never had a grand train station.

Instead, the depot in Austin is typical of the basic design found so often in the heartland of America.

After legislation mandating this international run, but before it was inaugurated, the railroad company owning the station closed off a large arca for passengers to accommodate its freight business and tore down the sheds that were used to protect people from the weather.

Today, the Amtrak ticket office and waiting area is cramped and cannot accommodate the usual number of people who wish to board the train.

Thus, the unpredictable Texas weather oftentimes causes people to be caught in the rain or in the hot Texas sun or in the uncomfortable cold Texas wind during the winter.

The solutions to these minor problems are not complex.

Sheds could be built to ward off the rain and the waiting room could be enlarged.

So far, neither Amtrak nor the railroad company involved have demonstrated a willingness to make minor expenditures to correct the situation.

It must be said that the railroad company did recently set aside some overnight parking spaces for Amtrak customers.

Another stop in the 10th Congressional District is San Marcos, Texas. In San Marcos the depot is closed, with no services whatsoever for the Amtrak passenger. There are no phones, no sheds, no water, and no place to wait inside. The area often has a littered look.

The San Marcos Chamber of Commerce and other citizens are willing to open the station for the short time the Inter-American is in San Marcos.

For a small expenditure, a pay phone, benches, a drinking fountain, and sheds could be installed.

In both Austin and San Marcos, small improvements could be made that could at least make riding the train more convenient.

CORRECTIVE STEPS

Several things could be done to make Amtrak more attractive to the Amtrak patron and potential patron:

1. The Administration could make a commitment to make just *minor* expenditures to improve rail travel outside the Northeast Corridor. Certainly the Northeast Corridor is a high priority area for Amtrak expenditures, since this is where the demand for rail service is greatest and an ecological necessity. But this does not mean the other Amtrak routes should be placed on a care-taker basis. This government expends billions and billions. Surely this Administration could commit more funds to Amtrak outside the Corridor.

2. There has to be a greater willingness to do the many small things to make riding the train fun again. This willingness should come from Amtrak's Board of Directors and the railroad companies. Many times the opinion is expressed that Amtrak and the rail companies actually want to eliminate rail service over long distances. Personally, I do not think this assessment is 100 percent correct; or, at least, I hope it isn't.

The opinion will persist, however, until it is demonstrated, through better car maintenance, improved tracks, and upgraded depots, etc., by Amtrak and the railroad companies, that they do care enough to make the minor improvements.

CONCLUSION

Finally, it should be made clear that the House and Senate Committees with jurisdiction over Amtrak did not intend rail passenger service to be phased out of our national experience, nor does the whole Congress.

This message must be clearly presented to the Amtrak Board of Directors, the Department of Transportation, the Office of Management and Budget, and the railroad companies.

In struggles between Congress and the Administration over policy, the outcome is usually uneven. In struggles between the Congress and the railroad companies, the railroads have the most to lose.

But, as usual with political struggles on the Potomac, the real loser is the American public.

This is the shame of the present situation.

J. J. PICKLE.

MINORITY VIEWS—H.R. 15427—AMTRAK AUTHORIZATION FOR 1975

AMTRAK was created to salvage the most necessary portions of the railroad passenger service in the country. It was not originally intended to continue operating a national network of passenger trains servicing nearly all of the country, which service had previously been losing about \$600 million per year. The act was passed giving to the new corporation the funds which had been predicted would set up a viable passenger network. The corporation is described as "for profit." Section 201 of the act states that the basic system should consider among other things, "the relationship of public benefits of given services to the costs of providing such services" and "potential profitability of the service."

The corporation, originally called "Railpax", was given \$40 million in hard cash to get established. It also had access to a guaranteed loan fund of \$100 million to be used for capital expenditures. In addition, the railroads were obliged to pay in a portion of the sums they would be losing, for the privilege of dropping passenger service. That was the first bite. It is hard to believe that Congress would have been argued into creating the corporation if it had known that by fiscal year 1975 it would have gone through \$1.5 billion with nothing but escalation in sight.

The passenger rail network which has been created pursuant to this legislation cannot be supported by any reasonable criteria of public service. Except for the Northeast corridor, it can never pay its way or come close enough that the huge expenditures of tax money necessary to keep it running can be justified.

In 1973 the operations lost \$158.6 million. If that could be attributed to the newness of the effort and the difficulties of organizing, it would be possible to accept it. In 1974, however, we encountered the energy crisis. Ridership on AMTRAK skyrocketed, or at least increased to the extent its equipment and schedules could accommodate. Here, certainly, was its chance to show that rail passenger service was needed and could make it. Actually, the result of the increased business was not profit, or even break-even operations. The result was a larger deficit.

Now, in 1974 the Congress is asked to increase the guaranteed loan fund to \$900 million because the \$500 million already authorized is completely committed. It should be here noted that even the officials of the Department of Transportation openly admit that this is not really a loan fund. It will never be repaid. Tax money will eventually be required to make good those guarantees.

For the fiscal year 1975 the budget anticipated operating losses of \$148 million. By the time the authorizing legislation came before our committee, it was acknowledged by everyone involved that the figure should really be \$200 million. These escalating losses are in the face of increasing ridership.

Let us look for a moment at what we mean when we talk of increased ridership. Most of the passengers carried are in the Northeast

corridor, and that segment turns a profit. No one will argue with the desirability of continuing such a useful service. That corridor carried 75 percent of all of the AMTRAK passengers, leaving 25 percent for the rest of the network which consists of 26 runs on 12 different railroads. That 25 percent of the traffic generates all of the staggering losses Congress and the taxpayers are called upon to absorb.

One of the most enthusiastic supporters of AMTRAK as a concept is the National Association of Railroad Passengers. Its representative, in his testimony before the subcommittee, readily predicted that it would take ten years, if everything went right, for the AMTRAK network to break even. But he was not talking of breaking even in the ordinary corporate sense. He was referring only to breaking even on operating expenses, and then only if very large sums were also spent upon capital improvements and roadbed repair. In effect, he testified that what the law calls for and the taxpayer deserves from this effort cannot be done.

Things get out of perspective when we look at one mode alone, and particularly if we look at it hopefully and romantically rather than critically. When ridership increases at a given point from 13 passengers a day to 50 passengers a day for a short season, that can be hailed as a 400% increase in ridership. It is another thing to say that it justifies any real consideration as progress when, at the same time, thousands are arriving and departing by air and hundreds of thousands by automobile in the same city.

The losses are large and increasing. When new contracts are negotiated with the railroads, and new employment contracts are signed with labor, the present losses will look small. Without these we are now asked to pick up the tab in fiscal year 1975 for \$200 million in operating losses. Next year there will be more, plus paying off \$900 million in guaranteed loans. The year after that there will be still more. How long can we possibly continue to support all of the unjustified and unnecessary waste of assets on a system which has thoroughly proved it cannot make the grade?

The only amounts which can be justified are guaranteed loans for equipment and track improvement in a few corridors like the Northeast where operations can clearly be profitable and the loans repaid.

Railroad's future rests with heavy freight, and therein railroads are essential to our Nation's economy.

With inflation of paramount concern to all America, we need to reduce government spending. Our excessive spending here in Congress is the primary cause of our Nation's serious inflation.

AMTRAK can best be operated if Congress would completely remove itself from any management or advisory capacity. Routes and services should be determined by AMTRAK with responsibility and authority exclusively within AMTRAK to terminate unprofitable lines. If we gave AMTRAK a fair chance by removing politics and Congress from the issue, and let AMTRAK management concentrate on the successful and major market of the Northern and Eastern corridor, then AMTRAK would have a sound future.

The present legislation compounds and continues an impossible management situation for AMTRAK.

SAMUEL L. DEVINE.
JAMES M. COLLINS.
JOHN WARE.

AMTRAK IMPROVEMENT ACT OF 1974

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE

ON

S. 3569

TO AMEND THE RAIL PASSENGER SERVICE ACT OF 1970
AND FOR OTHER PURPOSES



U.S. GOVERNMENT PRINTING OFFICE

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(III)

AMTRAK IMPROVEMENT ACT OF 1974

JULY 16, 1974.—Ordered to be printed

MR. MAGNUSON, from the Committee on Commerce,
submitted the following

REPORT

[To accompany S. 3569]

The Committee on Commerce, to which was referred the bill (S. 3569) to amend the Rail Passenger Service Act of 1970, and for other purposes, having considered the same, reports favorably thereon with amendment in the nature of a substitute text and recommends that the bill as amended do pass.

BRIEF DESCRIPTION

The Amtrak Improvement Act of 1974 provides for an authorization for fiscal year 1975 and for an increase in the ceiling on the amount of federally guaranteed obligations of the National Railroad Passenger Corporation (Amtrak) that may be outstanding at any one time. The bill also contains other amendments to the Rail Passenger Service Act of 1970 which are designed to upgrade the quality of rail passenger service in the United States. Additionally, the bill contains amendments to the Department of Transportation Act, the Interstate Commerce Act, and the National Capital Transportation Act of 1969.

The bill would remove a presently existing technical violation of section 304 of the Rail Passenger Service Act by two railroads. The Corporation is directed to directly perform maintenance, repair, and rehabilitation of its equipment, and is required to cooperate fully in order to facilitate implementation of the Northeast Corridor project as soon as possible. Amtrak's authority to carry private railroad cars is clarified, and a limited exemption from current regulations requiring the painting of such cars is provided for. The bill mandates improved customs inspections procedures on Amtrak's international intercity passenger trains, and the provisions of the Rail Passenger Service Act setting forth the relative financial contributions of the Corporation and States, regional, or local agencies for additional service beyond the basic system are proposed to be amended.

The bill would amend the criteria for decisions of the Interstate Commerce Commission relating to the compensation to be paid Amtrak for carriage of passholders, and would restructure the way in which the Department of Transportation contributes to capital planning decisions of the Corporation. The civil enforcement jurisdiction of the Interstate Commerce Commission over the quality of service aboard intercity passenger trains, conferred upon the Commission by the Amtrak Improvement Act of 1973, is proposed to be clarified, and the name of the organic Rail Passenger Service Act of 1970 would be modified.

The bill would amend the High Speed Ground Transportation Act by incorporating the West Coast Corridor Feasibility Study Act of 1973, which has passed the Senate previously. A technical amendment would be made to the Interstate Commerce Act, and the Department of Transportation Act would be modified to direct the Secretary of Transportation to plan and construct a new intermodal terminal at Union Station in the District of Columbia to replace the present facility, which is being converted into a visitor center. Finally, the bill would amend the National Capital Transportation Act of 1969 in order to authorize the Secretary of Transportation to finance the initial work on an extension of the Washington area Metro system to Dulles Airport, and a feasibility study of an extension to Baltimore-Washington International Airport.

SECTION-BY-SECTION ANALYSIS

Section 2.—Stock ownership

This section would change section 304(b) of the Rail Passenger Service Act by adding a new sentence designed to remove two existing violations of section 304. Because only four railroads presently own stock in the Corporation, and two of these railroads, the Penn Central and the Burlington Northern, both own in excess of 33 $\frac{1}{3}$ percent of the total number of common shares issued and outstanding, the prohibition of section 304(b) is being violated. This situation has been called to the attention of the Congress by the Interstate Commerce Commission, in its March 15, 1974 Report to the Congress on Amtrak, and the Department of Transportation submitted a legislative request to the Congress which would remove the violation by amending section 304(b). Because the violation of section 304(b) by the Penn Central and Burlington Northern railroads was caused by the absence of stock subscriptions by other carriers to the authorized shares in Amtrak, it appears to be unintentional and technical in nature, and therefore, the committee approved the proposed amendment to section 304 which would remove the violation. The committee intends to examine thoroughly the propriety of having railroads own any stock in the Corporation during the coming year.

Section 3.—Maintenance and repair, Northeast Corridor, privately owned railroad cars

This section would amend section 305 of the Rail Passenger Service Act by adding new subsections (f), (g), and (h). Subsection (f) directs the Corporation, to the maximum extent practical, to perform directly all maintenance, rehabilitation, repair, and refurbishment of its

rail passenger equipment. Until the Corporation obtains the requisite facilities. The railroads currently performing such services are required to do so as expeditiously as possible, and they are directed to accord repair and refurbishment of passenger equipment a higher priority than equipment used in freight transportation.

The committee has received a substantial amount of evidence that the current shortage of cars is caused to a large extent by the lack of control by the Corporation over maintenance and repair. Typically, over one-third of Amtrak's fleet is unavailable for service because it is either broken or being refurbished. Many cars that have recently undergone refurbishment experience breakdowns that should not occur, and the breakdown rate for Amtrak rolling stock indicates that a more effective preventive maintenance program is needed. This is not the first time that this problem has come to the Committee's attention. In previous legislation and oversight dealing with the Corporation, increasing direction has been given to take over maintenance and repair activities, and the Amtrak Improvement Act of 1973 gave the Corporation the power to acquire the necessary facilities for this purpose. It is anticipated that the direct assumption of maintenance, repair, and refurbishment by the Corporation will not only increase the amount of rolling stock available for service, but will also give Amtrak better control over accountability and costs. The Committee expects expeditious action by the Corporation to fulfill this requirement.

The new proposed subsection (g) of section 305 reflects the Committee's strong interest and support for the earliest possible completion of the implementation of improved high-speed rail service in the northeast corridor, which was required by the Regional Rail Reorganization Act of 1973. It is very important that both the interim improvements and the long-range work begin as soon as possible so that the 5-year deadline for project completion can be met. In response to the testimony of the Department of Transportation, it was felt that a monthly reporting requirement on the progress of implementation of the corridor project is unnecessary at this time, since the Department pledged to keep the Committee and the Congress fully informed. While the Committee expects Amtrak to move ahead as fast as possible with the interim improvements to corridor facilities, it should be made clear that any increases in value to these facilities that occurs as a result of either interim or long-range improvements is to be credited to Amtrak's account when the properties are transferred pursuant to the Regional Rail Reorganization Act.

A new subsection (h) was added to S. 3569 in order to clarify Amtrak's authority to carry privately owned railroad cars on Amtrak trains. In carrying such cars, Amtrak may establish rates, rules, regulations, or other requirements, in accordance with the applicable rules and regulations promulgated by the Interstate Commerce Commission and the Federal Railroad Administration, but Amtrak may not require as a condition to carriage of privately owned railroad cars of historical significance alterations in the color or marking of the cars.

Amtrak has agreed to transport privately owned railroad cars on Amtrak trains in the past. On a number of routes, however, Amtrak has imposed certain requirements, having nothing to do with safety, concerning the color of privately owned cars. These requirements have

forced owners of privately owned cars to either paint their cars Amtrak colors or refrain from transportation on Amtrak trains. The amendments made by this section will insure that owners of privately owned railroad cars of historical significance would not be forced by Amtrak requirements to alter the exterior color or markings of their cars.

A private railroad car of historical significance is one which, because of its rarity, its significance in railroad or American history or its lore, is worthy of preservation in a manner, as close as possible, to either its original specifications or its specifications when it made its contribution to our history. The Committee intends Amtrak to exempt a car of special historical significance from any cosmetic requirements where such exemption is necessary to preserve the historical integrity of the particular car. The Committee realizes that many privately owned cars are of substantial age and wishes to emphasize that this section is not meant as a blanket exemption to Amtrak's painting requirements. It is expected that the Corporation will grant exemptions only where compliance would derogate from the integrity of cars of true historical significance.

Section 4.—Customs inspections procedures

This section would amend section 305 of the Rail Passenger Service Act by inserting a new sentence that directs the Secretary of the Treasury to utilize customs inspections procedures aboard Amtrak trains operated in international intercity rail passenger service that will be convenient for passengers and will result in the most rapid transit time possible between embarkation and debarkation points. It has been brought to the attention of the Committee that the customs inspections procedures used on several of Amtrak's trains have been structured in a way that tends to discourage use of rail passenger service. Procedures requiring stopping trains for inspection and in some cases even detrainment of all passengers are not a feature of customs inspections in Western Europe, where a highly developed rail passenger system exists. It is anticipated that this section will require in most cases an on-board inspection while the train is moving in order to facilitate the most rapid journey time possible, and that these improvements will permit Amtrak to shorten schedules and make rail passenger service more competitive with other modes of transportation. The Corporation is expected to cooperate with the Bureau of Customs in establishing procedures that comply with this section.

Section 5.—Rail service beyond basic system

This section would amend subsections (b) and (c) of section 403 of the Rail Passenger Service Act of 1970 to provide that a State, regional, or local rail transportation agency must reimburse Amtrak for a fixed percentage (66 $\frac{2}{3}$ %) of the losses attributable to additional rail service requested by such agency. Existing law requires that a State, regional or local agency contribute at least 66 $\frac{2}{3}$ % percent of both the operating and associated capital costs solely related to such service.

Until recently, no State or local agency was required to reimburse Amtrak for more than two-thirds of the solely related costs, but the Corporation has already indicated that at least one State, and possibly

others, will have to pay for as much as 100 percent of the capital costs associated with rail service requested beyond that included in the basic system. In view of the increasing number of State rail passenger programs and the growing public demand for rail service as a result of the energy crisis, a policy of imposing even greater financial burdens on States and local communities is unacceptable. States should be encouraged, not discouraged, from providing more opportunity for rail travel.

In legislating a non-Federal share of 66 $\frac{2}{3}$ percent, the Committee adhered to the past practice of Amtrak. State, regional or local rail authorities will still have to demonstrate a substantial financial commitment if they desire additional rail service.

Although the amendment would not apply to rail service being provided under existing contracts, it is the intent of the Committee that the amendment would apply to all rail service instituted for the first time after the date of enactment of this legislation, as well as service under contracts renegotiated after the enactment date. Furthermore, although section 403(b) is mandatory in the sense that the Corporation is required to institute service so long as the State, regional, or local agency agrees to reimburse the Corporation for its share of the solely related costs and associated capital cost, there is no intent to require that equipment or other resources from existing services be diverted in order to begin new services under section 403(b). It is hoped that, with improved maintenance and the acquisition of additional rolling stock, greater numbers of cars will become available. Additionally, where cars are unavailable, States, regional, or local agencies may be able to secure sufficient rolling stock to operate the service.

Section 6.—Pass privileges

This section originally specified a payment formula under section 405(f) of the Rail Passenger Service Act for carriage of railroad employees by Amtrak. Substantial opposition to this proposal was received by the Committee from those testifying on S. 3569, and it was felt that the issue of compensation might be better left to the Interstate Commerce Commission. Because many of the restrictive regulations of the Corporation on carriage of passholders stem from the Commission's decision in Finance Docket No. 27194, the Committee proposes to insert a sentence which would require the Commission, in any future decisions under section 405(f), to accord the Corporation just and reasonable compensation for carriage of railroad employees. The decision of the Commission in Finance Docket No. 27194 did not accord the Corporation enough compensation to even warrant its collection. This was not the intent of Congress in enacting section 405(f), and it is hoped that any future decisions of the Commission under this section will remove this economic disincentive to the carriage of passholders.

The amendment is intended as a legislative reminder to the Interstate Commerce Commission that in proceedings under the provisions of Section 405(f), cost determinations with respect to space available transportation are to be made so as to assure that Amtrak is reimbursed for all costs which it would not have incurred in the absence

of performing the transportation services referred to. In the opinion of the Committee anything short of such reimbursement would not constitute the just and reasonable compensation contemplated by the Committee in the context of Section 405 (f) and would impose an unintended burden on Amtrak.

It is not the intention of the Committee, however, that the amendment should in any way be construed so as to change the "space available" limitation upon the transportation privilege granted by Section 405 (f) or to enlarge in any way the obligation of the railroads to reimburse Amtrak for providing "space available" transportation services to railroad employees. However, it is the intent of the Committee that Amtrak receive enough compensation for carriage of passengers to eliminate the existing economic disincentives to their carriage. It is expected that receipt of additional compensation by Amtrak will permit the relaxation of the currently restrictive regulations concerning passes and passholders.

Section 7.—Federal grants

Section 7 would amend section 601 of the Rail Passenger Service Act in order to increase the amounts of federal grants authorized for the Corporation by \$200,000,000.

Section 8.—Guarantee of loans

Section 8 would make two amendments to section 602 of the Rail Passenger Service Act. First, the maximum amount of loans to the Corporation which may be guaranteed at any one time by the Secretary of Transportation is changed from \$500,000,000 to \$900,000,000. This change was requested by the Corporation. Although the Committee has repeatedly urged the Corporation to move more rapidly to acquire more new and rebuilt equipment and facilities, there is concern over the amount of interest that must be paid when using guaranteed loans as a financing mechanism. It is expected that a thorough review of the current financing mechanisms for the Corporation will be undertaken during fiscal year 1975.

The second amendment to section 602 which section 8 would make is a restructuring of the way in which the Secretary of Transportation is to contribute to capital planning decisions of the Corporation. The Committee has been concerned that the present wording of section 602 may in effect derogate from the proper role of the Board of Directors of the Corporation by causing the input of the Department of Transportation to occur after major capital decisions have been made by the Board. The Department has in the past reached decisions concerning the wisdom of capital expenditures already approved by the Board and as a result has refused to guarantee loans needed to carry out the Board approved program. While the Committee values and desires the contributions that can be made by the Department, the current process makes it appear as if the Department is to review Board decisions through the loan guarantee process. The Congress, in the Amtrak Improvement Act of 1973, restructured the Board in order to assure its vitality and independence, and the Committee feels that having the Secretary exercise review power over Board decisions is inconsistent with a strong and independent Board of Directors; accordingly, section 8 would add a new subsection (h) to section 602 of the Rail Passenger Service Act that would structure the input of the Depart-

ment in a manner more consistent with the goal of a strong and independent Board.

It should be emphasized that the proposed new subsection (h) is not meant to diminish the role of the Department in helping to plan decisions of the Corporation. Subsection (h) specifically provides that the Secretary may issue general guidelines for the approval of loan guarantees in the same manner that he is already authorized to issue guidelines dealing with federal grants under section 601 of the Act. It is anticipated that all of the substantive input of the Department can be accommodated through these guidelines, and that their promulgation will have a salutary effect on the capital planning processes of the Corporation. For instance, through promulgation of guidelines for federal grants and guarantee of loans for various purposes, the management of the Corporation will know in advance what sorts of information the Department deems relevant to capital planning decisions and will be able to formulate capital expenditure plans accordingly. Additionally this will ensure the lawful expenditure of funds from the Amtrak grant and loan guarantee program. The Secretary could establish procedures for the submission of requests for guarantee of loans and could require periodic reports and information he considers necessary to evaluate Amtrak's programs and prepare his report to Congress under section 308 of the Rail Passenger Service Act. This will allow for thorough and competent planning from the beginning, rather than the haphazard process that is currently used. Furthermore, the Secretary, in his capacity as a Board member can contribute to Board decisions in a productive and helpful manner utilizing the expertise of the Department on questions before the Board. This will allow the Board to make informed decisions on management proposals, and will further the goal of having a strong and independent Board.

Section 9.—Civil enforcement jurisdiction of ICC

Section 9 would spell out the mechanics of the Commission's civil enforcement jurisdiction pursuant to section 801 of the Rail Passenger Service Act. The amendment is not intended to substantively alter the Commission's powers, but merely to make clear the method of civil enforcement, and the Commission has requested this clarification. The Committee has been strongly supportive of vigorous Commission action under section 801, and hopes that the Commission will continue to work for the improvement of rail passenger service in the United States through the complete exercise of its powers under section 801.

Section 10.—Name change of organic act

Section 10 would change the name of the Rail Passenger Service Act of 1970 to the Rail Passenger Service Act. There have been amendments to the original Act in 1972 and 1973, and it is anticipated that there will be further amendments in 1974. The Committee feels that deletion of the words "of 1970" will give a better description of the organic Act.

Section 11.—West Coast Corridor Feasibility Study Act of 1974

Section 11 would amend the High Speed Ground Transportation Act (49 U.S.C. 1631, et seq.) by adding a new section consisting of S. 1328, the West Coast Corridor Feasibility Study Act of 1973. This

legislation, which passed the Senate previously on July 11, 1973, would require a thorough and comprehensive study of the future transportation needs of the entire West Coast. (See S. Rept. 93-257.) The various alternatives for meeting the needs of the area are to be studied, and the study is to recommend the appropriate development of transportation facilities to meet these needs. Furthermore, the consequences that may result if no new transportation facilities are developed to meet the needs of the future are required to be set forth.

Subsection (a) requires the Secretary to make a determination regarding the social advisability, technical feasibility, and economic practicability of alternatives to presently existing transportation systems. In the determination of economic practicability, for instance, it is anticipated that this study would project what requisite financial commitments from the Federal or State Governments would be needed for both construction and operating costs of the systems discussed in the study. Cost factors, along with the factors of social advisability and technical feasibility, may lead to a recommendation of using different transportation systems for the different routes involved in the study. For instance, it is possible that on one route where heavy travel is predicted, a tracked air cushion vehicle system would be appropriate. On another route, an upgraded, high speed rail system, such as an advanced Metroliner, might be more appropriate. It may even be possible that the presently existing transportation modes would be adequate for some of the routes to be studied.

The study should develop a set of criteria upon which candidate systems can be evaluated. These criteria should include such factors as technical feasibility, performance, capital and operating costs, public acceptance, service frequency and quality, social, environmental, and economic impacts, system implementability, and the like. Once the candidate systems are evaluated and the most desirable candidate(s) selected, a set of planning guidelines for the implementation of the systems which are recommended should be developed.

The routes to be studied are designed to connect the major population centers on the West Coast. There is no intent to require any specific routing between those population centers however. One of the purposes of this study is to determine present and projected intercity travel patterns in the West, and to recommend transportation systems adequate to fulfill this projected need; hence, the precise routing and systems recommended for use will depend upon information which will be developed in the study.

Because both Tijuana and Vancouver are outside the United States, the Secretary (or the study contractor) may have to seek the cooperation of the governments of Mexico and Canada in order to make accurate projections and appropriate recommendations for those routes. The study should attempt to determine, insofar as possible, the degree to which it is expected those governments would cooperate in the construction of any system which is recommended.

Paragraph (1) makes clear that the study is to be comprehensive regarding transportation systems. Both existing transportation modes and those under development are to be considered. Paragraph (1), like all of the paragraphs of subsection (a), applies independently to each route being considered. It is entirely possible that different recommendations could obtain for the different routes under study.

Paragraph (2) directs the Secretary to study the cost of both constructing and operating the various systems being considered on the routes to be studied. The study should include the cost of acquisition of any necessary right-of-way, and the cost of right-of-way maintenance.

Paragraph (3) directs the Secretary to study the environmental impact of constructing and operating the transportation systems under consideration, and also to estimate the environmental impact if no new transportation alternatives are provided. These conclusions may, to a great extent, depend on projections of future population growth and travel patterns.

Paragraph (4) directs a consideration of usage. For instance, it is anticipated that the Secretary would have to consider such factors as operational speeds and frequency, the quality of service to be offered, the cost to potential users, the convenience to potential users, and the ability to expand to meet projected increases in demand. The matters specified in paragraph (1) are merely illustrative and are not meant to be exclusive, so that the Secretary would be able, under this subsection, to consider any factor which may have an effect on the user potential of the particular system being studied. The term "commercial success" is not meant to be duplicative of paragraph (1), but is meant to indicate the degree to which the systems under study could be expected to win a share of the relevant inter-urban transportation markets, and the degree to which operational subsidies might be required. While cost will certainly be a factor in any such determination, there are many other factors which contribute to user preference. For instance, the success of the Metroliner program in the Northeast Corridor has resulted in a greater usage of intercity rail transportation, even though Metroliner tickets cost significantly more than intercity bus tickets for the same route. The study should also attempt to predict whether any of the construction costs of the systems considered might be repaid by user charges.

Paragraph (5) directs a consideration of energy utilization and the impact on energy resources of the systems under study. It also mandates that the future energy impact of existing transportation systems and energy resources should be considered if no new systems are created.

Paragraph (6) directs consideration of integrating the systems under study with local and intrastate transportation systems, both existing and planned. In the San Francisco Bay area, for example, it is anticipated that the study should give consideration of the ability of the various transportation modes under consideration to integrate with the Bay Area Rapid Transit System, the San Francisco Municipal Railway, the commuter services of the Southern Pacific Railway, and so on. Every effort should be made to plan balanced, integrated transportation systems that interface smoothly with one another.

Paragraph (7) mandates that the study required by this bill be coordinated with other studies undertaken on the State and local level. It is anticipated that this will not only provide for better coordination but also will in some cases eliminate duplication of effort and allow the study to be conducted more efficiently, quickly, and inexpensively. This section is also intended to require that those conducting the study coordinate with State transportation officials, who will be cognizant

of studies undertaken and existing plans at the local level. [See also subsection (b), *infra*.]

Paragraph (8) allows the Secretary to include within the study such other matters as he deems appropriate. It is anticipated, for example, that the Secretary might want to consider the development of recreational travel through such devices as car ferries operating between Pacific coast ports. Routes other than those specified in subsection (a) could also be studied under authority of this section, if the Secretary deemed it advisable.

Subsection (b)

Subsection (b) directs the Secretary to coordinate with other agencies having responsibilities for transportation planning. It is anticipated that this will allow the usage of data and expertise collected by the Interstate Commerce Commission, the Civil Aeronautics Board, the National Railroad Passenger Corporation, and regional, State, and local transportation planning agencies. Such coordination will also facilitate information gathering and assure that the expertise available from these sources is utilized. The section complements paragraph (7) of subsection (a).

This section also makes clear that the Secretary, in carrying out the investigation and study pursuant to this bill, may enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations, or individuals. The Secretary is free to advance public funds without regard to the provisions of 31 U.S.C. 529, and without regard to the provisions regarding contracts for supplies or services contained in 41 U.S.C. 5.

Subsection (c)

This section contains the time limitations within which the Secretary is to conduct the comprehensive study and investigation. The Secretary is to report the results of the study and investigation pursuant to the bill, together with his recommendations, to the Congress and the President no later than January 30, 1977. The Secretary is to submit an interim progress report to the Congress on January 30, 1976. This will help facilitate Congressional oversight responsibilities mandated by the Legislative Reorganization Act of 1970.

Subsection (d)

This subsection authorizes an appropriation not to exceed \$8,000,000 to carry out the study directed by this section.

Section 12.—Motor carrier standards

Section 12 would amend section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. 302(b)(2)) in order to correct a technical deficiency in the current process by which the States are allowed to require motor carriers to register and comply with standards determined and officially certified to the Interstate Commerce Commission by the National Association of Regulatory Utility Commissioners (NARUC) and promulgated by the ICC. Section 202(b)(2) provides that standards certified to the Commission by NARUC become effective 5 years after the date of promulgation by the ICC. Standards certified by NARUC were promulgated by the ICC on December 14, 1966, and became effective on December 14, 1971.

Section 12 would amend section 202(b)(2) in two ways. First, it would provide that any amendments to the standards certified by NARUC and promulgated by the Commission prior to the effective date of the standards themselves would become effective at the same time as the standards did; *i.e.*, December 14, 1971, rather than 5 years from the date of publication of each amendment. The Interstate Commerce Commission has indicated to the Committee that there are certain amendments that would be affected by this feature of section 12, but that no problem is envisioned by this retroactive feature of the amendment because it would merely be giving statutory effect to the position of the ICC when each such amendment was published in the Federal Register. Hence this feature of section 12 would merely codify the already existing administrative interpretation of existing law, and would eliminate any question that could exist concerning the correctness of that interpretation.

Second, section 12 would provide that amendments to the standards promulgated subsequent to the effective date of the standards themselves would become effective at the time of their promulgation, or at such other time, subsequent to promulgation by the ICC, as may be determined by NARUC.

Section 13.—Union Station

Section 13 would amend the Department of Transportation Act (49 U.S.C. 1653) in order to require the Secretary of Transportation to plan and construct a model intermodal transportation terminal at Union Station in the District of Columbia.

In 1968, the Congress passed the National Visitor Center Facilities Act of 1968 (82 Stat. 43), which provided for the conversion of the railroad station in the District of Columbia into a visitor center. The present station facilities, pursuant to this legislation, are currently being converted to a visitor center, and the Washington Terminal Company, under section 102(a)(4), is obligated to construct a replacement station facility. Unfortunately, when the visitor center legislation passed the Congress, rail passenger service was at a low point. Since 1968, the Congress has passed the Rail Passenger Service Act of 1970, and amended that Act to improve rail passenger service in 1972 and 1973.

The efforts of the Congress to revitalize rail passenger service have been very successful, at least in terms of ridership, especially in the Northeast Corridor. Dramatic increases in the number of rail passengers using Union Station in the District of Columbia have been experienced on all of Amtrak's trains serving that facility, as well as those of the Southern Railway, the Chessie system, and the Penn Central. The success of the Metroliner program has been even more remarkable, and only recently additional commuter service from the Maryland suburbs was begun. Additional commuter use of Union Station can be expected from both Maryland and Virginia, especially when the METRO subway system begins operation, with its station stop at the rail terminal providing quick access to much of metropolitan Washington, D.C. Even more significantly, on January 2, 1974, the President signed into law the Regional Rail Reorganization Act of 1973. This legislation requires the implementation of Improved High Speed

Rail passenger service in the Northeast Corridor, recommended by the Secretary of Transportation in his 1971 report "Recommendations For Northeast Corridor Transportation". This project will produce the first truly high speed rail passenger corridor service in the United States, and will provide frequent and fast service between the major metropolitan areas of the Northeast, from Boston to Washington. The implementation of these improvements are expected to cause a major modal shift among passengers traveling between the urban areas of the Northeast, and any terminal facilities built in the District of Columbia must take into account the effect of this program in terms of the type and size of facility needed.

The Department of Transportation has done some preliminary work on station design, and several urban areas have been identified that would benefit from combining more than one mode of transportation into the same terminal facility. In the District of Columbia, a unique opportunity exists to combine modes, since the METRO subway system will provide direct access to Washington National Airport and Dulles International Airport, pursuant to section 14 of this bill. Additionally, both major intercity bus companies have expressed repeated interest in combining their terminal facilities with the new rail station, and it would be relatively easy to incorporate airline ticketing services in the same facility. The opportunity exists to make the replacement to the existing Union Station in the District of Columbia a model intermodal terminal, and at the same time such a development would serve the visitor center, which is already under construction.

Paragraph (1) of subsection (h) gives the requisite authority to the Secretary of Transportation to plan and construct a model terminal facility. One of the reasons for the delay in beginning construction of any replacement facility has been that there currently exists no legislative authority for any government agency to plan and construct a replacement facility and to coordinate the monetary responsibilities of the various users of the new facility: *i.e.*, Amtrak, the railroads, the Washington Terminal Company, the bus companies, the Urban Mass Transit Administration, the Federal Highway Administration, the Washington Metropolitan Area Transit Authority, and the airlines. The Secretary is directed, to the extent practicable, to incorporate into the design and plans for the new terminal features that will make construction and development attractive to private investors. It is hoped that the share of construction and development costs to be borne by the users of the new facility in addition to the attraction of private capital investment will minimize the necessity for federal monies to be used for construction.

Paragraph (2) directs the Secretary of Interior to lease or transfer whatever properties he may hold or acquire north of the Union Station Building to such party or parties and upon such terms and conditions as the Secretary of Transportation deems appropriate. Because the plans for the intermodal terminal are not yet complete, authority is given for the Secretary of Transportation and the Secretary of Interior to agree on joint usage of the concourse area. Joint usage may also be desirable in order to complete a visitor center.

Paragraph (3) requires that the design and plans for the intermodal terminal be completed within 2 years of enactment. The

words "design" and "plans" are meant to include architectural drawings and any other work required to begin construction. Construction of the new facility is to be completed within 5 years of enactment.

Paragraph (A) provides an authorization for the designs and plans for the new intermodal terminal. It is anticipated that this authorization will be sufficient to cover all the costs of designing and planning the new terminal, including architectural work. No funds are authorized for construction even though the Secretary is required to build the new facility because it is hoped that the funds received from the various users of the new facility, in conjunction with the attraction of private capital, will be sufficient to pay for the costs of construction. To the extent that the Secretary needs additional funds for construction costs, additional authorizations will be necessary. No funds are included for an interim facility because it is anticipated that funds can be used from existing sources, but the Committee urges the Department and other responsible parties to provide adequate interim facilities as soon as possible.

Section 14.—Dulles Airport Transit

This section is virtually identical to S. 2952 of the 92nd Congress (S. Rept. No. 92-1153), which passed the Senate on October 4, 1972, and S. 2047 of the 93rd Congress (S. Rept. No. 93-236) which passed the Senate on July 9, 1973. The purpose of the section is to authorize the Secretary of Transportation to make payments to the Washington Metropolitan Area Transit Authority to finance the cost of designing and other necessary planning of a rail rapid transit line in the median of the Dulles Airport Road. Such planning would include the conducting of surveys; the taking of soil borings; the preparing of general plans; the obtaining of approvals; the preparing of contract plans and specifications; and the overhead costs of the Authority to perform the initial work required to proceed with this project. This section also directs the Secretary to undertake a feasibility study of extending a rail rapid transit line to Baltimore-Washington International Airport, utilizing the median of the Baltimore-Washington Expressway. There are authorized to be appropriated not to exceed \$10,000,000 to carry out the purposes of this section.

The Committee has fully considered the study undertaken by the Office of High-Speed Ground Transportation of the Federal Railroad Administration, entitled "Dulles Airport Rapid Transit Service Feasibility Study", and the testimony of the witnesses during the hearings on S. 2952. It believes that it is necessary that Dulles Airport be made more readily accessible in order to develop that airport into a fully viable facility. Further, the Washington Metropolitan Area Transit Authority is presently constructing a rapid rail transit line to Washington National Airport, and unless the planning and designing to make Dulles Airport equally accessible are commenced immediately, the already serious imbalance between the demands for service from these two airports will be substantially aggravated. Extension of the Washington Metro system to Dulles Airport is consistent with the goal of section 13 of constructing a model intermodal transportation terminal at Union Station inasmuch as it would facilitate the interchange of air passenger traffic utilizing that airport and other modes of transportation.

TEXT OF S. 3569, AS REPORTED

A BILL To amend the Rail Passenger Service Act of 1970, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 2. Section 304(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 544(b)) is amended by striking out the word "owned" and by inserting in lieu thereof the word "voted" and by adding at the end thereof the following new sentence: "If any railroad or any person controlling one or more railroads, as defined in section 1(3)(b) of title 49, United States Code, owns, directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control, a number of shares in excess of 33 $\frac{1}{3}$ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding."

SEC. 3. Section 305 of the Rail Passenger Service Act of 1970 (45 U.S.C. 545) is amended by adding at the end thereof the following three new subsections:

"(f) The Corporation shall, to the maximum extent practicable, directly perform all maintenance, rehabilitation, repair, and refurbishment of rail passenger equipment. Until the Corporation obtains, by purchase, lease, construction, or any other method of acquisition, Corporation-owned or controlled facilities which are adequate for the proper maintenance, repair, rehabilitation, and refurbishment of the rolling stock and other equipment and facilities of the Corporation, the railroads performing such services shall do so as expeditiously as possible and shall accord a higher priority to such work than to the maintenance and repair of equipment utilized for the transportation of freight.

"(g) The Corporation shall advise, consult and cooperate with, and, upon request, assist in any other manner the Secretary, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation in order to facilitate completion and implementation of the Northeast Corridor project, as defined in section 206(d)(3) of the Regional Rail Reorganization Act of 1973, by the earliest practicable date. The Secretary shall assign the highest priority to its completion.

"(h) The Corporation is authorized to issue orders, rules, regulations, and charges for the movement of privately owned railroad cars on the Corporation's trains, consistent with the needs of the Corporation: *Provided*, That no such rule, regulation, order or charge shall be designed in a manner which would require the exterior color or markings of any privately owned railroad car of historical significance to be altered."

SEC. 4. Section 305(e)(7) of the Rail Passenger Service Act of 1970 (45 U.S.C. 545(e)(7)) is amended by inserting immediately prior to the semicolon a period and the following new sentence: "The Secretary of the Treasury shall establish and maintain, in cooperation with the Corporation, customs inspection procedures aboard trains operated in international intercity rail passenger service that will be con-

venient for passengers and will result in the most rapid possible transit between embarkation and debarkation points on such service."

SEC. 5. Section 403 of the Rail Passenger Service Act of 1970 (45 U.S.C. 563) is amended by striking subsections (b) and (c) and inserting in lieu thereof the following new subsection:

"(b) Any State, regional, or local agency may request of the Corporation rail passenger service beyond that included within the basic system. The Corporation shall institute such service if the State, regional, or local agency agrees to reimburse the Corporation for 66 $\frac{2}{3}$ per centum of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service."

SEC. 6. Section 405(f) of the Rail Passenger Service Act of 1970 (45 U.S.C. 565(f)) is amended by adding the following sentence immediately after the sixth sentence of the subsection, following the words "and its decision shall be binding on both parties.": "Any decision under this subsection shall accord just and reasonable compensation to the Corporation."

SEC. 7. Section 601 of the Rail Passenger Service Act of 1970 (45 U.S.C. 601) is amended by striking out "\$334,300,000", and inserting in lieu thereof "\$534,300,000".

SEC. 8. Section 602 of the Rail Passenger Service Act of 1970 (45 U.S.C. 602) is amended (1) by striking out, in subsection (d) thereof, "\$500,000,000" and by inserting in lieu thereof, "\$900,000,000"; and (2) by adding at the end thereof the following new subsection:

"(h) Any request made by the Corporation for the guarantee of a loan pursuant to this section, which has been approved by the Board of Directors of the Corporation, shall be approved by the Secretary without substantive review of the capital and budgetary plans of the Corporation. Such review by the Secretary shall be effected by the Secretary in his capacity as a member of the Board of Directors of the Corporation and through issuance of general guidelines pursuant to section 601 of this Act."

SEC. 9. Section 801(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 641(b)) is amended to read as follows:

"(b) A civil action may be brought by the Commission, by its own attorneys, or by the Attorney General at the request of the Commission, to enforce any provision of subsection (a) of this section. Such an action may be maintained in the district court of the United States for any district in which a defendant is found, resides, transacts business, or maintains an agent for service of process. All process in any such suit may be served in any judicial district in which the person to be served is an inhabitant or in which he may be found."

SEC. 10. The Rail Passenger Service Act of 1970, as amended, is further amended by deleting "Rail Passenger Service Act of 1970" wherever the same shall appear and by inserting in lieu thereof "Rail Passenger Service Act".

SEC. 11. The High Speed Ground Transportation Act (49 U.S.C. 1631 et seq.) is amended by adding the following new section at the end thereof:

"SEC. 1642. (a) The Secretary shall make an investigation and study, for the purpose of determining the social advisability, technical feasibility, and economic practicability, of a high-speed ground transporta-

tion system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigation and study the Secretary shall consider—

“(1) the various means of providing such transportation, including both existing modes and those under development, such as the tracked levitation vehicle;

“(2) the cost of establishing and operating such a system, including any acquisition of necessary rights-of-way;

“(3) the environmental impact of such a system, including the future environmental impact from air and other transportation modes if such a system is not established;

“(4) the factors which would determine the future adequacy and commercial success of any such system, including the speed at which it would operate, the quality of service which could be offered, its cost to potential users, its convenience to potential users, and its ability to expand to meet projected increases in demand;

“(5) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

“(6) the ability of such a system to be integrated with other local and intrastate transportation systems, both existing and planned, in order to create balanced and comprehensive transit systems;

“(7) coordination with other studies undertaken on the State and local level; and

“(8) such other matters as he deems appropriate.

“(b) In carrying out any investigation and study pursuant to this section, the Secretary shall consult with, and give consideration to the views of, the Civil Aeronautics Board, the Interstate Commerce Commission, the National Railroad Passenger Corporation, the Corps of Engineers, and regional, State, and local transportation planning agencies. The Secretary may, for the purpose of carrying out such investigation and study, enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations or individuals, without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

“(c) The Secretary shall report the results of the study and investigation made pursuant to this section, together with his recommendations to the Congress and the President no later than January 30, 1977. The Secretary shall submit an interim report to the Congress on January 30, 1976.

“(d) There is authorized to be appropriated not to exceed \$8,000,000 to carry out the provisions of this section.”

SEC. 12. Section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. 302(b)(2)), is amended by striking the period at the end of the second sentence thereof and by inserting in lieu thereof the following: “: *Provided*, That (1) any amendments of such standards, which are determined by the national organization of the State commissions and promulgated by the Commission prior to the initial effective date

of such standards shall become effective on such initial effective date; and (2) after such standards become effective initially, any amendments of such standards which are subsequently determined by the national organization of the State commissions, shall become effective at the time of promulgation or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization.”

SEC. 13. Section 4 of the Department of Transportation Act (49 U.S.C. 1653) is amended by inserting the following new subsection at the end thereof:

“(h) (1) The Secretary is authorized, in consultation with the Secretary of the Interior, to design, plan, and construct a model intermodal transportation terminal at Union Station in the District of Columbia. Such terminal may combine the new railroad passenger station described in paragraph (4) of section 102(a) of the National Visitor Center Facilities Act of 1968 (82 Stat. 43), as amended, and accommodations for such other modes of transportation as the Secretary deems appropriate. To the extent practicable, the Secretary shall incorporate into the design and plans for such intermodal transportation terminal features which will make such facility a model facility and which will attract private investors willing to undertake the development and construction of the terminal.

“(2) Notwithstanding any provision of Public Law 90-264, as amended, in order to facilitate construction of such model intermodal transportation terminal, the Secretary of the Interior shall lease or transfer such space, including air space, as the Secretary of the Interior holds or may acquire north of the Union Station Building to such party or parties and upon such terms and conditions as the Secretary deems appropriate, notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303(b)). The Secretary and the Secretary of the Interior may, to the extent required to complete a visitor center, agree to joint use of the concourse.

“(3) The design and plans for the intermodal terminal shall be completed within 2 years following enactment of this subsection. The construction of the intermodal terminal shall be completed within 5 years following enactment of this subsection.

“(4) There is authorized to be appropriated to the Secretary for the purposes of carrying out this subsection, such sums as are necessary, not to exceed \$7,000,000.”

SEC. 14. The National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320), is hereby amended by adding at the end thereof the following three new sections:

“SEC. 9. (a) The Secretary of Transportation shall make payments to the Transit Authority in such amounts as may be requisitioned from time to time by the Transit Authority sufficient, in the aggregate, to finance the cost of designing and other necessary planning for a rail rapid transit line in the median of the Dulles Airport Road from the vicinity of Virginia Highway Route 7 on the K Route of the Adopted Regional System to the Dulles International Airport.

“(b) The transit line authorized to be planned in subsection (a) of this section shall include appropriate station facilities at the Dulles International Airport and at the point of intersection with the Adopted Regional System.

“(c) Upon completion of the transit line authorized to be planned in this section, all transit facilities and the underlying real estate interests appurtenant thereto shall become the property of the Transit Authority and shall be operated by such Authority.

“(d) It is the intent of the Congress in enacting this section that the transit line authorized to be planned in this section be designed and constructed as soon as practicable following the date of enactment of this section.

“SEC. 10. (a) The Secretary of Transportation is authorized and directed to contract with the Transit Authority for a comprehensive study of the feasibility, including preliminary engineering, of extending a rail rapid transit line in the median of the Baltimore-Washington Expressway from the proposed Greenbelt Road Metro Station area near the Baltimore-Washington Expressway to the Baltimore-Washington International Airport.

“(b) The study to be undertaken pursuant to subsection (a) of this section shall be completed within 6 months after execution of the contract authorized therein.

“SEC. 11. There is authorized to be appropriated to the Secretary of Transportation, without fiscal year limitation, not to exceed \$10,000,000 to carry out the purposes of sections 9 and 10 of this Act. The appropriations authorized in this section shall be in addition to the appropriations authorized by section 3(c) of this Act.”

ESTIMATED COSTS

Pursuant to section 252 of the Legislative Reorganization Act of 1970, the Committee estimates that the maximum cost of this legislation to be \$225 million. The Committee knows of no cost estimate by any Federal agency which is at variance with this estimate.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

SECTION 100 OF THE RAIL PASSENGER SERVICE ACT OF 1970 (45 U.S.C. 500)

That this Act may be cited as the Rail Passenger Service Act [of 1970].¹

SECTION 304(b) OF THE RAIL PASSENGER SERVICE ACT OF 1970 (45 U.S.C. 544(b))

(b) At no time after the initial issue is completed shall the aggregate of the shares of common stock of the Corporation [owned] *voted*

¹ This conforming change should be made throughout the Rail Passenger Service Act.

by a single railroad or by any person controlling one or more railroads, as defined in section 1(3) (b) of Title 49, directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control, exceed 33 $\frac{1}{3}$ per centum of such shares issued and outstanding.

If any railroad or any person controlling one or more railroads, as defined in section 1(3) (b) of title 49, United States Code, owns, directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control, a number of shares in excess of 33 $\frac{1}{3}$ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding.

SECTION 305 OF THE RAIL PASSENGER SERVICE ACT (45 U.S.C. 545)

* * * * *
(f) *The Corporation shall, to the maximum extent practicable, directly perform all maintenance, rehabilitation, repair, and refurbishment of rail passenger equipment. Until the Corporation obtains, by purchase, lease, construction, or any other method of acquisition, Corporation-owned or controlled facilities which are adequate for the proper maintenance, repair, rehabilitation, and refurbishment of the rolling stock and other equipment and facilities of the Corporation, the railroads performing such services shall do so as expeditiously as possible and shall accord a higher priority to such work than to the maintenance and repair of equipment utilized for the transportation of freight.*

(g) *The Corporation shall advise, consult and cooperate with, and upon request, assist in any other manner the Secretary, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation in order to facilitate completion and implementation of the Northeast Corridor project, as defined in section 206 (d) (3) of the Regional Rail Reorganization Act of 1973, by the earliest practicable date. The Secretary shall assign the highest priority to its completion.*

(h) *The Corporation is authorized to issue orders, rules, regulations, and charges for the movement of privately owned railroad cars on the Corporation's trains, consistent with the needs of the Corporation: Provided, That no such rule, regulation, order, or charge shall be designed in a manner which would require the exterior color or markings of any privately owned railroad car of historical significance to be altered.*

SECTION 305 (e) (7) OF THE RAIL PASSENGER SERVICE ACT OF 1970 (45 U.S.C. 545(e) (7))

(7) develop and operate international intercity rail passenger service between points within the United States and points in Canada and Mexico, including Montreal, Canada; Vancouver, Canada; and Neuvo Laredo, Mexico (for purposes of section 404(b) of this Act, such international rail passenger service is service included within the

basic system). *The Secretary of the Treasury shall establish and maintain, in cooperation with the Corporation, customs inspection procedures aboard trains operated in international intercity rail passenger service that will be convenient for passengers and will result in the most rapid possible transit between embarkation and debarkation points on such service; and*

SECTION 403 OF THE RAIL PASSENGER SERVICE ACT OF 1970
(45 U.S.C. 563)

(a) The Corporation may provide intercity rail passenger service in excess of that prescribed for the basic system, either within or outside the basic system, where the Corporation, based on its own or available marketing studies or other similar reports or information determines that experimental or expanded service would be justified, if consistent with prudent management. In determining the establishment of the additional routes, the Corporation shall take into account the current and the estimated future population and economic conditions of the points to be served, the adequacy of alternative modes of transportation available to those points, and the cost of adding the service. The Corporation shall cooperate with State, regional, and local agencies to encourage the use of trains established under this subsection and shall make reasonable efforts to assure high quality of customer services. Any intercity rail passenger service provided under this subsection for a continuous period of 2 years shall be designated by the Secretary as a part of the basic system.

[(b) Any State, regional, or local agency may request of the Corporation rail passenger service beyond that included within the basic system. The Corporation shall institute such service if the State, regional, or local agency agrees to reimburse the Corporation for a reasonable portion of any losses associated with such services.

(c) For purposes of this section the reasonable portion of such losses to be assumed by the State, regional, or local agency, shall be no less than 66 $\frac{2}{3}$ per centum of, nor more than, the solely related costs and associated capital costs, including interest on passenger equipment, less revenues attributable to, such service. If the Corporation and the State, regional, or local agency are unable to agree upon a reasonable apportionment of such losses, the matter shall be referred to the Secretary for decision. In deciding this issue the Secretary shall take into account the intent of this chapter, and the impact of requiring the Corporation to bear such losses upon its ability to provide improved service within the basic system.]

(b) *Any State, regional, or local agency may request of the Corporation rail passenger service beyond that included within the basic system. The Corporation shall institute such service if the State, regional, or local agency agrees to reimburse the Corporation for 66 $\frac{2}{3}$ per centum of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service.*

SECTION 405 (f) OF THE RAIL PASSENGER SERVICE ACT OF 1970
(45 U.S.C. 565 (f))

(f) The Corporation shall take such action as may be necessary to assure that, to the maximum extent practicable, any railroad employee eligible to receive free or reduced-rate transportation by railroad on April 30, 1971, under the terms of any policy or agreement in effect on such date will be eligible to receive, provided space is available, free or reduced-rate transportation on any intercity rail passenger service provided by the Corporation under this chapter, on terms similar to those available on such date to such railroad employee under such policy or agreement. However, the Corporation may apply to all railroad employees eligible to receive free or reduced-rate transportation under such policies or agreements, a single system-wide schedule of terms determined by the Corporation to reflect terms applicable to the majority of such employees under those policies or agreements in effect on April 30, 1971. The Corporation shall be reimbursed by the railroads by way of payment or offset for such costs as may be incurred in providing transportation services to railroad employees under any policy or agreement referred to in the first sentence of this subsection, including the costs of implementing and administering this section. Within 90 days after the enactment of this sentence, each railroad shall enter into an agreement with the Corporation for the payment of such expenses. If the Corporation and a railroad are unable to agree as to the amount of any payment owed by the railroad under this subsection, the matter shall be referred to the Commission for decision. The Commission, upon investigation, shall decide the issue within 90 days following the date of referral, and its decision shall be binding on both parties. *Any decision under this subsection shall accord just and reasonable compensation to the Corporation.* If any railroad company which operates intercity passenger service not under contract with the Corporation notifies the Corporation and railroads which have entered into the agreement specified above that it will accept the terms of the systemwide schedule of terms and the compensation specified in the agreements, such railroad company shall be reimbursed for services to railroad employees in accordance with the agreements. As used in this subsection, the term "railroad employee" means (1) an active full-time employee, including any such employee during a period of furlough or while on leave of absence, of a railroad or terminal company, (2) a retired employee of a railroad or terminal company, and (3) the dependents of any employee referred to in clause (1) or (2) of this sentence.

SECTION 601 OF THE RAIL PASSENGER SERVICE ACT OF 1970
(45 U.S.C. 601)

(a) There are authorized to be appropriated to the Secretary for the benefit of the Corporation in fiscal year 1971, \$40,000,000, and in subsequent fiscal years total of **[\$334,300,000.] \$534,300,000.** Funds appropriated pursuant to such authorization shall be made available

to the Secretary during the fiscal year for which appropriated and shall remain available until expended. Such sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with spending plans approved by Congress at the time of appropriation and general guidelines established annually by the Secretary.

(b) (1) Whenever the Corporation submits any budget estimate or request to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

(2) Whenever the Corporation submits any legislative recommendation, proposed testimony, or comments on legislation to the President, the Department of Transportation, or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Corporation to submit its legislative recommendations, proposed testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

SECTION 602 OF THE RAIL PASSENGER SERVICE ACT OF 1970
(45 U.S.C. 602)

* * * * *

(d) The aggregate unpaid principal amount of securities, obligations, or loans outstanding at any one time, which are guaranteed by the Secretary under this section, may not exceed **[\$500,000,000]** \$900,000,000. The Secretary shall prescribe and collect a reasonable annual guarantee fee.

* * * * *

(h) Any request made by the Corporation for the guarantee of a loan pursuant to this section, which has been approved by the Board of Directors of the Corporation, shall be approved by the Secretary without substantive review of the capital and budgetary plans of the Corporation. Such review by the Secretary shall be effected by the Secretary in his capacity as a member of the Board of Directors of the Corporation and through issuance of general guidelines pursuant to section 601 of this Act.

SECTION 801(b) OF THE RAIL PASSENGER SERVICE ACT OF 1970
(45 U.S.C. 641(b))

[(b) Any person who is found by the Commission, upon its own initiative or through petition of any person, to be in violation of any regulation issued under subsection (a) of this section or any standard established pursuant to section 402(d) of this Act shall be assessed a civil penalty by the Commission or its designated agent. Each day of noncompliance shall constitute a separate violation. The amount of such penalty shall not exceed \$5,000 for each such violation. No penalty shall be assessed unless the person is given notice and an opportunity for a hearing in accordance with section 554 of title 5, United States

Code. Any such penalty may be compromised by the Commission or its designated agent.]

(b) A civil action may be brought by the Commission, by its own attorneys, or by the Attorney General at the request of the Commission, to enforce any provision of subsection (a) of this section. Such an action may be maintained in the district court of the United States for any district in which a defendant is found, resides, transacts business, or maintains an agent for service of process. All process in any such suit may be served in any judicial district in which the person to be served is an inhabitant or in which he may be found.

THE HIGH SPEED GROUND TRANSPORTATION ACT
(49 U.S.C. 1631 ET SEQ.)

* * * * *

SEC. 1642. (a) The Secretary shall make an investigation and study, for the purpose of determining the social advisability, technical feasibility, and economic practicability, of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigation and study the Secretary shall consider—

(1) the various means of providing such transportation, including both existing modes and those under development, such as the tracked levitation vehicle;

(2) the cost of establishing and operating such a system, including any acquisition of necessary rights-of-way;

(3) the environmental impact of such a system, including the future environmental impact from air and other transportation modes if such a system is not established;

(4) the factors which would determine the future adequacy and commercial success of any such system, including the speed at which it would operate, the quality of service which could be offered, its cost to potential users, its convenience to potential users, and its ability to expand to meet projected increases in demand;

(5) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

(6) the ability of such a system to be integrated with other local and intrastate transportation systems, both existing and planned, in order to create balanced and comprehensive transit systems;

(7) coordination with other studies undertaken on the State and local level; and

(8) such other matters as he deems appropriate.

(b) In carrying out any investigation and study pursuant to this section, the Secretary shall consult with, and give consideration to the

views of, the Civil Aeronautics Board, the Interstate Commerce Commission, the National Railroad Passenger Corporation, the Corps of Engineers, and regional, State, and local transportation planning agencies. The Secretary may, for the purpose of carrying out such investigation and study, enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations or individuals, without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(c) The Secretary shall report the results of the study and investigation made pursuant to this section, together with his recommendations, to the Congress and the President no later than January 30, 1977. The Secretary shall submit an interim report to the Congress on January 30, 1976.

(d) There is authorized to be appropriated not to exceed \$8,000,000 to carry out the provisions of this section."

SECTION 202(b) (2) OF THE INTERSTATE COMMERCE ACT (49 U.S.C. 302(b) (2))

(2) The requirement by a State that any motor carrier operating in interstate or foreign commerce within the borders of that State register its certificate of public convenience and necessity or permit issued by the Commission shall not constitute an undue burden on interstate commerce provided that such registration is accomplished in accordance with standards, or amendments thereto, determined and officially certified to the Commission by the national organization of the State commissions, as referred to in section 205(f) of this Act, and promulgated by the Commission. As so certified, such standards, or amendments thereto, shall be promulgated forthwith by the Commission and shall become effective 5 years from the date of such promulgation. **[]**: Provided, That (1) any amendments of such standards, which are determined by the national organization of the State commissions and promulgated by the Commission prior to the initial effective date of such standards shall become effective on such initial effective date; and (2) after such standards become effective initially, any amendments of such standards, which are subsequently determined by the national organization of the State commissions, shall become effective at the time of promulgation or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization. As used in this paragraph, "standards or amendments thereto" shall mean specification of forms and procedures required to evidence the lawfulness of interstate operations of a carrier within a State by (a) filing and maintaining current records of the certificates and permits issued by the Commission, (b) registering and identifying vehicles as operating under such certificates and permits, (c) filing and maintaining evidence of currently effective insurance or qualifications as a self-insurer under rules and regulations of the Commission, and (d) filing designations of local agents for service of process. Different standards may be determined and promulgated for each of the classes of carriers as differences in their operations may warrant. In determining or amending such standards, the national organization of the State commissions shall consult with the Commis-

sion and with representatives of motor carriers subject to State registration requirements. To the extent that any State requirements for registration of motor carrier certificates or permits issued by the Commission imposed obligations which are in excess of the standards or amendments thereto promulgated under this paragraph, such excessive requirements shall, on the effective date of such standards, constitute an undue burden on interstate commerce. If the national organization of the State commissions fails to determine and certify to the Commission such standards within 18 months from the effective date of the paragraph, or if that organization at any time determines to withdraw in their entirety standards previously determined or promulgated, it shall be the duty of the Commission, within 1 year thereafter, to devise and promulgate such standards, and to review from time to time the standards so established and make such amendments thereto as it may deem necessary, in accordance with the foregoing requirements of this paragraph. Nothing in this paragraph shall be construed to deprive the Commission, when there is a reasonable question of interpretation or construction, of its jurisdiction to interpret or construe certificates of public convenience and necessity, permits, or rules and regulations issued by the Commission, nor to authorize promulgation of standards in conflict with any rule or regulation of the Commission.

THE DEPARTMENT OF TRANSPORTATION ACT (49 U.S.C. 1653)

* * * * *

(h) (1) The Secretary is authorized, in consultation with the Secretary of the Interior, to design, plan, and construct a model intermodal transportation terminal at Union Station in the District of Columbia. Such terminal may combine the new railroad passenger station described in paragraph (4) of section 102(a) of the National Visitor Center Facilities Act of 1968 (82 Stat. 43), as amended, and accommodations for such other modes of transportation as the Secretary deems appropriate. To the extent practicable, the Secretary shall incorporate into the design and plans for such intermodal transportation terminal features which will make such facility a model facility and which will attract private investors willing to undertake the development and construction of the terminal.

(2) Notwithstanding any provision of Public Law 90-264, as amended, in order to facilitate construction of such model intermodal transportation terminal, the Secretary of the Interior shall lease or transfer such space, including air space, as the Secretary of the Interior holds or may acquire north of the Union Station Building to such party or parties and upon such terms and conditions as the Secretary deems appropriate, notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303(b)). The Secretary and the Secretary of the Interior may, to the extent required to complete a visitor center, agree to joint use of the concourse.

(3) The design and plans for the intermodal terminal shall be completed within 2 years following enactment of this subsection. The construction of the intermodal terminal shall be completed within 5 years following enactment of this subsection.

(4) There is authorized to be appropriated to the Secretary, for the purposes of carrying out this subsection, such sums as are necessary, not to exceed \$7,000,000.

THE NATIONAL CAPITAL TRANSPORTATION ACT OF 1969 (83 STAT. 320)

* * * * *
 SEC. 9. (a) The Secretary of Transportation shall make payments to the Transit Authority in such amounts as may be requisitioned from time to time by the Transit Authority sufficient, in the aggregate, to finance the cost of designing and other necessary planning for a rail rapid transit line in the median of the Dulles Airport Road from the vicinity of Virginia Highway Route 7 on the K Route of the Adopted Regional System to the Dulles International Airport.

(b) The transit line authorized to be planned in subsection (a) of this section shall include appropriate station facilities at the Dulles International Airport and at the point of intersection with the Adopted Regional System.

(c) Upon completion of the transit line authorized to be planned in this section, all transit facilities and the underlying real estate interests appurtenant thereto shall become the property of the Transit Authority and shall be operated by such Authority.

(d) It is the intent of the Congress in enacting this section that the transit line authorized to be planned in this section be designed and constructed as soon as practicable following the date of enactment of this section.

SEC. 10. (a) The Secretary of Transportation is authorized and directed to contract with the Transit Authority for a comprehensive study of the feasibility, including preliminary engineering, of extending a rail rapid transit line in the median of the Baltimore-Washington Expressway from the proposed Greenbelt Road Metro Station area near the Baltimore-Washington Expressway to the Baltimore-Washington International Airport.

(b) The study to be undertaken pursuant to subsection (a) of this section shall be completed within 6 months after execution of the contract authorized therein.

SEC. 11. There is authorized to be appropriated to the Secretary of Transportation, without fiscal year limitation, not to exceed \$10,000,000 to carry out the purposes of sections 9 and 10 of this Act. The appropriations authorized in this section shall be in addition to the appropriations authorized by section 3(c) of this Act.

AGENCY COMMENTS

The Committee requested comments on this legislation on June 19, 1974 from the Interstate Commerce Commission, the Department of Transportation, the Department of the Treasury, and the National Railroad Passenger Corporation. The Department of Transportation commented on S. 3569 in hearings held June 11, as did the National Railroad Passenger Corporation. Additionally, the Interstate Commerce Commission and the National Railroad Passenger Corporation submitted written comments. The written comments of the Commission and the Corporation follow.

INTERSTATE COMMERCE COMMISSION,
 Washington, D.C., June 17, 1974.

HON. WARREN G. MAGNUSON,
 Chairman, Committee on Commerce,
 U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: Thank you for your recent letter requesting the Commission's views on the Administration's requested legislation dealing with the National Railroad Passenger Corporation (Amtrak), S. 3613.

As you know, section 1 of the legislation is directed to the problem, mentioned on pages 40 and 41 of Volume 1 of the Commission's 1974 Report to the President and the Congress (copy enclosed), of inadvertent violations of the Rail Passenger Service Act caused by the fact that very few railroads exercised the option of accepting stock in the new corporation in lieu of tax benefits. The proposed amendment would eliminate the prohibition against ownership of more than one-third interest by any railroad, substituting, instead, a prohibition that no railroad may vote more than one-third of the total shares. If a particular railroad owns more than a one-third interest, the number of shares in excess of one-third would be deemed for voting and quorum purposes, to be not issued and outstanding. Since this proposed change is in line with an amendment recommended by the Commission previously, we support the proposed amendment to the Rail Passenger Services Act of 1970, as amended.

The second section involves the authority of the Department of Transportation (DOT) to attach terms and conditions to grants of money to Amtrak. As originally enacted, section 601 of the Act included authority for the Secretary of DOT to prescribe terms and conditions in connection with grants of money. This was amended in 1973, when Congress intentionally deleted this provision, and also provided that Amtrak would be authorized to submit its budget estimates and legislative recommendations directly to Congress, without prior submission to DOT or the Office of Management and Budget (OMB). DOT is now recommending that the change made by Congress in 1973 be repealed, and its authority to attach terms and conditions to grants of money be restored. The proposed amendment would also delete the authority of Amtrak to submit its budget estimates and legislative recommendations directly to Congress, thus implicitly restoring the requirement that this be done through DOT and OMB.

The Commission's jurisdiction would not be affected by this proposed amendment and therefore we do not take a position as to the desirability of greater control over Amtrak by the Executive Branch. However, we do note that the effect of enactment would be to weaken Amtrak's ability to seek from Congress the funds and amendment to statutory provisions that Amtrak management would believe to be necessary.

The third recommendation embodied in the legislation would increase the amount of loans that DOT is authorized to guarantee from \$500 million to \$700 million. In view of the Commission's repeated expressions of concern to the Congress of the problems of inadequate funding of Amtrak, we support this recommendation.

The last section of the proposed legislation would repeal the provision which authorizes the Commission to impose mandatory regulations regarding adequacy of service, and substitute in its place a provision authorizing the Commission merely to make recommendations, with no authority to enforce. Without the power of enforcement, the Commission's adequacy of service regulations would, in practical effect, be nullified since the requirements would become nothing more than mere views and recommendations. Congress in 1973 demonstrated the importance that it attaches to the Commission's adequacy regulations when it established a deadline for issuance of the final regulations. (The Adequacy Rules promulgated by us which became enforceable on April 1 of this year are set forth in Volume 2 of the enclosed 1974 Report.)

The Department gives two reasons for recommending that the Commission's regulations be only advisory. The first is that Amtrak does not have the economic motivation to oppose and question proposed regulations. In view of the fact that Amtrak actively participated in the Commission proceedings in which the regulations were issued and did not hesitate to voice its objection to various proposed rules, this reason appears to be wholly without substance. The second reason offered is that the Commission's control could stifle Amtrak's introduction of new, better, and more innovative services than those required by the Commission. There is nothing in either the statute or the Commission's regulations which would prohibit Amtrak from going beyond the minimum requirements established by the Commission, and we fail to see any reason why the imposition of minimum requirements should, as a practical matter, discourage improved service beyond the minimum level specified. Accordingly, we see no merit to the proposed amendment to section 801 of the Act and strongly oppose its enactment.

If section 801 of the Act is to be amended at all, we urge that a new subsection "(b)" be added to read as follows:

"(b) A civil action to enforce the provisions of subsection (a) hereof may be brought by the Commission, by its own attorneys, or by the Attorney General at the request of the Commission, in the district court of the United States for any district in which such violation occurred, or in which such person is found, resides, transacts business, or maintains an agent for service or process. All process in any such suit may be served in the judicial district where such offender is an inhabitant or wherever he may be found."

As is pointed out on pages 41 and 42 of Volume 1 of the enclosed Report, it would be helpful to the Commission in carrying out its Congressional mandate of responsibility for adequacy of service, if the mechanics of our civil enforcement jurisdiction were spelled out. We likewise would be appreciative if the time frame of our annual report on this subject could be changed to April 15 for the reasons expressed on page 42 of Volume 1 of the enclosed Report.

Thank you for the opportunity to comment on S. 3613 and if the Commission can be of further assistance to the Committee in this regard, please let me know.

Sincerely yours,

GEORGE M. STAFFORD,
Chairman.

Enclosures.

JUNE 10, 1974.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce, U.S. Senate,
Washington, D.C.*

DEAR SENATOR MAGNUSON: In response to your letter of June 5, 1974, I am enclosing the National Railroad Passenger Corporation's comments on S. 3569. The provisions of S. 3569 which deal with the relationship of the Secretary of Transportation to the Corporation will be covered in my prepared statement which I will make at the hearing on June 11.

Our answers to the interrogatories attached to your letter of June 5 are being transmitted separately.

Sincerely,

ROGER LEWIS, *President.*

COMMENTS OF THE NATIONAL RAILROAD PASSENGER CORPORATION

Section 2 of S. 3569 would add two new subsections to Section 305 of the Rail Passenger Service Act of 1970—Subsections (c) and (d). The proposed new subsection (c) deals with the maintenance, rehabilitation and refurbishment of passenger equipment. Amtrak agrees that it is desirable that the corporation directly perform all maintenance, rehabilitation, repair and refurbishment of rail passenger equipment to the extent practicable. In recognition of this, the corporation already directly performs the maintenance of turbine trains both in Chicago, Illinois, and Providence, Rhode Island. There are very difficult problems associated with separating maintenance and repair of passenger equipment from other railroad operations. It is these problems which have prevented us from making faster progress toward a goal which we all agree was desirable. We have had and are continuing to have numerous discussions with various railroads in an attempt to solve these problems so that Amtrak can directly perform all maintenance, rehabilitation and repair of rail passenger equipment. The employees which we now have on our own payroll are primarily employees who have had no other railroad responsibilities and did not require equipment or facilities.

The second portion of the proposed new subsection 3, which would require the railroads to accord a higher priority in working on passenger equipment than to maintenance and repair of equipment utilized in the transportation of freight is a desirable objective but in our opinion unenforceable.

The proposed new subsection (d) of Section 305 directs Amtrak to advise, consult and cooperate with, and upon request, act in any manner with the Secretary of Transportation and the United States Railway Association in order to proceed with implementation of the northeast corridor project. Amtrak will, of course, cooperate and assist in every way possible. Amtrak feels that if it is to be the operating corporation and therefore responsible for the success and the profit and loss of operations over the improved corridor facilities, it must have a more definitive role in the plans, the construction, and the joint use of the right of way. The way the legislation is currently constructed, there appears to be a gap between the responsibility for

planning and executing the project and the responsibility for its subsequent operating result. The proposed amendment does not clarify or correct this fundamental division of responsibility.

Amtrak supports Section 3 amending Section 305(e) (7) of the Rail Passenger Service Act of 1970. This amendment, if enacted, would result in better services and more expeditious schedules.

Amtrak opposes Section 4, which would amend Section 405(f) of the Rail Passenger Service Act to enlarge the class of persons now eligible for pass transportation and further restrict the right of the corporation to govern the use of passes on its trains. The Rail Passenger Service Act directs the corporation to act as a for-profit corporation and the corporation is held accountable for the financial results of its operations. It is entirely inconsistent to require the corporation to transport pass riders at the expense of the fare-paying public. It should be pointed out that the vast majority of employees now eligible for pass privileges for which the corporation receives no compensation have little connection whatsoever with the corporation or passenger service in this country. The proposed amendment would further enlarge this class of people to include those further removed from the corporation and passenger train operations.

Amtrak supports Section 5, which amends Section 601 of the Rail Passenger Service Act by increasing the authorization in the amount of \$200,000,000 in appropriations.

Amtrak supports proposed Section 6, which would amend Section 602 of the Rail Passenger Service Act by increasing the ceiling on government guaranteed loans from \$500,000,000 to \$900,000,000.

Amtrak's comments on Subsection (h) of proposed Section 6 are contained in the prepared statement of Roger Lewis for presentation at the hearing on June 11.

Proposed Section 7 of S. 3569 attempts to deal with an inconsistency created by the existing language of Section 304(b) of the Rail Passenger Service Act and the events that occurred upon the creation of the corporation insofar as the individual railroads elected to take stock or not to take stock in the corporation. Proposed Section 7 does not however deal with a very fundamental question of whether it is consistent with the national policy for one railroad to own more than 50 percent of the stock of the corporation and another railroad to own more than 35 percent of the stock of the corporation while large amounts of public money are being invested in the Corporation.

Amtrak supports proposed Section 8, which changes the name of the Rail Passenger Service Act of 1970.

Amtrak supports the proposed Section 9 to the extent it is affected.

Amtrak takes no position with respect to proposed Section 10, which would amend the Interstate Commerce Act in a manner that does not affect the corporation.

objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 15, line 8, strike out "and" after the semicolon, and between lines 8 and 9, insert the following:

(8) the impact of the design and location of transportation lines in creating desirable patterns of population distribution and growth; and

On page 15, line 9, strike out "(8)" and insert in lieu thereof "(9)".

Mr. TAFT. Mr. President, before discussing this amendment, I wish to express my appreciation to the distinguished chairman of the committee and the ranking minority member and the other members of the committee and the staff for the tremendous cooperation we have had in trying to work out these amendments.

We have had a great concern with safe rail service, and certainly a sympathetic ear and understanding and obvious commitment of the committee members to the improvement of rail service in this country, it should be noted, is particularly appreciated.

Mr. HARTKE. Will the Senator yield?

Mr. TAFT. I am glad to yield.

Mr. HARTKE. The distinguished Senator from Ohio made a substantial contribution to the field of transportation. We appreciate his concern and help and advice. The amendments as proposed, I believe, do substantially improve the bill.

Mr. TAFT. I thank the Senator.

Mr. President, in the committee report on this bill, it is noted in the discussion of section 11, paragraph 3, that one of the prime environmental factors to be considered in the projected study of a west coast high speed corridor is population growth. The purpose of my amendment is to go a step further, and direct that the study consider the impact of transportation corridor location in channelling population growth and distribution in desirable directions.

The unplanned urban-suburban sprawl which is a feature of so many of our metropolitan areas is a serious problem. It is diseconomic for the Nation and inconvenient for the residents of our cities. For that matter, it is generally downright ugly.

Planners generally agree that linear development is preferable to the current overall spread. Linear population concentrations are not only better in terms of transportation, both of goods and people, but in many other respects as well: availability of land for recreational areas, intergration of residence and manufacturing, and environmental control.

History clearly shows that transportation is a key element in influencing population distribution. Most of our current population patterns show a strong influence from transportation availabilities, and we have all observed how the construction of a super-highway quickly brings a new population corridor with it. In Europe, planners have long been designing rail transportation in such a way as to encourage desirable population distribution patterns.

The encouragement of rational population distribution by careful planning of transportation corridors should be a

general practice. The study projected in this bill of such a corridor for the west coast is an excellent opportunity to begin considering this factor and I hope my colleagues will concur with me that we should take advantage of this opportunity.

Mr. HARTKE. Mr. President, I am pleased to accept this amendment of Senator TAFT. I am aware that many governments in Western Europe routinely plan the distribution of desirable population growth in connection with the design and location distribution and growth should be undertaken by the Secretary in connection with this study, and I am pleased to accept the amendment.

I might say to the Senator from Ohio that in line with this type of legislation, I have developed and have presently before the Senate some language and some approaches which would deal not only in this field of transportation, but deal with this total problem. However, I think this specific treatment in the amendment is excellent.

Mr. TAFT. I thank the chairman very much and certainly commend him on the legislation generally.

I am happy to yield to the Senator from Maryland.

Mr. BEALL. Speaking for the minority, I am glad to accept the amendment also and congratulate the Senator from Ohio. I think it adds to the bill.

Mr. TAFT. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio (Mr. TAFT).

The amendment was agreed to.

Mr. PROXMIER. Mr. President?

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. BEALL. Will the Senator yield—

Mr. PROXMIER. I yield.

Mr. BEALL. I send to the desk an amendment and ask the clerk that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"Sec. (a) Section 3(b) of the Department of Transportation Act (49 U.S.C. 1652(b)) is amended by deleting therefrom wherever they appear the words "Under Secretary" and inserting in their place the words "Deputy Secretary".

(b) Section 9(p)(1) of the Department of Transportation (49 U.S.C. 1657(p)(1)) is amended by deleting "Under Secretary" and inserting in its place the words "Deputy Secretary".

(c) Section 5313 of title 5, United States Code, is amended by deleting "(7) Under Secretary of Transportation" and inserting in its place "(7) Deputy Secretary of Transportation".

Mr. BEALL. Mr. President, the position of Under Secretary of Transportation was established by section 3(b) of the Department of Transportation Act—enacted October 15, 1966. The first amend-

ment attached thereto revises that section to change the title of the position to Deputy Secretary of Transportation. The second amendment is a conforming amendment to section 5313 of title 5, United States Code, where the title of Under Secretary of Transportation appears among the positions at level II of the Executive Schedule.

The purpose of the amendment changing the title to Deputy Secretary is to conform it to the titles of other second-ranking officers of the Executive Departments to whom level II of the Executive Schedule applies. These include the Deputy Secretaries of State, Treasury and Defense—which is actually authorized two level II Deputy Secretaries—and the Deputy Attorney General. Except in the case of the Under Secretary of Transportation, the title of Under Secretary, as it pertains to a second-ranking officer of one of the executive departments, is carried by officers to whom level III of the Treasury, in addition to their level II Deputy Secretaries, also have level III Secretaries—three in the case of State and two in the case of Treasury.

The further purpose of the amendment is to avoid the unnecessary confusion when the Under Secretary is acting for or as the Secretary. The Department of Transportation is a collection of diverse agencies—highway, aviation, railroads, and so forth—A common question is "Under Secretary for what? Aviation?" This arises in part because four of the Under Secretaries in State and Treasury have missions that are not coextensive with the Department. It also arises because many foreign transportation departments with whom DOT deals use the title "Under Secretary" for specific subsections of the Department. In the case of the United Kingdom, there are seven under secretaries in the corresponding ministry, responsible for such areas as railroads, ports, road safety, and so forth. This amendment is being introduced at the request of the administration.

Mr. HARTKE. Mr. President, the committee is prepared to accept the amendment. It is my understanding that this change will enable the person presently occupying the post of Undersecretary to be more accurately perceived by those unfamiliar with the internal organization of the U.S. Department of Transportation. Names and titles seem to be of increasing importance these days—Is Shakespeare dead? What is in a name? A rose by any other name does not smell as sweet, I suppose.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Maryland.

The amendment was agreed to.

Mr. BEALL. Mr. President, I send to the desk an amendment and ask the clerk that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 9, strike the words, "for

AMTRAK IMPROVEMENT ACT OF 1974

OCTOBER 8, 1974.—Ordered to be printed

Mr. STAGGERS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 15427]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Amtrak Improvement Act of 1974".

SEC. 2. Section 304(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 544(b)) is amended by striking out "owned" and inserting in lieu thereof "voted", and by adding at the end thereof the following new sentence: "If any railroad or any person controlling one or more railroads, as defined in section 1(3)(b) of the Interstate Commerce Act (49 U.S.C. 1(3)(b)), owns, directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control, a number of shares in excess of 33½ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding."

SEC. 3. Section 305 of such Act (45 U.S.C. 545) is amended by adding at the end thereof the following new subsections:

"(f) The Corporation shall, to the maximum extent practicable, directly perform all maintenance, rehabilitation, repair, and refurbishment of rail passenger equipment. Until the Corporation obtains, by purchase, lease, construction, or any other method of acquisition, Corporation-owned or controlled facilities which are adequate for the proper maintenance, repair, rehabilitation, and refurbishment of the

rolling stock and other equipment and facilities of the Corporation, the railroads performing such services shall do so as expeditiously as possible.

“(g) The Corporation shall advise, consult and cooperate with, and, upon request, is authorized to assist in any other manner the Secretary, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation in order to facilitate completion and implementation of the Northeast Corridor project, as defined in section 206(a)(3) of the Regional Rail Reorganization Act of 1973, by the earliest practicable date. The Secretary shall assign the highest priority to its completion.”

SEC. 4. Section 305(e) of such Act (45 U.S.C. 545(e)) is amended by inserting immediately after paragraph (8) the following new sentence:

“The Secretary of the Treasury shall establish and maintain, in cooperation with the Corporation, customs inspection procedures aboard trains operated in international intercity rail passenger service under paragraph (7) of this subsection, which procedures will be convenient for passengers and will result in the most rapid possible transit between embarkation and debarkation points on such service.”

SEC. 5(a) Section 403 of such Act (45 U.S.C. 563) is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsection:

“(b) Any State, regional, or local agency may request of the Corporation rail passenger service beyond that included within the basic system. The Corporation shall institute such service if the State, regional, or local agency agrees to reimburse the Corporation for 66 $\frac{2}{3}$ per centum of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service.”

(b) Such section 403 is amended by redesignating subsection (d) as subsection (c) and by adding at the end of such subsection the following sentence: “In carrying out the provisions of this subsection, the Secretary shall give priority to experimental routes designed to extend intercity rail passenger service to the major population area of each of the contiguous 48 States which does not have such service to any large population area designated as part of the basic system.”

SEC. 7. Section 404(b) of such Act (45 U.S.C. 564(b)), relating to discontinuance of service by the Corporation, is amended—

(1) by striking out “July 1, 1974” in paragraph (1) and paragraph (3) and inserting in lieu thereof in each such paragraph “July 1, 1975”; and

(2) by striking out “the expiration of the one-year period beginning on the date of enactment of this sentence” in the second sentence of paragraph (2) and inserting in lieu thereof “July 1, 1975”.

SEC. 8. (a) Section 601(a) of such Act (45 U.S.C. 601(a)), relating to authorization for appropriations, is amended (1) by striking out “\$334,300,000” and inserting in lieu thereof “\$534,300,000”; and (2) by adding at the end thereof the following new sentence: “Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days, unless the Corporation,

for good cause, requests more frequent payment before the expiration of any 90-day period.”

SEC. 9. (a) Section 602(d) of such Act (45 U.S.C. 602(d)), relating to the maximum amount of guaranteed loans which may be outstanding at any time, is amended by striking out “\$500,000,000” and inserting in lieu thereof “\$900,000,000”.

(b) Section 602 of such Act (45 U.S.C. 602) is amended by adding at the end thereof the following new subsections:

“(h) The Secretary shall, within 180 days after the date of enactment of this subsection, issue general guidelines designed to assist the Corporation in the formulation of capital and budgetary plans.

“(i) Any request made by the Corporation for the guarantee of a loan pursuant to this section, which has been approved by the Board of Directors of the Corporation, shall be approved by the Secretary if, in the discretion of the Secretary, such request falls within the approved capital and budgetary guidelines issued under subsection (h).”

SEC. 10. Section 801(b) of such Act (45 U.S.C. 641(b)) is amended to read as follows:

“(b) A civil action may be brought by the Commission to enforce any provision of subsection (a) of this section. The Department of Justice shall represent the Commission in all court proceedings pursuant to this subsection, except that in any case in which the Commission seeks to challenge action or inaction on the part of any party which the Department of Justice is representing, the Commission may be represented by its own attorneys. Unless the Attorney General notifies the Commission within 45 days of a request for representation that he will represent the Commission, such representation may be made by attorneys designated by the Commission. Any action to enforce the provisions of subsection (a) may be maintained in the district court of the United States for any district in which a defendant is found, resides, transacts business, or maintains an agent for service of process. All process in any such suit may be served in any judicial district in which the person to be served is an inhabitant or in which he may found.”

SEC. 11. Section 805(2)(A) of such Act (45 U.S.C. 644(2)(A)) is amended—

(1) by striking out the first two sentences and inserting in lieu thereof the following: “The Comptroller General of the United States shall conduct annually a performance audit of the activities and transactions of the Corporation in accordance with generally accepted management principles, and under such rules and regulations as may be prescribed by the Comptroller General. Any such audit shall be conducted at such place or places as the Comptroller General may deem appropriate.”; and

(2) by striking out “financial transactions” in the third sentence and inserting in lieu thereof “financial and other transactions.”

SEC. 12. The Rail Passenger Service Act of 1970 is amended by striking out “Rail Passenger Service Act of 1970” each place it appears and inserting in lieu thereof at each such place “Rail Passenger Service Act”.

SEC. 13. The High Speed Ground Transportation Act (49 U.S.C. 1631 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 13. (a) The Secretary shall make an investigation and study, for the purpose of determining the social advisability, technical feasibility, and economic practicability, of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigation and study the Secretary shall consider—

"(1) the various means of providing such transportation, including both existing modes and those under development, such as the tracked levitation vehicle;

"(2) the cost of establishing and operating such a system, including any acquisition of necessary rights-of-way;

"(3) the environmental impact of such a system, including the future environmental impact from air and other transportation modes if such a system is not established;

"(4) the factors which would determine the future adequacy and commercial success of any such system, including the speed at which it would operate, the quality of service which could be offered, its cost to potential users, its convenience to potential users, and its ability to expand to meet projected increases in demand;

"(5) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

"(6) the ability of such a system to be integrated with other local and intrastate transportation systems, both existing and planned, in order to create balanced and comprehensive transit systems;

"(7) coordination with other studies undertaken on the State and local level;

"(8) the impact of the design and location of transportation lines in creating desirable patterns of population distribution and growth; and

"(9) such other matters as he deems appropriate.

"(b) In carrying out any investigation and study pursuant to this section, the Secretary shall consult with, and give consideration to the views of, the Civil Aeronautics Board, the Interstate Commerce Commission, the National Railroad Passenger Corporation, the Corps of Engineers, and regional, State, and local transportation planning agencies. The Secretary may, for the purpose of carrying out such investigation and study, enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations or individuals, without regard to section 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529; 41 U.S.C. 5).

"(c) The Secretary shall report the results of the study and investigation made pursuant to this section, together with his recommendations, to the Congress and the President no later than January 30, 1977. The Secretary shall submit an interim report to the Congress on January 30, 1976.

"(d) There are authorized to be appropriated not to exceed \$8,000,000 to carry out the provisions of this section."

SEC. 14. Section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. 302(b)(2)), is amended by striking the period at the end of the second sentence thereof and by inserting in lieu thereof the following: " : Provided, That (1) any amendments of such standards, which are determined by the national organization of the State commissions and promulgated by the Commission prior to the initial effective date of such standards shall become effective on such initial effective date; and (2) after such standards become effective initially, any amendments of such standards, which are subsequently determined by the national organization of the State commissions, shall become effective at the time of promulgation or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization."

SEC. 15. Section 4 of the Department of Transportation Act (49 U.S.C. 1653) is amended by inserting the following two new subsections at the end thereof:

"(h)(1) The Secretary is authorized, in consultation with the Secretary of the Interior, to design, plan, and coordinate the construction of a model intermodal transportation terminal at Union Station in the District of Columbia. Such terminal may combine the new railroad passenger station described in paragraph (4) of section 102(a) of Public Law 90-264, as amended, and accommodations for such other modes of transportation as the Secretary deems appropriate. To the extent practicable, the Secretary shall incorporate into the design and plans for such intermodal transportation terminal features which will make such facility a model facility and which will attract private investors willing to undertake the development and construction of the terminal.

"(2) Notwithstanding any provision of Public Law 90-264, as amended, in order to facilitate construction of such model intermodal transportation terminal, the Secretary of the Interior shall lease or transfer such space (including air space), which is not required for purposes of the National Visitor Center, as the Secretary of the Interior holds or may acquire north of the Union Station Building to such party or parties and upon such terms and conditions as the Secretary deems appropriate, notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303(b)). The Secretary and the Secretary of the Interior may, to the extent required to complete a visitor center, agree to joint use of the concourse.

"(3) The design and plans for the intermodal terminal shall be completed within 2 years following enactment of this subsection. The construction of the intermodal terminal shall be completed within 5 years following enactment of this subsection.

"(4) There is authorized to be appropriated to the Secretary, for the purposes of carrying out this subsection, such sums as are necessary, not to exceed \$5,000,000.

"(5) Nothing in this subsection (h) shall be construed as relieving the Washington Terminal Company, its successors or assigns, from the obligation to finance and construct a new railroad passenger station in compliance with the terms of paragraph (4) of section 102(a) of Public Law 90-264 (82 Stat. 43.)

(6) Section 305(d)(1) of such Act (45 U.S.C. 305(d)(1)) is amended to read as follows:

“(d) (1) The Corporation is authorized, to the extent financial resources are available—

“(A) to acquire any property which the Secretary, acting in furtherance of his responsibility to design and construct an intermodal transportation terminal at Union Station in the District of Columbia, requests, upon assurance of full reimbursement by the Secretary; and

“(B) to acquire any right-of-way, land, or other property (except right-of-way, land, or other property of a railroad or property of a State or political subdivision thereof or of any other governmental agency), which is required for the construction of tracks or other facilities necessary to provide intercity rail passenger service;

by the exercise of the right of eminent domain, in accordance with the provisions of this subsection, in the district court of the United States for the judicial district in which such property is located or in any such court if a single piece of property is located in more than one judicial district: Provided, That such right may only be exercised when the Corporation cannot acquire such property by contract or is unable to agree with the owner as to the amount of compensation to be paid.”

“(i) (1) The Secretary shall provide financial, technical, and advisory assistance in accordance with this subsection for the purpose of (A) promoting on a feasibility demonstration basis the conversion of not less than three railroad passenger terminals into intermodal transportation terminals; (B) preserving railroad passenger terminals that have a reasonable likelihood of being converted or otherwise maintained pending the formulation of plans for reuse; and (C) stimulating State and local governments, local and regional transportation authorities, common carriers, philanthropic organizations, and other responsible persons to develop plans for the conversion of railroad passenger terminals into intermodal transportation terminals and civic and cultural activity centers.

“(2) Financial assistance for the purpose set forth in paragraph (1) (A) of this subsection shall be granted in accordance with the following criteria: (A) the railroad terminal can be converted to accommodate such other modes of transportation as the Secretary deems appropriate, including motorbus transportation, mass transit (rail or rubber tire), and airline ticket offices and passenger terminal providing direct transportation to area airports; (B) the railroad passenger terminal is listed on the National Register of Historic Places maintained by the Secretary of the Interior; (C) the architectural integrity of the railroad passenger terminal will be preserved and such judgment is concurred in by consultants recommended by the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation and retained for this purpose by the Secretary; (D) to the extent practicable, the use of station facilities for transportation purposes may be combined with use for other civic and cultural activities, especially when such use is recommended by the Advisory Council on Historic Preservation or the Chairman of the National Endowment for the Arts, or the consultants retained by the Secretary upon their recommendation; and (E) the railroad passenger terminal and the conversion project meet such other criteria as the

Secretary shall develop and promulgate in consultation with the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation. The Secretary shall make grants not later than July 1, 1976. The amount of the Federal share of any grant under this paragraph shall not exceed 60 percentum of the total cost of conversion of a railroad passenger terminal into an intermodal transportation terminal.

“(3) Financial assistance for the purpose set forth in paragraph (1) (B) of this subsection may be granted in accordance with regulations, to any responsible person (including a governmental entity) who is empowered by applicable law, qualified, prepared, and committed, on an interim basis pending the formulation of plans for reuse, to maintain (and prevent the demolition, dismantling, or further deterioration of) a railroad passenger terminal: Provided, That (A) such terminal has, in the opinion of the Secretary, a reasonable likelihood of being converted to or conditioned for reuse as an intermodal transportation terminal, a civic or cultural activities center, or both; and (B) planning activity aimed at conversion or reuse has commenced and is proceeding in a competent manner, Funds appropriated for the purpose of this paragraph and paragraph (1) (B) of this subsection shall be expended in the manner most likely to maximize the preservation of railroad passenger terminals capable reasonably of conversion to intermodal transportation terminals or which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recommended (on the basis of architectural integrity and quality) by the Chairman of the National Endowment for the Arts or the Advisory Council on Historic Preservation. The amount of the Federal share of any grant under this paragraph shall not exceed 60 per centum of the total cost of such interim maintenance for a period not to exceed five years.

“(4) Financial assistance for the purpose set forth in paragraph (1) (C) of this subsection may be granted, in accordance with regulations, to a qualified person (including a governmental entity) who is prepared to develop practicable plans meeting the zoning, land use, and other requirements of the applicable State and local jurisdictions in which the rail passenger terminal is located as well as requirements under this subsection; who shall incorporate into the designs and plans proposed for the conversion of such terminal into an intermodal transportation terminal, a civic or cultural center, or both, features which reasonably appear likely to attract private investors willing to undertake the implementation of such planned conversion and its subsequent maintenance and operation; and who shall complete the designs and plans for such conversion within two years following the approval of the application for Federal financial assistance under this subsection. In making grants under this paragraph, the Secretary shall give preferential consideration to applicants whose completed designs and plans will be implemented and effectuated within three years after the date of completion. Funds appropriated for the purpose of this paragraph and paragraph (1) (C) of this subsection shall be expended in the manner most likely to maximize the conversion and continued public use of railroad passenger terminals which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recom-

mended (on the basis of architectural integrity and quality) by the Advisory Council on Historic Preservation or the Chairman of the National Endowment for the Arts. The amount of the Federal share of any grant under this paragraph shall not exceed 60 per centum of the total cost of the project or undertaking for which the financial assistance is provided.

"(5) Within ninety days after the date of enactment of this subsection, the Secretary shall issue, and may from time to time amend regulations with respect to financial assistance under this subsection and procedures for the award of such assistance. Each application for assistance under this subsection shall be made in writing in such form and with such content and other submissions as the Secretary shall require.

"(6) The National Railroad Passenger Corporation shall give preference to using station facilities that would preserve buildings of historical and architectural significance.

"(7) Each recipient of financial assistance under this subsection shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. Until the expiration of three years after completion of such project or undertaking, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related or pertinent to such financial assistance.

"(8) There is authorized to be appropriated to the Secretary for the purpose set forth in paragraph (1)(A) of this subsection sums not to exceed \$15,000,000; (B) for the purpose set forth in paragraph (1)(B) of this subsection sums not to exceed \$5,000,000; and, (C) for the purpose set forth in paragraph (1)(C) of this subsection sums not to exceed \$5,000,000. Such sums as are appropriated shall remain available until expended.

"(9) As used in this subsection, 'civic and cultural activities' include, but are not limited to, libraries, musical and dramatic presentations, art exhibitions, adult education programs, public meeting place for community groups, convention visitors and others, and facilities for carrying on activities supported in whole or in part under Federal law.

"(10) Nothing in this subsection shall be construed to invalidate the eligibility of any station for funds designed to assist in its preservation or reuse under any other Federal program or statute."

SEC. 15. (a) Section 3(b) of the Department of Transportation Act (49 U.S.C. 1652(b)) is amended by striking out "Under Secretary" each place it appears and inserting in lieu thereof at each such place "Deputy Secretary".

(b) Section 9(p)(1) of the Department of Transportation Act (49 U.S.C. 1657(p)(1)) is amended by striking out "Under Secretary" and inserting in lieu thereof "Deputy Secretary".

(c) Section 5313 of title 5, United States Code, is amended by striking out "(7) Under Secretary of Transportation" and inserting in lieu thereof "(7) Deputy Secretary of Transportation".

SEC. 16. The Secretary of Transportation shall conduct a study and report to the Congress within one year after the date of enactment of this section on the potential for integrating rail service provided by the National Railroad Passenger Corporation with other modes of transportation, including buses, with particular attention to the transportation needs of rural areas. Such study and report shall include an evaluation of the funding mechanisms to assist increased service by other modes of transportation, including buses, connected to rail service provided by the National Railroad Passenger Corporation where such assistance will provide the opportunity for increased utilization of such rail service, especially by persons residing in rural areas.

And the Senate agree to the same.

HARLEY O. STAGGERS,
JOHN JARMAN,
BROCK ADAMS,
SAMUEL L. DEVINE,
DAN KUYKENDALL,
RICHARD G. SHOUP,

Managers on the Part of the House.

WARREN MAGNUSON,
VANCE HARTKE,
JOHN TUNNEY,
JAMES B. PEARSON,
J. GLENN BEALL, JR.,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE
COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text, and the House disagreed to the Senate amendment.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment.

The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by reason of agreements reached by the conferees and minor drafting and clarifying changes.

Unless otherwise indicated, references to provisions of existing law refer to provisions of the Rail Passenger Service Act of 1970.

SHORT TITLE

House bill

No provision.

Senate amendment

The Senate amendment provided that this legislation could be cited as the "Amtrak Improvement Act of 1974".

Conference substitute

The conference substitute is the same as the Senate amendment.

SALARY LIMITATION EXEMPTION

House bill

No provision.

Senate amendment

The Senate amendment provided that the limitation upon compensation of AMTRAK officers contained in section 303(d) of existing law (\$60,000 per annum) would not apply if the Board of Directors of AMTRAK determined, with respect to particular positions, that a higher level of compensation was necessary and was not higher than

the general level of compensation paid to railroad officers in positions of comparable responsibilities.

Conference substitute

The conference substitute omits this provision of the Senate amendment.

STOCK OWNERSHIP LIMITATION

House bill

The House bill amended the limitation on stock ownership contained in section 304(b) by removing the existing provision that prohibits any one railroad or any person controlling one or more railroads from owning more than 33 $\frac{1}{3}$ percent of the total number of AMTRAK common shares issued and outstanding. The House bill prohibited any such railroad or person from voting any shares which it owns in excess of 33 $\frac{1}{3}$ percent.

Senate amendment

The Senate amendment was identical in substance but contained technical differences in language relating to the definitions of control and ownership.

Conference substitute

The conference substitute is the same as the Senate amendment.

MAINTENANCE AND REPAIR

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 305 of existing law, relating to general powers of AMTRAK, which required, to the maximum extent practicable, that AMTRAK must directly perform all maintenance, rehabilitation, repair, and refurbishment of rail passenger equipment. Pending the acquisition by AMTRAK of adequate facilities to carry out this requirement, the railroads performing such services for AMTRAK were (1) required to do so as expeditiously as possible, and (2) required to accord a higher priority to maintenance and repair of passenger equipment than to maintenance and repair of equipment used in freight transportation.

Conference substitute

The conference substitute is the same as the Senate amendment, except that the priority requirement of (2) above is omitted.

NORTHEAST CORRIDOR

House bill

No provision.

Senate amendment

The Senate amendment added to section 305 of existing law a new provision which provided that AMTRAK must advise, consult, cooperate with, and, on request, assist in any other manner the Secretary of Transportation, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation to facilitate the earliest practicable completion and implementation of the Northeast

Corridor project, as defined in the Regional Rail Reorganization Act of 1973. The Secretary of Transportation was required to assign the highest priority to the completion of the Corridor project.

Conference substitute

The conference substitute is the same as the Senate amendment, but in order to avoid any implication that AMTRAK funds could be committed without approval of AMTRAK's board of directors, AMTRAK is authorized rather than required to provide assistance in any manner requested by the Secretary of Transportation, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation.

PRIVATELY OWNED RAILROAD CARS

House bill

No provision.

Senate amendment

The Senate amendment also added a new provision to section 305 of existing law which authorized AMTRAK to issue rules and regulations governing the movement of privately owned railroad cars on AMTRAK's trains, consistent with the needs of AMTRAK, but AMTRAK could not issue any rule or regulation which would require alteration of the exterior color or markings of any privately owned railroad car having historical significance.

Conference substitute

This provision of the Senate amendment is omitted from the conference substitute.

The conferees decided that it was unnecessary to put into the statute a solution to this problem; however, it was agreed that AMTRAK has in most cases acted arbitrarily in regard to the requirement for painting private cars. The conferees agreed that if AMTRAK did not change their policies in regard to alteration of exterior color or markings of privately owned railroad cars having true historical significance, legislation would be necessary in the next Congress.

CUSTOMS INSPECTION PROCEDURES

House bill

No provision.

Senate amendment

The Senate amendment added a new sentence to section 305(e)(7) of existing law, relating to AMTRAK's authority to develop and operate international intercity rail passenger service. The new provision required the Secretary of the Treasury, in cooperation with AMTRAK, to establish and maintain aboard trains customs inspection procedures that would be convenient for travelers and that will result in the most rapid possible movement in such international service.

Conference substitute

The conference substitute is the same as the Senate amendment.

RAIL SERVICE BEYOND BASIC SYSTEM

House bill

No provision.

Senate amendment

The Senate amendment changed sections 403 (b) and (c) of existing law, relating to requests for additional service and apportionment of costs, by adding a requirement that AMTRAK must institute rail passenger service beyond the basic system which is requested by a State, regional, or local agency if such State or agency agreed to reimburse AMTRAK for 33 $\frac{1}{3}$ percent of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service. Under existing law, any such agency is required to reimburse AMTRAK for a "reasonable portion" of any losses associated with such service, and for purposes of this provision, the reasonable portion of such losses cannot be less than 66 $\frac{2}{3}$ percent of, nor more than, the solely related costs, and associated capital costs, including interest on passenger equipment, less revenues attributable to such service.

The Senate amendment also authorized an appropriation of \$10 million for fiscal 1975 to meet the increased costs to AMTRAK of providing service beyond the basic system, if AMTRAK is required to pay two-thirds rather than one-third of such costs.

The Senate amendment also provided that, in considering the provision of any new service (including any request referred to in the preceding paragraph), AMTRAK could not deny such service solely on the basis of lack of necessary equipment if AMTRAK has the financial ability to acquire such equipment. Amtrak must order such equipment and make a commitment for the provision of such service within 90 days after determining that the necessary equipment is lacking.

Conference substitute

The conference substitute retains that portion of the Senate amendment requiring AMTRAK to institute service beyond the basic system requested by a State, regional, or local agency, but the reimbursement required from such agency is increased from 33 $\frac{1}{3}$ percent to 66 $\frac{2}{3}$ percent of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service.

The portion of the Senate amendment authorizing an additional \$10 million appropriation for fiscal 1975, together with that portion of the Senate amendment prohibiting AMTRAK from denying any new service solely on the basis of lack of equipment, are omitted from the conference substitute.

SERVICE TO LARGE POPULATION AREAS

House bill

No provision.

Senate amendment

The Senate amendment required the Secretary to designate an extension of the basic system to provide adequate intercity rail passenger

service to the major population area of each of the contiguous 48 States which did not have such service under the present system. The Secretary was required to make such designation within 180 days after enactment of this legislation. The Secretary was authorized to expend \$14.7 million to provide such service to the State of Idaho and \$23.2 million to provide service to other areas.

Conference substitute

The conference substitute omits the provisions of the Senate bill, but adds a new sentence to section 403(d) of existing law, relating to experimental service, to require the Secretary to give priority consideration to providing service to the major population areas of the contiguous 48 States which do not have intercity rail passenger service to any large population area. In this regard, the conferees agreed that the first experimental route designated in calendar year 1975 will provide service to Boise, Idaho.

EXPERIMENTAL RECREATION ROUTES

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 403 of existing law, relating to new service. The new provision required the Secretary of Transportation to study the need for, and the potential use of, rail passenger service between major centers of population and heavily used recreation areas 100 to 300 miles from such centers. The Secretary was required to designate not less than one experimental recreation route by July 1, 1976, and one annually thereafter, on the basis of demonstrated need, probable use, cost of establishing service, and other factors. Service was required to be initiated by AMTRAK on designated routes as soon as practicable after route designation by the Secretary, and was required to be conducted for not less than 2 years. After such 2-year period, AMTRAK would be required to terminate any such route it found had attracted insufficient patronage to serve the public convenience and necessity, or it could designate such route as part of the basic system.

Conference substitute

This provision of the Senate amendment is omitted from the conference substitute.

DISCONTINUANCE OF SERVICE

House bill

The House bill amended section 404(b) of existing law, relating to discontinuance of service by AMTRAK, by prohibiting AMTRAK from discontinuing, until July 1, 1975, service over any route which was operating on January 1, 1973. This provision would freeze, until July 1, 1975, existing route service, including any experimental train in operation on January 1, 1973.

Senate amendment

No provision.

Conference substitute

The conference substitute is the same as this provision of the House bill.

COMPENSATION FOR PASS PRIVILEGES

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 405(f) of existing law, relating to free or reduced-rate transportation by railroad employees, which provided that, if AMTRAK and a railroad cannot agree on the amount owed by the railroad for pass privileges, any decision by the Interstate Commerce Commission resolving the issue must accord AMTRAK a just and reasonable compensation for such pass privileges.

Conference substitute

This provision of the Senate amendment is omitted from the conference substitute.

In lieu of amending the provisions of section 405(f) at the present time, the conferees wished to express their dissatisfaction with the level of compensation provided AMTRAK by the Interstate Commerce Commission in Finance Docket No. 27194. It is the view of the conferees that the Commission, in deciding any future cases under section 405(f), should accord AMTRAK sufficient compensation to remove the current economic disincentives to the carriage of passholders. The conferees, while realizing that carriage of passholders on a space available basis will not entitle AMTRAK to reimbursement of the regularly applicable fare, cost determinations with respect to this type of transportation should assure that AMTRAK is reimbursed for all costs, including administrative costs, which it would not have incurred in the absence of carrying passholders. It is hoped that the receipt of additional compensation by AMTRAK will permit the relaxation of some of the current excessively restrictive regulations concerning passes and passholders, such as requiring the passholder to appear in person to purchase his ticket, and that further legislation will not be necessary.

FEDERAL GRANTS AND LOAN GUARANTEES

The House bill, the Senate amendment, and the conference substitute authorize an additional \$200 million in appropriations for financial assistance to AMTRAK.

The House bill, the Senate amendment, and the conference substitute also increased the maximum amount of guaranteed loans which may be outstanding at any one time by \$400 million.

PERIODIC PAYMENTS TO AMTRAK

House bill

The House bill amended section 601(a) of existing law, relating to Federal grants, to prohibit the Secretary of Transportation from making payments of appropriated funds to AMTRAK more often than once every 3 months.

Senate amendment

No provision.

Conference substitute

The conference substitute is the same as the House amendment, except that the Secretary could make payments more frequently than once every 3 months if AMTRAK, for good cause, requests more frequent payment.

LOAN GUARANTEE APPROVAL BY SECRETARY OF TRANSPORTATION

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 602 of existing law, relating to guarantee of loans, which required the Secretary of Transportation to approve any loan guarantee request made by AMTRAK which had been approved by AMTRAK's board of directors, without substantive review of AMTRAK's capital and budgetary plans. Any such review by the Secretary was required to be carried out in his capacity as a member of AMTRAK's board of directors and through general guidelines issued under section 601 of existing law.

Conference substitute

The conference substitute requires the Secretary to issue guidelines, within 180 days after the enactment of this legislation, designed to assist AMTRAK in the formulation of capital and budgetary plans. Thereafter, any request for a loan guarantee by AMTRAK which has been approved by its Board of Directors will be approved by the Secretary if such request falls within the guidelines he has issued. The words "in the discretion of the Secretary" were added by the conferees to preclude the possibility of litigation over the question of whether or not a request for guarantee of a loan falls within the guidelines.

ENFORCEMENT POWER OF INTERSTATE COMMERCE COMMISSION

House bill

No provision.

Senate amendment

The Senate amendment eliminated the \$500 civil penalty provision contained in section 801(b) of existing law and substituted therefor a provision authorizing the Interstate Commerce Commission to institute a civil action, through its own attorneys or through the Attorney General, to enforce any provision of section 801(a) of existing law, relating to Commission regulations governing adequacy of service. The Senate amendment established venue for any such action in the U.S. District Court in the district in which a defendant is found, resides, transacts business, or maintains an agent for service of process, and provided that such process could be served in any district in which the person to be served is found, or wherein he is an inhabitant.

Conference substitute

The conference substitute is the same as the Senate amendment, except that the Commission is required to act through the Attorney General in all but the following 2 situations:

1. Any case in which the Commission is challenging action or inaction by any party already represented by the Attorney General.
2. Whenever the Attorney General fails to notify the Commission within 45 days of a request for representation that he will represent the Commission. In such situations the Commission may be represented by its own attorney.

AUDIT OF AMTRAK

House bill

The House bill amends the provision authorizing the Comptroller General of the United States to audit the transactions of the National Railroad Passenger Corporation by making it mandatory upon the Comptroller General to conduct such an audit annually. The Rail Passenger Service Act of 1970 is further amended to make clear that information and records of AMTRAK are to be furnished to duly authorized committees of the Congress.

Senate amendment

No provision.

Conference substitute

The conference substitute is the House provision with a modification to indicate that it is a performance or management type efficiency audit that is required. It is not the intention of the committee of conference that the General Accounting Office duplicate existing financial audits, but rather that additional examinations be conducted in coordination with the other entities having oversight responsibilities as to AMTRAK—the Interstate Commerce Commission, the Department of Transportation, and the duly authorized committees of Congress.

HIGH SPEED GROUND TRANSPORTATION

House bill

No provision.

Senate amendment

The Senate amendment provides for the Secretary of Transportation to make an investigation and study to determine the social advisability, technical feasibility, and economic practicability of the transportation system that will be needed for the future between major west coast cities.

Conference substitute

The conference substitute is the same as the provision in the Senate amendment.

TECHNICAL AMENDMENT TO INTERSTATE COMMERCE COMMISSION
REGULATORY AUTHORITY*House bill*

No provision.

Senate amendment

The Senate amendment amends section 202(b)(2) of the Interstate Commerce Act to accomplish two things. First, it would provide that

any amendments to the standards certified by NARUC and promulgated by the Commission prior to the effective date of the standards themselves would become effective at the same time as the standards, that is, retroactively to December 14, 1971, rather than 5 years from the date of publication of each amendment. Certain amendments were certified by NARUC and promulgated by the Commission prior to December 14, 1971, and thus would be affected by this provision. Second, it would provide that amendments to the standards promulgated subsequent to the effective date of the standards themselves would become effective at the time of their promulgation or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization.

Conference substitute

The conference substitute is the same as the Senate amendment.

INTERMODAL TRANSPORTATION TERMINAL IN WASHINGTON, D.C.

House bill

No provision.

Senate amendment

The Senate amendment authorized the Secretary of Transportation, in consultation with the Secretary of the Interior, to design, and plan a model intermodal transportation terminal at Union Station in Washington, D.C., to be constructed in a five-year period. The Secretary is directed, to the extent practicable, to incorporate into the design and plans features which will attract private investment for development and construction. The provision does not relieve the Washington Terminal Company of its obligation to finance and construct a new railroad passenger station pursuant to the National Visitor Center Facilities Act of 1968; the sum of \$7 million is authorized to be appropriated to the Secretary of Transportation for the purpose of carrying out his responsibilities.

Conference substitute

The conference substitute is the same as the Senate amendment except that language was inserted making clear that the new intermodal terminal is not to use any properties needed to construct a visitor center, and that the Secretary is to coordinate the construction of the new terminal facilities. The conferees also agreed to amend section 305 of existing law in order to allow Amtrak to condemn any property at the request of the Secretary (upon assurance of full reimbursement) in order to facilitate completion of the intermodal terminal within the required time. The conferees wished to emphasize that this amendment in no way alters Amtrak's existing authority under such section 305. The conferees authorized \$5 million instead of the \$7 million provided in the Senate amendment for design and coordination of construction of the facility.

PROGRAM FOR PRESERVATION AND REUSE OF RAIL PASSENGER SERVICE
TERMINALS OF HISTORICAL OR ARCHITECTURAL SIGNIFICANCE*House bill*

No provision.

Senate amendment

The Senate amendment establishes a cooperative program with the States for the preservation and conversion to modern needs of railroad passenger terminals of distinction and architectural integrity. The Secretary of Transportation is authorized to provide financial, technical, and advisory assistance in three forms: (1) demonstration projects converting not less than 3 existing terminals into intermodal transportation terminals and civic and cultural activity centers in accordance with criteria to be developed with the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation; (2) interim maintenance assistance to maintain (and prevent the demolition, dismantling, or further deterioration) of terminals that have a reasonable likelihood of being converted to intermodal or civic use; and (3) planning grants for the development of practicable conversion plans.

Conference substitute

The conference substitute is the same as the Senate amendment except that the maximum permissible percentage of the Federal financial contribution was changed from 80 and 90 percent respectively to 60 percent in all cases and a specific authorization for fiscal year 1976 was substituted which provides \$15,000,000 for the purposes of paragraph (1) (A), \$5,000,000 for the purposes of paragraph (1) (B), and \$5,000,000 for purposes of paragraph (1) (C).

DOWNTOWN-TO-AIRPORTS TRANSPORTATION STUDIES

House bill

No provision.

Senate amendment

The Senate amendment directs the Secretary of Transportation to finance the cost of a feasibility study for a rapid transit line between Washington, D.C. and Dulles International Airport in Virginia, and between Washington, D.C. and Baltimore-Washington International Airport in Maryland. The sum of \$3 million is authorized to be appropriated for the two studies. Another provision of the Senate amendment required the Secretary to study rail access to all airports.

Conference substitute

The conference substitute omits both provisions of the Senate amendment. The conferees were in agreement that the feasibility study is needed, and hope that the appropriate Committees will consider this matter during the next Congress.

RAIL TRANSPORTATION FOR RECREATIONAL VEHICLES

House bill

No provision.

Senate amendment

The Senate amendment provided that the Corporation would be required to carry recreational vehicles on railroad flatcars.

Conference substitute

The conference substitute omits the Senate provision.

LEASE OF PASSENGER EQUIPMENT

House bill

No provision.

Senate bill

The Senate amendment would empower the ICC to order lease of passenger equipment retained by operating railroads to AMTRAK.

Conference substitute

The conference committee omits the Senate provision.

TECHNICAL CHANGE IN TITULAR DESIGNATION

House bill

No provision.

Senate bill

Provided for a change in the titular designation of the "Under Secretary" of the Department of Transportation to the "Deputy Secretary" of the Department of Transportation.

Conference substitute

The conference substitute is the same as the Senate provision.

HARLEY O. STAGGERS,
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Managers on the Part of the Senate.

○

AMTRAK IMPROVEMENT ACT OF 1974

OCTOBER 8, 1974.—Ordered to be printed

Mr. MAGNUSON, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 15427]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Amtrak Improvement Act of 1974".

SEC. 2. Section 304(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 544(b)) is amended by striking out "owned" and inserting in lieu thereof "voted", and by adding at the end thereof the following new sentence: "If any railroad or any person controlling one or more railroads, as defined in section 1(3)(b) of the Interstate Commerce Act (49 U.S.C. 1(3)(b)), owns, directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control, a number of shares in excess of 33⅓ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding."

SEC. 3. Section 305 of such Act (45 U.S.C. 545) is amended by adding at the end thereof the following new subsections:

"(f) The Corporation shall, to the maximum extent practicable, directly perform all maintenance, rehabilitation, repair, and refurbishment of rail passenger equipment. Until the Corporation obtains, by purchase, lease, construction, or any other method of acquisition, Corporation-owned or controlled facilities which are adequate for the proper maintenance, repair, rehabilitation, and refurbishment of the

rolling stock and other equipment and facilities of the Corporation, the railroads performing such services shall do so as expeditiously as possible.

"(g) The Corporation shall advise, consult and cooperate with, and, upon request, is authorized to assist in any other manner the Secretary, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation in order to facilitate completion and implementation of the Northeast Corridor project, as defined in section 206(a)(3) of the Regional Rail Reorganization Act of 1973, by the earliest practicable date. The Secretary shall assign the highest priority to its completion."

SEC. 4. Section 305(e) of such Act (45 U.S.C. 545(e)) is amended by inserting immediately after paragraph (8) the following new sentence:

"The Secretary of the Treasury shall establish and maintain, in cooperation with the Corporation, customs inspection procedures aboard trains operated in international intercity rail passenger service under paragraph (7) of this subsection, which procedures will be convenient for passengers and will result in the most rapid possible transit between embarkation and debarkation points on such service."

SEC. 5(a) Section 403 of such Act (45 U.S.C. 563) is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsection:

"(b) Any State, regional, or local agency may request of the Corporation rail passenger service beyond that included within the basic system. The Corporation shall institute such service if the State, regional, or local agency agrees to reimburse the Corporation for 66 $\frac{2}{3}$ per centum of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service."

(b) Such section 403 is amended by redesignating subsection (d) as subsection (c) and by adding at the end of such subsection the following sentence: "In carrying out the provisions of this subsection, the Secretary shall give priority to experimental routes designed to extend intercity rail passenger service to the major population area of each of the contiguous 48 States which does not have such service to any large population area designated as part of the basic system."

SEC. 7. Section 404(b) of such Act (45 U.S.C. 564(b)), relating to discontinuance of service by the Corporation, is amended—

(1) by striking out "July 1, 1974" in paragraph (1) and paragraph (3) and inserting in lieu thereof in each such paragraph "July 1, 1975"; and

(2) by striking out "the expiration of the one-year period beginning on the date of enactment of this sentence" in the second sentence of paragraph (2) and inserting in lieu thereof "July 1, 1975".

SEC. 8. (a) Section 601(a) of such Act (45 U.S.C. 601(a)), relating to authorization for appropriations, is amended (1) by striking out "\$334,300,000" and inserting in lieu thereof "\$534,300,000"; and (2) by adding at the end thereof the following new sentence: "Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days, unless the Corporation,

for good cause, requests more frequent payment before the expiration of any 90-day period."

SEC. 9. (a) Section 602(d) of such Act (45 U.S.C. 602(d)), relating to the maximum amount of guaranteed loans which may be outstanding at any time, is amended by striking out "\$500,000,000" and inserting in lieu thereof "\$900,000,000".

(b) Section 602 of such Act (45 U.S.C. 602) is amended by adding at the end thereof the following new subsections:

"(h) The Secretary shall, within 180 days after the date of enactment of this subsection, issue general guidelines designed to assist the Corporation in the formulation of capital and budgetary plans.

"(i) Any request made by the Corporation for the guarantee of a loan pursuant to this section, which has been approved by the Board of Directors of the Corporation, shall be approved by the Secretary if, in the discretion of the Secretary, such request falls within the approved capital and budgetary guidelines issued under subsection (h)."

SEC. 10. Section 801(b) of such Act (45 U.S.C. 641(b)) is amended to read as follows:

"(b) A civil action may be brought by the Commission to enforce any provision of subsection (a) of this section. The Department of Justice shall represent the Commission in all court proceedings pursuant to this subsection, except that in any case in which the Commission seeks to challenge action or inaction on the part of any party which the Department of Justice is representing, the Commission may be represented by its own attorneys. Unless the Attorney General notifies the Commission within 45 days of a request for representation that he will represent the Commission, such representation may be made by attorneys designated by the Commission. Any action to enforce the provisions of subsection (a) may be maintained in the district court of the United States for any district in which a defendant is found, resides, transacts business, or maintains an agent for service of process. All process in any such suit may be served in any judicial district in which the person to be served is an inhabitant or in which he may found."

SEC. 11. Section 805(2)(A) of such Act (45 U.S.C. 644(2)(A)) is amended—

(1) by striking out the first two sentences and inserting in lieu thereof the following: "The Comptroller General of the United States shall conduct annually a performance audit of the activities and transactions of the Corporation in accordance with generally accepted management principles, and under such rules and regulations as may be prescribed by the Comptroller General. Any such audit shall be conducted at such place or places as the Comptroller General may deem appropriate."; and

(2) by striking out "financial transactions" in the third sentence and inserting in lieu thereof "financial and other transactions."

SEC. 12. The Rail Passenger Service Act of 1970 is amended by striking out "Rail Passenger Service Act of 1970" each place it appears and inserting in lieu thereof at each such place "Rail Passenger Service Act".

SEC. 13. The High Speed Ground Transportation Act (49 U.S.C. 1631 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 13. (a) The Secretary shall make an investigation and study, for the purpose of determining the social advisability, technical feasibility, and economic practicability, of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigation and study the Secretary shall consider—

"(1) the various means of providing such transportation, including both existing modes and those under development, such as the tracked levitation vehicle;

"(2) the cost of establishing and operating such a system, including any acquisition of necessary rights-of-way;

"(3) the environmental impact of such a system, including the future environmental impact from air and other transportation modes if such a system is not established;

"(4) the factors which would determine the future adequacy and commercial success of any such system, including the speed at which it would operate, the quality of service which could be offered, its cost to potential users, its convenience to potential users, and its ability to expand to meet projected increases in demand;

"(5) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

"(6) the ability of such a system to be integrated with other local and intrastate transportation systems, both existing and planned, in order to create balanced and comprehensive transit systems;

"(7) coordination with other studies undertaken on the State and local level;

"(8) the impact of the design and location of transportation lines in creating desirable patterns of population distribution and growth; and

"(9) such other matters as he deems appropriate.

"(b) In carrying out any investigation and study pursuant to this section, the Secretary shall consult with, and give consideration to the views of, the Civil Aeronautics Board, the Interstate Commerce Commission, the National Railroad Passenger Corporation, the Corps of Engineers, and regional, State, and local transportation planning agencies. The Secretary may, for the purpose of carrying out such investigation and study, enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations or individuals, without regard to section 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529; 41 U.S.C. 5).

"(c) The Secretary shall report the results of the study and investigation made pursuant to this section, together with his recommendations, to the Congress and the President no later than January 30, 1977. The Secretary shall submit an interim report to the Congress on January 30, 1976.

"(d) There are authorized to be appropriated not to exceed \$8,000,000 to carry out the provisions of this section."

SEC. 14. Section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. 302(b)(2)), is amended by striking the period at the end of the second sentence thereof and by inserting in lieu thereof the following: " : Provided, That (1) any amendments of such standards, which are determined by the national organization of the State commissions and promulgated by the Commission prior to the initial effective date of such standards shall become effective on such initial effective date; and (2) after such standards become effective initially, any amendments of such standards, which are subsequently determined by the national organization of the State commissions, shall become effective at the time of promulgation or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization."

SEC. 15. Section 4 of the Department of Transportation Act (49 U.S.C. 1653) is amended by inserting the following two new subsections at the end thereof:

"(h) (1) The Secretary is authorized, in consultation with the Secretary of the Interior, to design, plan, and coordinate the construction of a model intermodal transportation terminal at Union Station in the District of Columbia. Such terminal may combine the new railroad passenger station described in paragraph (4) of section 102(a) of Public Law 90-264, as amended, and accommodations for such other modes of transportation as the Secretary deems appropriate. To the extent practicable, the Secretary shall incorporate into the design and plans for such intermodal transportation terminal features which will make such facility a model facility and which will attract private investors willing to undertake the development and construction of the terminal.

"(2) Notwithstanding any provision of Public Law 90-264, as amended, in order to facilitate construction of such model intermodal transportation terminal, the Secretary of the Interior shall lease or transfer such space (including air space), which is not required for purposes of the National Visitor Center, as the Secretary of the Interior holds or may acquire north of the Union Station Building to such party or parties and upon such terms and conditions as the Secretary deems appropriate, notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303(b)). The Secretary and the Secretary of the Interior may, to the extent required to complete a visitor center, agree to joint use of the concourse.

"(3) The design and plans for the intermodal terminal shall be completed within 2 years following enactment of this subsection. The construction of the intermodal terminal shall be completed within 5 years following enactment of this subsection.

"(4) There is authorized to be appropriated to the Secretary, for the purposes of carrying out this subsection, such sums as are necessary, not to exceed \$5,000,000.

"(5) Nothing in this subsection (h) shall be construed as relieving the Washington Terminal Company, its successors or assigns, from the obligation to finance and construct a new railroad passenger station in compliance with the terms of paragraph (4) of section 102(a) of Public Law 90-264 (82 Stat. 43.)

(6) Section 305(d)(1) of such Act (45 U.S.C. 305(d)(1)) is amended to read as follows:

“(d) (1) *The Corporation is authorized, to the extent financial resources are available—*

“(A) *to acquire any property which the Secretary, acting in furtherance of his responsibility to design and construct an intermodal transportation terminal at Union Station in the District of Columbia, requests, upon assurance of full reimbursement by the Secretary; and*

“(B) *to acquire any right-of-way, land, or other property (except right-of-way, land, or other property of a railroad or property of a State or political subdivision thereof or of any other governmental agency), which is required for the construction of tracks or other facilities necessary to provide intercity rail passenger service;*

by the exercise of the right of eminent domain, in accordance with the provisions of this subsection, in the district court of the United States for the judicial district in which such property is located or in any such court if a single piece of property is located in more than one judicial district: Provided, That such right may only be exercised when the Corporation cannot acquire such property by contract or is unable to agree with the owner as to the amount of compensation to be paid.”

“(i) (1) *The Secretary shall provide financial, technical, and advisory assistance in accordance with this subsection for the purpose of (A) promoting on a feasibility demonstration basis the conversion of not less than three railroad passenger terminals into intermodal transportation terminals; (B) preserving railroad passenger terminals that have a reasonable likelihood of being converted or otherwise maintained pending the formulation of plans for reuse; and (C) stimulating State and local governments, local and regional transportation authorities, common carriers, philanthropic organizations, and other responsible persons to develop plans for the conversion of railroad passenger terminals into intermodal transportation terminals and civic and cultural activity centers.*

“(2) *Financial assistance for the purpose set forth in paragraph (1) (A) of this subsection shall be granted in accordance with the following criteria: (A) the railroad terminal can be converted to accommodate such other modes of transportation as the Secretary deems appropriate, including motorbus transportation, mass transit (rail or rubber tire), and airline ticket offices and passenger terminal providing direct transportation to area airports; (B) the railroad passenger terminal is listed on the National Register of Historic Places maintained by the Secretary of the Interior; (C) the architectural integrity of the railroad passenger terminal will be preserved and such judgment is concurred in by consultants recommended by the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation and retained for this purpose by the Secretary; (D) to the extent practicable, the use of station facilities for transportation purposes may be combined with use for other civic and cultural activities, especially when such use is recommended by the Advisory Council on Historic Preservation or the Chairman of the National Endowment for the Arts, or the consultants retained by the Secretary upon their recommendation; and (E) the railroad passenger terminal and the conversion project meet such other criteria as the*

Secretary shall develop and promulgate in consultation with the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation. The Secretary shall make grants not later than July 1, 1976. The amount of the Federal share of any grant under this paragraph shall not exceed 60 percentum of the total cost of conversion of a railroad passenger terminal into an intermodal transportation terminal.

“(3) *Financial assistance for the purpose set forth in paragraph (1) (B) of this subsection may be granted in accordance with regulations, to any responsible person (including a governmental entity) who is empowered by applicable law, qualified, prepared, and committed, on an interim basis pending the formulation of plans for reuse, to maintain (and prevent the demolition, dismantling, or further deterioration of) a railroad passenger terminal: Provided, That (A) such terminal has, in the opinion of the Secretary, a reasonable likelihood of being converted to or conditioned for reuse as an intermodal transportation terminal, a civic or cultural activities center, or both; and (B) planning activity aimed at conversion or reuse has commenced and is proceeding in a competent manner. Funds appropriated for the purpose of this paragraph and paragraph (1) (B) of this subsection shall be expended in the manner most likely to maximize the preservation of railroad passenger terminals capable reasonably of conversion to intermodal transportation terminals or which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recommended (on the basis of architectural integrity and quality) by the Chairman of the National Endowment for the Arts or the Advisory Council on Historic Preservation. The amount of the Federal share of any grant under this paragraph shall not exceed 60 per centum of the total cost of such interim maintenance for a period not to exceed five years.*

“(4) *Financial assistance for the purpose set forth in paragraph (1) (C) of this subsection may be granted, in accordance with regulations, to a qualified person (including a governmental entity) who is prepared to develop practicable plans meeting the zoning, land use, and other requirements of the applicable State and local jurisdictions in which the rail passenger terminal is located as well as requirements under this subsection; who shall incorporate into the designs and plans proposed for the conversion of such terminal into an intermodal transportation terminal, a civic or cultural center, or both, features which reasonably appear likely to attract private investors willing to undertake the implementation of such planned conversion and its subsequent maintenance and operation; and who shall complete the designs and plans for such conversion within two years following the approval of the application for Federal financial assistance under this subsection. In making grants under this paragraph, the Secretary shall give preferential consideration to applicants whose completed designs and plans will be implemented and effectuated within three years after the date of completion. Funds appropriated for the purpose of this paragraph and paragraph (1) (C) of this subsection shall be expended in the manner most likely to maximize the conversion and continued public use of railroad passenger terminals which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recom-*

mended (on the basis of architectural integrity and quality) by the Advisory Council on Historic Preservation or the Chairman of the National Endowment for the Arts. The amount of the Federal share of any grant under this paragraph shall not exceed 60 per centum of the total cost of the project or undertaking for which the financial assistance is provided.

"(5) Within ninety days after the date of enactment of this subsection, the Secretary shall issue, and may from time to time amend regulations with respect to financial assistance under this subsection and procedures for the award of such assistance. Each application for assistance under this subsection shall be made in writing in such form and with such content and other submissions as the Secretary shall require.

"(6) The National Railroad Passenger Corporation shall give preference to using station facilities that would preserve buildings of historical and architectural significance.

"(7) Each recipient of financial assistance under this subsection shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. Until the expiration of three years after completion of such project or undertaking, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related or pertinent to such financial assistance.

"(8) There is authorized to be appropriated to the Secretary for the purpose set forth in paragraph (1)(A) of this subsection sums not to exceed \$15,000,000; (B) for the purpose set forth in paragraph (1)(B) of this subsection sums not to exceed \$5,000,000; and, (C) for the purpose set forth in paragraph (1)(C) of this subsection sums not to exceed \$5,000,000. Such sums as are appropriated shall remain available until expended.

"(9) As used in this subsection, 'civic and cultural activities' include, but are not limited to, libraries, musical and dramatic presentations, art exhibitions, adult education programs, public meeting place for community groups, convention visitors and others, and facilities for carrying on activities supported in whole or in part under Federal law.

"(10) Nothing in this subsection shall be construed to invalidate the eligibility of any station for funds designed to assist in its preservation or reuse under any other Federal program or statute."

SEC. 15. (a) Section 3(b) of the Department of Transportation Act (49 U.S.C. 1652(b)) is amended by striking out "Under Secretary" each place it appears and inserting in lieu thereof at each such place "Deputy Secretary".

(b) Section 9(p)(1) of the Department of Transportation Act (49 U.S.C. 1657(p)(1)) is amended by striking out "Under Secretary" and inserting in lieu thereof "Deputy Secretary".

(c) Section 5313 of title 5, United States Code, is amended by striking out "(7) Under Secretary of Transportation" and inserting in lieu thereof "(7) Deputy Secretary of Transportation".

SEC. 16. The Secretary of Transportation shall conduct a study and report to the Congress within one year after the date of enactment of this section on the potential for integrating rail service provided by the National Railroad Passenger Corporation with other modes of transportation, including buses, with particular attention to the transportation needs of rural areas. Such study and report shall include an evaluation of the funding mechanisms to assist increased service by other modes of transportation, including buses, connected to rail service provided by the National Railroad Passenger Corporation where such assistance will provide the opportunity for increased utilization of such rail service, especially by persons residing in rural areas.

And the Senate agree to the same.

WARREN MAGNUSON,
VANCE HARTKE,
JOHN TUNNEY,
JAMES B. PEARSON,
J. GLENN BEALL, JR.,

Managers on the Part of the Senate.

HARLEY O. STAGGERS,
JOHN JARMAN,
BROCK ADAMS,
SAMUEL L. DEVINE,
DAN KUYKENDALL,
RICHARD G. SHOUP,

Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE
COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report :

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text, and the House disagreed to the Senate amendment.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment.

The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by reason of agreements reached by the conferees and minor drafting and clarifying changes.

Unless otherwise indicated, references to provisions of existing law refer to provisions of the Rail Passenger Service Act of 1970.

SHORT TITLE

House bill

No provision.

Senate amendment

The Senate amendment provided that this legislation could be cited as the "Amtrak Improvement Act of 1974".

Conference substitute

The conference substitute is the same as the Senate amendment.

SALARY LIMITATION EXEMPTION

House bill

No provision.

Senate amendment

The Senate amendment provided that the limitation upon compensation of AMTRAK officers contained in section 303(d) of existing law (\$60,000 per annum) would not apply if the Board of Directors of AMTRAK determined, with respect to particular positions, that a higher level of compensation was necessary and was not higher than

the general level of compensation paid to railroad officers in positions of comparable responsibilities.

Conference substitute

The conference substitute omits this provision of the Senate amendment.

STOCK OWNERSHIP LIMITATION

House bill

The House bill amended the limitation on stock ownership contained in section 304(b) by removing the existing provision that prohibits any one railroad or any person controlling one or more railroads from owning more than 33 $\frac{1}{3}$ percent of the total number of AMTRAK common shares issued and outstanding. The House bill prohibited any such railroad or person from voting any shares which it owns in excess of 33 $\frac{1}{3}$ percent.

Senate amendment

The Senate amendment was identical in substance but contained technical differences in language relating to the definitions of control and ownership.

Conference substitute

The conference substitute is the same as the Senate amendment.

MAINTENANCE AND REPAIR

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 305 of existing law, relating to general powers of AMTRAK, which required, to the maximum extent practicable, that AMTRAK must directly perform all maintenance, rehabilitation, repair, and refurbishment of rail passenger equipment. Pending the acquisition by AMTRAK of adequate facilities to carry out this requirement, the railroads performing such services for AMTRAK were (1) required to do so as expeditiously as possible, and (2) required to accord a higher priority to maintenance and repair of passenger equipment than to maintenance and repair of equipment used in freight transportation.

Conference substitute

The conference substitute is the same as the Senate amendment, except that the priority requirement of (2) above is omitted.

NORTHEAST CORRIDOR

House bill

No provision.

Senate amendment

The Senate amendment added to section 305 of existing law a new provision which provided that AMTRAK must advise, consult, cooperate with, and, on request, assist in any other manner the Secretary of Transportation, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation to facilitate the earliest practicable completion and implementation of the Northeast

Corridor project, as defined in the Regional Rail Reorganization Act of 1973. The Secretary of Transportation was required to assign the highest priority to the completion of the Corridor project.

Conference substitute

The conference substitute is the same as the Senate amendment, but in order to avoid any implication that AMTRAK funds could be committed without approval of AMTRAK's board of directors, AMTRAK is authorized rather than required to provide assistance in any manner requested by the Secretary of Transportation, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation.

PRIVATELY OWNED RAILROAD CARS

House bill

No provision.

Senate amendment

The Senate amendment also added a new provision to section 305 of existing law which authorized AMTRAK to issue rules and regulations governing the movement of privately owned railroad cars on AMTRAK's trains, consistent with the needs of AMTRAK, but AMTRAK could not issue any rule or regulation which would require alteration of the exterior color or markings of any privately owned railroad car having historical significance.

Conference substitute

This provision of the Senate amendment is omitted from the conference substitute.

The conferees decided that it was unnecessary to put into the statute a solution to this problem; however, it was agreed that AMTRAK has in most cases acted arbitrarily in regard to the requirement for painting private cars. The conferees agreed that if AMTRAK did not change their policies in regard to alteration of exterior color or markings of privately owned railroad cars having true historical significance, legislation would be necessary in the next Congress.

CUSTOMS INSPECTION PROCEDURES

House bill

No provision.

Senate amendment

The Senate amendment added a new sentence to section 305(e) (7) of existing law, relating to AMTRAK's authority to develop and operate international intercity rail passenger service. The new provision required the Secretary of the Treasury, in cooperation with AMTRAK, to establish and maintain aboard trains customs inspection procedures that would be convenient for travelers and that will result in the most rapid possible movement in such international service.

Conference substitute

The conference substitute is the same as the Senate amendment.

RAIL SERVICE BEYOND BASIC SYSTEM

House bill

No provision.

Senate amendment

The Senate amendment changed sections 403 (b) and (c) of existing law, relating to requests for additional service and apportionment of costs, by adding a requirement that AMTRAK must institute rail passenger service beyond the basic system which is requested by a State, regional, or local agency if such State or agency agreed to reimburse AMTRAK for 33 $\frac{1}{3}$ percent of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service. Under existing law, any such agency is required to reimburse AMTRAK for a "reasonable portion" of any losses associated with such service, and for purposes of this provision, the reasonable portion of such losses cannot be less than 66 $\frac{2}{3}$ percent of, nor more than, the solely related costs, and associated capital costs, including interest on passenger equipment, less revenues attributable to such service.

The Senate amendment also authorized an appropriation of \$10 million for fiscal 1975 to meet the increased costs to AMTRAK of providing service beyond the basic system, if AMTRAK is required to pay two-thirds rather than one-third of such costs.

The Senate amendment also provided that, in considering the provision of any new service (including any request referred to in the preceding paragraph), AMTRAK could not deny such service solely on the basis of lack of necessary equipment if AMTRAK has the financial ability to acquire such equipment. Amtrak must order such equipment and make a commitment for the provision of such service within 90 days after determining that the necessary equipment is lacking.

Conference substitute

The conference substitute retains that portion of the Senate amendment requiring AMTRAK to institute service beyond the basic system requested by a State, regional, or local agency, but the reimbursement required from such agency is increased from 33 $\frac{1}{3}$ percent to 66 $\frac{2}{3}$ percent of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service.

The portion of the Senate amendment authorizing an additional \$10 million appropriation for fiscal 1975, together with that portion of the Senate amendment prohibiting AMTRAK from denying any new service solely on the basis of lack of equipment, are omitted from the conference substitute.

SERVICE TO LARGE POPULATION AREAS

House bill

No provision.

Senate amendment

The Senate amendment required the Secretary to designate an extension of the basic system to provide adequate intercity rail passenger

service to the major population area of each of the contiguous 48 States which did not have such service under the present system. The Secretary was required to make such designation within 180 days after enactment of this legislation. The Secretary was authorized to expend \$14.7 million to provide such service to the State of Idaho and \$23.2 million to provide service to other areas.

Conference substitute

The conference substitute omits the provisions of the Senate bill, but adds a new sentence to section 403(d) of existing law, relating to experimental service, to require the Secretary to give priority consideration to providing service to the major population areas of the contiguous 48 States which do not have intercity rail passenger service to any large population area. In this regard, the conferees agreed that the first experimental route designated in calendar year 1975 will provide service to Boise, Idaho.

EXPERIMENTAL RECREATION ROUTES

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 403 of existing law, relating to new service. The new provision required the Secretary of Transportation to study the need for, and the potential use of, rail passenger service between major centers of population and heavily used recreation areas 100 to 300 miles from such centers. The Secretary was required to designate not less than one experimental recreation route by July 1, 1976, and one annually thereafter, on the basis of demonstrated need, probable use, cost of establishing service, and other factors. Service was required to be initiated by AMTRAK on designated routes as soon as practicable after route designation by the Secretary, and was required to be conducted for not less than 2 years. After such 2-year period, AMTRAK would be required to terminate any such route it found had attracted insufficient patronage to serve the public convenience and necessity, or it could designate such route as part of the basic system.

Conference substitute

This provision of the Senate amendment is omitted from the conference substitute.

DISCONTINUANCE OF SERVICE

House bill

The House bill amended section 404(b) of existing law, relating to discontinuance of service by AMTRAK, by prohibiting AMTRAK from discontinuing, until July 1, 1975, service over any route which was operating on January 1, 1973. This provision would freeze, until July 1, 1975, existing route service, including any experimental train in operation on January 1, 1973.

Senate amendment

No provision.

Conference substitute

The conference substitute is the same as this provision of the House bill.

COMPENSATION FOR PASS PRIVILEGES

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 405(f) of existing law, relating to free or reduced-rate transportation by railroad employees, which provided that, if AMTRAK and a railroad cannot agree on the amount owed by the railroad for pass privileges, any decision by the Interstate Commerce Commission resolving the issue must accord AMTRAK a just and reasonable compensation for such pass privileges.

Conference substitute

This provision of the Senate amendment is omitted from the conference substitute.

In lieu of amending the provisions of section 405(f) at the present time, the conferees wished to express their dissatisfaction with the level of compensation provided AMTRAK by the Interstate Commerce Commission in Finance Docket No. 27194. It is the view of the conferees that the Commission, in deciding any future cases under section 405(f), should accord AMTRAK sufficient compensation to remove the current economic disincentives to the carriage of passholders. The conferees, while realizing that carriage of passholders on a space available basis will not entitle AMTRAK to reimbursement of the regularly applicable fare, cost determinations with respect to this type of transportation should assure that AMTRAK is reimbursed for all costs, including administrative costs, which it would not have incurred in the absence of carrying passholders. It is hoped that the receipt of additional compensation by AMTRAK will permit the relaxation of some of the current excessively restrictive regulations concerning passes and passholders, such as requiring the passholder to appear in person to purchase his ticket, and that further legislation will not be necessary.

FEDERAL GRANTS AND LOAN GUARANTEES

The House bill, the Senate amendment, and the conference substitute authorize an additional \$200 million in appropriations for financial assistance to AMTRAK.

The House bill, the Senate amendment, and the conference substitute also increased the maximum amount of guaranteed loans which may be outstanding at any one time by \$400 million.

PERIODIC PAYMENTS TO AMTRAK

House bill

The House bill amended section 601(a) of existing law, relating to Federal grants, to prohibit the Secretary of Transportation from making payments of appropriated funds to AMTRAK more often than once every 3 months.

Senate amendment

No provision.

Conference substitute

The conference substitute is the same as the House amendment, except that the Secretary could make payments more frequently than once every 3 months if AMTRAK, for good cause, requests more frequent payment.

LOAN GUARANTEE APPROVAL BY SECRETARY OF TRANSPORTATION

House bill

No provision.

Senate amendment

The Senate amendment added a new provision to section 602 of existing law, relating to guarantee of loans, which required the Secretary of Transportation to approve any loan guarantee request made by AMTRAK which had been approved by AMTRAK's board of directors, without substantive review of AMTRAK's capital and budgetary plans. Any such review by the Secretary was required to be carried out in his capacity as a member of AMTRAK's board of directors and through general guidelines issued under section 601 of existing law.

Conference substitute

The conference substitute requires the Secretary to issue guidelines, within 180 days after the enactment of this legislation, designed to assist AMTRAK in the formulation of capital and budgetary plans. Thereafter, any request for a loan guarantee by AMTRAK which has been approved by its Board of Directors will be approved by the Secretary if such request falls within the guidelines he has issued. The words "in the discretion of the Secretary" were added by the conferees to preclude the possibility of litigation over the question of whether or not a request for guarantee of a loan falls within the guidelines.

ENFORCEMENT POWER OF INTERSTATE COMMERCE COMMISSION

House bill

No provision.

Senate amendment

The Senate amendment eliminated the \$500 civil penalty provision contained in section 801(b) of existing law and substituted therefor a provision authorizing the Interstate Commerce Commission to institute a civil action, through its own attorneys or through the Attorney General, to enforce any provision of section 801(a) of existing law, relating to Commission regulations governing adequacy of service. The Senate amendment established venue for any such action in the U.S. District Court in the district in which a defendant is found, resides, transacts business, or maintains an agent for service of process, and provided that such process could be served in any district in which the person to be served is found, or wherein he is an inhabitant.

Conference substitute

The conference substitute is the same as the Senate amendment, except that the Commission is required to act through the Attorney General in all but the following 2 situations:

1. Any case in which the Commission is challenging action or inaction by any party already represented by the Attorney General.
2. Whenever the Attorney General fails to notify the Commission within 45 days of a request for representation that he will represent the Commission. In such situations the Commission may be represented by its own attorney.

AUDIT OF AMTRAK

House bill

The House bill amends the provision authorizing the Comptroller General of the United States to audit the transactions of the National Railroad Passenger Corporation by making it mandatory upon the Comptroller General to conduct such an audit annually. The Rail Passenger Service Act of 1970 is further amended to make clear that information and records of AMTRAK are to be furnished to duly authorized committees of the Congress.

Senate amendment

No provision.

Conference substitute

The conference substitute is the House provision with a modification to indicate that it is a performance or management type efficiency audit that is required. It is not the intention of the committee of conference that the General Accounting Office duplicate existing financial audits, but rather that additional examinations be conducted in coordination with the other entities having oversight responsibilities as to AMTRAK—the Interstate Commerce Commission, the Department of Transportation, and the duly authorized committees of Congress.

HIGH SPEED GROUND TRANSPORTATION

House bill

No provision.

Senate amendment

The Senate amendment provides for the Secretary of Transportation to make an investigation and study to determine the social advisability, technical feasibility, and economic practicability of the transportation system that will be needed for the future between major west coast cities.

Conference substitute

The conference substitute is the same as the provision in the Senate amendment.

TECHNICAL AMENDMENT TO INTERSTATE COMMERCE COMMISSION
REGULATORY AUTHORITY*House bill*

No provision.

Senate amendment

The Senate amendment amends section 202(b)(2) of the Interstate Commerce Act to accomplish two things. First, it would provide that

any amendments to the standards certified by NARUC and promulgated by the Commission prior to the effective date of the standards themselves would become effective at the same time as the standards, that is, retroactively to December 14, 1971, rather than 5 years from the date of publication of each amendment. Certain amendments were certified by NARUC and promulgated by the Commission prior to December 14, 1971, and thus would be affected by this provision. Second, it would provide that amendments to the standards promulgated subsequent to the effective date of the standards themselves would become effective at the time of their promulgation or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization.

Conference substitute

The conference substitute is the same as the Senate amendment.

INTERMODAL TRANSPORTATION TERMINAL IN WASHINGTON, D.C.

House bill

No provision.

Senate amendment

The Senate amendment authorized the Secretary of Transportation, in consultation with the Secretary of the Interior, to design, and plan a model intermodal transportation terminal at Union Station in Washington, D.C., to be constructed in a five-year period. The Secretary is directed, to the extent practicable, to incorporate into the design and plans features which will attract private investment for development and construction. The provision does not relieve the Washington Terminal Company of its obligation to finance and construct a new railroad passenger station pursuant to the National Visitor Center Facilities Act of 1968; the sum of \$7 million is authorized to be appropriated to the Secretary of Transportation for the purpose of carrying out his responsibilities.

Conference substitute

The conference substitute is the same as the Senate amendment except that language was inserted making clear that the new intermodal terminal is not to use any properties needed to construct a visitor center, and that the Secretary is to coordinate the construction of the new terminal facilities. The conferees also agreed to amend section 305 of existing law in order to allow Amtrak to condemn any property at the request of the Secretary (upon assurance of full reimbursement) in order to facilitate completion of the intermodal terminal within the required time. The conferees wished to emphasize that this amendment in no way alters Amtrak's existing authority under such section 305. The conferees authorized \$5 million instead of the \$7 million provided in the Senate amendment for design and coordination of construction of the facility.

PROGRAM FOR PRESERVATION AND REUSE OF RAIL PASSENGER SERVICE
TERMINALS OF HISTORICAL OR ARCHITECTURAL SIGNIFICANCE*House bill*

No provision.

Senate amendment

The Senate amendment establishes a cooperative program with the States for the preservation and conversion to modern needs of railroad passenger terminals of distinction and architectural integrity. The Secretary of Transportation is authorized to provide financial, technical, and advisory assistance in three forms: (1) demonstration projects converting not less than 3 existing terminals into intermodal transportation terminals and civic and cultural activity centers in accordance with criteria to be developed with the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation; (2) interim maintenance assistance to maintain (and prevent the demolition, dismantling, or further deterioration) of terminals that have a reasonable likelihood of being converted to intermodal or civic use; and (3) planning grants for the development of practicable conversion plans.

Conference substitute

The conference substitute is the same as the Senate amendment except that the maximum permissible percentage of the Federal financial contribution was changed from 80 and 90 percent respectively to 60 percent in all cases and a specific authorization for fiscal year 1976 was substituted which provides \$15,000,000 for the purposes of paragraph (1) (A), \$5,000,000 for the purposes of paragraph (1) (B), and \$5,000,000 for purposes of paragraph (1) (C).

DOWNTOWN-TO-AIRPORTS TRANSPORTATION STUDIES

House bill

No provision.

Senate amendment

The Senate amendment directs the Secretary of Transportation to finance the cost of a feasibility study for a rapid transit line between Washington, D.C. and Dulles International Airport in Virginia, and between Washington, D.C. and Baltimore-Washington International Airport in Maryland. The sum of \$3 million is authorized to be appropriated for the two studies. Another provision of the Senate amendment required the Secretary to study rail access to all airports.

Conference substitute

The conference substitute omits both provisions of the Senate amendment. The conferees were in agreement that the feasibility study is needed, and hope that the appropriate Committees will consider this matter during the next Congress.

RAIL TRANSPORTATION FOR RECREATIONAL VEHICLES

House bill

No provision.

Senate amendment

The Senate amendment provided that the Corporation would be required to carry recreational vehicles on railroad flatcars.

Conference substitute

The conference substitute omits the Senate provision.

LEASE OF PASSENGER EQUIPMENT

House bill

No provision.

Senate bill

The Senate amendment would empower the ICC to order lease of passenger equipment retained by operating railroads to AMTRAK.

Conference substitute

The conference committee omits the Senate provision.

TECHNICAL CHANGE IN TITULAR DESIGNATION

House bill

No provision.

Senate bill

Provided for a change in the titular designation of the "Under Secretary" of the Department of Transportation to the "Deputy Secretary" of the Department of Transportation.

Conference substitute

The conference substitute is the same as the Senate provision.

WARREN MAGNUSON,
VANCE HARTKE,
JOHN TUNNEY,
JAMES B. PEARSON,
J. GLENN BEALL, JR.,

Managers on the Part of the Senate.

HARLEY O. STAGGERS,
JOHN JARMAN,
BROCK ADAMS,
SAMUEL L. DEVINE,
DAN KUYKENDALL,
RICHARD G. SHOUP,

Managers on the Part of the House.

○

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amtrak Improvement Act of 1974".

SEC. 2. Section 304(b) of the Rail Passenger Service Act of 1970 (45 U.S.C. 544(b)) is amended by striking out "owned" and inserting in lieu thereof "voted", and by adding at the end thereof the following new sentence: "If any railroad or any person controlling one or more railroads, as defined in section 1(3)(b) of the Interstate Commerce Act (49 U.S.C. 1(3)(b)), owns, directly or indirectly through subsidiaries or affiliated companies, nominees, or any person subject to its direction or control, a number of shares in excess of 33 $\frac{1}{3}$ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding."

SEC. 3. Section 305 of such Act (45 U.S.C. 545) is amended by adding at the end thereof the following new subsections:

"(f) The Corporation shall, to the maximum extent practicable, directly perform all maintenance, rehabilitation, repair, and refurbishment of rail passenger equipment. Until the Corporation obtains, by purchase, lease, construction, or any other method of acquisition, Corporation-owned or controlled facilities which are adequate for the proper maintenance, repair, rehabilitation, and refurbishment of the rolling stock and other equipment and facilities of the Corporation, the railroads performing such services shall do so as expeditiously as possible.

"(g) The Corporation shall advise, consult and cooperate with, and, upon request, is authorized to assist in any other manner the Secretary, the United States Railway Association, the Corps of Engineers, and the Consolidated Rail Corporation in order to facilitate completion and implementation of the Northeast Corridor project, as defined in section 206(a)(3) of the Regional Rail Reorganization Act of 1973, by the earliest practicable date. The Secretary shall assign the highest priority to the completion of such project."

SEC. 4. Section 305 of such Act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary of the Treasury shall establish and maintain, in cooperation with the Corporation, customs inspection procedures aboard trains operated in international intercity rail passenger service under paragraph (7) of subsection (e) of this section, which procedures will be convenient for passengers and will result in the most rapid possible transit between embarkation and debarkation points on such service."

SEC. 5. (a) Section 403 of such Act (45 U.S.C. 563) is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsection:

"(b) Any State, regional, or local agency may request of the Corporation rail passenger service beyond that included within the basic system. The Corporation shall institute such service if the State, regional, or local agency agrees to reimburse the Corporation for 66 $\frac{2}{3}$ per centum of the solely related costs and associated capital costs of such service, including interest on passenger equipment, less revenues attributable to such service."

(b) Such section 403 is amended by redesignating subsection (d) as subsection (c) and by adding at the end of such subsection the following new sentence: "In carrying out the provisions of this subsection, the Secretary shall give priority to experimental routes designed to extend intercity rail passenger service to the major population area of each of the contiguous 48 States which does not have such service to any large population area designated as part of the basic system."

SEC. 6. Section 305(d)(1) of such Act (45 U.S.C. 305(d)(1)) is amended to read as follows:

"(d)(1) The Corporation is authorized, to the extent financial resources are available—

"(A) to acquire any property which the Secretary, acting in furtherance of his responsibility to design and construct an intermodal transportation terminal at Union Station in the District of Columbia, requests, upon assurance of full reimbursement by the Secretary; and

"(B) to acquire any right-of-way, land, or other property (except right-of-way, land, or other property of a railroad or property of a State or political subdivision thereof or of any other governmental agency), which is required for the construction of tracks or other facilities necessary to provide intercity rail passenger service;

by the exercise of the right of eminent domain, in accordance with the provisions of this subsection, in the district court of the United States for the judicial district in which such property is located or in any such court if a single piece of property is located in more than one judicial district: *Provided*, That such right may only be exercised when the Corporation cannot acquire such property by contract or is unable to agree with the owner as to the amount of compensation to be paid."

"(i)(1) The Secretary shall provide financial, technical, and advisory assistance in accordance with this subsection for the purpose of (A) promoting on a feasibility demonstration basis the conversion of not less than three railroad passenger terminals into intermodal transportation terminals; (B) preserving railroad passenger terminals that have a reasonable likelihood of being converted or otherwise maintained pending the formulation of plans for reuse; and (C) stimulating State and local governments, local and regional transportation authorities, common carriers, philanthropic organizations, and other responsible persons to develop plans for the conversion of railroad passenger terminals into intermodal transportation terminals and civic and cultural activity centers.

"(2) Financial assistance for the purpose set forth in paragraph (1)(A) of this subsection shall be granted in accordance with the following criteria: (A) the railroad terminal can be converted to accommodate such other modes of transportation as the Secretary deems appropriate, including motorbus transportation, mass transit (rail or rubber tire), and airline ticket offices and passenger terminal providing direct transportation to area airports; (B) the railroad passenger terminal is listed on the National Register of Historic Places maintained by the Secretary of the Interior; (C) the architectural integrity of the railroad passenger terminal will be preserved and such judgment is concurred in by consultants recommended by the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation and retained for this purpose by the Secretary; (D) to the extent practicable, the use of station facilities for transportation purposes may be combined with use for other civic and cultural activities, especially when such use is recommended by the Advisory Council

on Historic Preservation or the Chairman of the National Endowment for the Arts, or the consultants retained by the Secretary upon their recommendation; and (E) the railroad passenger terminal and the conversion project meet such other criteria as the Secretary shall develop and promulgate in consultation with the Chairman of the National Endowment of the Arts and the Advisory Council on Historic Preservation. The Secretary shall make grants not later than July 1, 1976. The amount of the Federal share of any grant under this paragraph shall not exceed 60 per centum of the total cost of conversion of a railroad passenger terminal into an intermodal transportation terminal.

“(3) Financial assistance for the purpose set forth in paragraph (1) (B) of this subsection may be granted in accordance with regulations, to any responsible person (including a governmental entity) who is empowered by applicable law, qualified, prepared, and committed, on an interim basis pending the formulation of plans for reuse, to maintain (and prevent the demolition, dismantling, or further deterioration of) a railroad passenger terminal: *Provided*, That (A) such terminal has, in the opinion of the Secretary, a reasonable likelihood of being converted to or conditioned for reuse as an intermodal transportation terminal, a civic or cultural activities center, or both; and (B) planning activity aimed at conversion or reuse has commenced and is proceeding in a competent manner. Funds appropriated for the purpose of this paragraph and paragraph (1) (B) of this subsection shall be expended in the manner most likely to maximize the preservation of railroad passenger terminals capable reasonably of conversion to intermodal transportation terminals or which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recommended (on the basis of architectural integrity and quality) by the Chairman of the National Endowment for the Arts or the Advisory Council on Historic Preservation. The amount of the Federal share of any grant under this paragraph shall not exceed 60 per centum of the total cost of such interim maintenance for a period not to exceed five years.

“(4) Financial assistance for the purpose set forth in paragraph (1) (C) of this subsection may be granted, in accordance with regulations, to a qualified person (including a governmental entity) who is prepared to develop practicable plans meeting the zoning, land use, and other requirements of the applicable State and local jurisdictions in which the rail passenger terminal is located as well as requirements under this subsection; who shall incorporate into the designs and plans proposed for the conversion of such terminal into an intermodal transportation terminal, a civic or cultural center, or both, features which reasonably appear likely to attract private investors willing to undertake the implementation of such planned conversion and its subsequent maintenance and operation; and who shall complete the designs and plans for such conversion within two years following the approval of the application for Federal financial assistance under this subsection. In making grants under this paragraph, the Secretary shall give preferential consideration to applicants whose completed designs and plans will be implemented and effectuated within three years after the date of completion. Funds appropriated for the purpose of this paragraph and paragraph (1) (C) of this subsection shall be expended in the manner most likely to maximize the conversion and continued public use of railroad passenger terminals which are listed in the National Register of Historic Places maintained by the Secretary of the Interior or which are recommended (on the basis of architectural integrity and quality) by the Advisory Council on Historic Preservation or the Chairman of the National Endowment for

the Arts. The amount of the Federal share of any grant under this paragraph shall not exceed 60 per centum of the total cost of the project or undertaking for which the financial assistance is provided.

“(5) Within ninety days after the date of enactment of this subsection, the Secretary shall issue, and may from time to time amend, regulations with respect to financial assistance under this subsection and procedures for the award of such assistance. Each application for assistance under this subsection shall be made in writing in such form and with such content and other submissions as the Secretary shall require.

“(6) The National Railroad Passenger Corporation shall give preference to using station facilities that would preserve buildings of historical and architectural significance.

“(7) Each recipient of financial assistance under this subsection shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. Until the expiration of three years after completion of such project or undertaking, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related or pertinent to such financial assistance.

“(8) There is authorized to be appropriated to the Secretary for the purpose set forth in paragraph (1)(A) of this subsection sums not to exceed \$15,000,000; (B) for the purpose set forth in paragraph (1)(B) of this subsection sums not to exceed \$5,000,000; and, (C) for the purpose set forth in paragraph (1)(C) of this subsection sums not to exceed \$5,000,000. Such sums as are appropriated shall remain available until expended.

“(9) As used in this subsection, ‘civic and cultural activities’ include, but are not limited to, libraries, musical and dramatic presentations, art exhibitions, adult education programs, public meeting place for community groups, convention visitors and others, and facilities for carrying on activities supported in whole or in part under Federal law.

“(10) Nothing in this subsection shall be construed to invalidate the eligibility of any station for funds designed to assist in its preservation or reuse under any other Federal program or statute.”.

SEC. 7. Section 404(b) of such Act (45 U.S.C. 564(b)), relating to discontinuance of service by the Corporation, is amended—

(1) by striking out “July 1, 1974” in paragraph (1) and paragraph (3) and inserting in lieu thereof in each such paragraph “July 1, 1975”; and

(2) by striking out “the expiration of the one-year period beginning on the date of enactment of this sentence” in the second sentence of paragraph (2) and inserting in lieu thereof “July 1, 1975”.

SEC. 8. (a) Section 601(a) of such Act (45 U.S.C. 601(a)), relating to authorization for appropriations, is amended (1) by striking out “\$334,300,000” and inserting in lieu thereof “\$534,300,000”; and (2) by adding at the end thereof the following new sentence: “Payments by the Secretary to the Corporation of appropriated funds shall

be made no more frequently than every 90 days, unless the Corporation, for good cause, requests more frequent payment before the expiration of any 90-day period.”

SEC. 9. (a) Section 602(d) of such Act (45 U.S.C. 602(d)), relating to the maximum amount of guaranteed loans which may be outstanding at any time, is amended by striking out “\$500,000,000” and inserting in lieu thereof “\$900,000,000”.

(b) Section 602 of such Act (45 U.S.C. 602) is amended by adding at the end thereof the following new subsections:

“(h) The Secretary shall, within 180 days after the date of enactment of this subsection, issue general guidelines designed to assist the Corporation in the formulation of capital and budgetary plans.

“(i) Any request made by the Corporation for the guarantee of a loan pursuant to this section, which has been approved by the Board of Directors of the Corporation, shall be approved by the Secretary if, in the discretion of the Secretary, such request falls within the approved capital and budgetary guidelines issued under subsection (h).”

SEC. 10. Section 801(b) of such Act (45 U.S.C. 641(b)) is amended to read as follows:

“(b) A civil action may be brought by the Commission to enforce any provision of subsection (a) of this section. The Department of Justice shall represent the Commission in all court proceedings pursuant to this subsection, except that in any case in which the Commission seeks to challenge action or inaction on the part of any party which the Department of Justice is representing, the Commission may be represented by its own attorneys. Unless the Attorney General notifies the Commission within 45 days of a request for representation that he will represent the Commission, such representation may be made by attorneys designated by the Commission. Any action to enforce the provisions of subsection (a) may be maintained in the district court of the United States for any district in which a defendant is found, resides, transacts business, or maintains an agent for service of process. All process in any such suit may be served in any judicial district in which the person to be served is an inhabitant or in which he may be found.”

SEC. 11. Section 805(2) (A) of such Act (45 U.S.C. 644 (2) (A)) is amended—

(1) by striking out the first two sentences and inserting in lieu thereof the following: “The Comptroller General of the United States shall conduct annually a performance audit of the activities and transactions of the Corporation in accordance with generally accepted management principles, and under such rules and regulations as may be prescribed by the Comptroller General. Any such audit shall be conducted at such place or places as the Comptroller General may deem appropriate.”; and

(2) by striking out “financial transactions” in the third sentence and inserting in lieu thereof “financial and other transactions”.

SEC. 12. The Rail Passenger Service Act of 1970 is amended by striking out “Rail Passenger Service Act of 1970” each place it appears and inserting in lieu thereof at each such place “Rail Passenger Service Act”.

SEC. 13. The High Speed Ground Transportation Act (49 U.S.C. 1631 et seq.) is amended by adding at the end thereof the following new section:

“SEC. 13. (a) The Secretary shall make an investigation and study, for the purpose of determining the social advisability, technical feasi-

bility, and economic practicability, of a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigation and study the Secretary shall consider—

“(1) the various means of providing such transportation, including both existing modes and those under development, such as the tracked levitation vehicle;

“(2) the cost of establishing and operating such a system, including any acquisition of necessary rights-of-way;

“(3) the environmental impact of such a system, including the future environmental impact from air and other transportation modes if such a system is not established;

“(4) the factors which would determine the future adequacy and commercial success of any such system, including the speed at which it would operate, the quality of service which could be offered, its cost to potential users, its convenience to potential users, and its ability to expand to meet projected increases in demand;

“(5) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

“(6) the ability of such a system to be integrated with other local and intrastate transportation systems, both existing and planned, in order to create balanced and comprehensive transit systems;

“(7) coordination with other studies undertaken on the State and local level;

“(8) the impact of the design and location of transportation lines in creating desirable patterns of population distribution and growth; and

“(9) such other matters as he deems appropriate.

“(b) In carrying out any investigation and study pursuant to this section, the Secretary shall consult with, and give consideration to the views of, the Civil Aeronautics Board, the Interstate Commerce Commission, the National Railroad Passenger Corporation, the Corps of Engineers, and regional, State, and local transportation planning agencies. The Secretary may, for the purpose of carrying out such investigation and study, enter into contracts and other agreements with public or private agencies, institutions, organizations, corporations or individuals, without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529; 41 U.S.C. 5).

“(c) The Secretary shall report the results of the study and investigation made pursuant to this section, together with his recommendations, to the Congress and the President no later than January 30, 1977. The Secretary shall submit an interim report to the Congress on January 30, 1976.

“(d) There are authorized to be appropriated not to exceed \$8,000,000 to carry out the provisions of this section.”

SEC. 14. Section 202(b)(2) of the Interstate Commerce Act (49 U.S.C. 302(b)(2)), is amended by striking the period at the end of the second sentence thereof and by inserting in lieu thereof the following: “: *Provided*, That (1) any amendments of such standards, which

are determined by the national organization of the State commissions and promulgated by the Commission prior to the initial effective date of such standards shall become effective on such initial effective date; and (2) after such standards become effective initially, any amendments of such standards, which are subsequently determined by the national organization of the State commissions, shall become effective at the time of promulgation or at such other time, subsequent to promulgation by the Commission, as may be determined by such organization."

SEC. 15. Section 4 of the Department of Transportation Act (49 U.S.C. 1653) is amended by inserting the following two new subsections at the end thereof:

"(h)(1) The Secretary is authorized, in consultation with the Secretary of the Interior, to design, plan, and coordinate the construction of a model intermodal transportation terminal at Union Station in the District of Columbia. Such terminal may combine the new railroad passenger station described in paragraph (4) of section 102(a) of Public Law 90-264, as amended, and accommodations for such other modes of transportation as the Secretary deems appropriate. To the extent practicable, the Secretary shall incorporate into the design and plans for such intermodal transportation terminal features which will make such facility a model facility and which will attract private investors willing to undertake the development and construction of the terminal.

"(2) Notwithstanding any provision of Public Law 90-264, as amended, in order to facilitate construction of such model intermodal transportation terminal, the Secretary of the Interior shall lease or transfer such space (including air space), which is not required for purposes of the National Visitor Center, as the Secretary of the Interior holds or may acquire north of the Union Station Building to such party or parties and upon such terms and conditions as the Secretary deems appropriate, notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303(b)). The Secretary and the Secretary of the Interior may, to the extent required to complete a visitor center, agree to joint use of the concourse.

"(3) The design and plans for the intermodal terminal shall be completed within 2 years following enactment of this subsection. The construction of the intermodal terminal shall be completed within 5 years following enactment of this subsection.

"(4) There is authorized to be appropriated to the Secretary, for the purposes of carrying out this subsection, such sums as are necessary, not to exceed \$5,000,000.

"(5) Nothing in this subsection (h) shall be construed as relieving the Washington Terminal Company, its successors or assigns, from the obligation to finance and construct a new railroad passenger station in compliance with the terms of paragraph (4) of section 102(a) of Public Law 90-264 (82 Stat. 43)."

SEC. 16. (a) Section 3(b) of the Department of Transportation Act (49 U.S.C. 1652(b)) is amended by striking out "Under Secretary" each place it appears and inserting in lieu thereof at each such place "Deputy Secretary".

(b) Section 9(p)(1) of the Department of Transportation Act (49 U.S.C. 1657(p)(1)) is amended by striking out "Under Secretary" and inserting in lieu thereof "Deputy Secretary".

(c) Section 5313 of title 5, United States Code, is amended by striking out "(7) Under Secretary of Transportation" and inserting in lieu thereof "(7) Deputy Secretary of Transportation".

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SEC. 17. The Secretary of Transportation shall conduct a study and report to the Congress within one year after the date of enactment of this section on the potential for integrating rail service provided by the National Railroad Passenger Corporation with other modes of transportation, including buses, with particular attention to the transportation needs of rural areas. Such study and report shall include an evaluation of the funding mechanisms to assist increased service by other modes of transportation, including buses, connected to rail service provided by the National Railroad Passenger Corporation where such assistance will provide the opportunity for increased utilization of such rail service, especially by persons residing in rural areas.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

October 17, 1974

Dear Mr. Director:

The following bills were received at the White House on October 17th:

S.J. Res. 236 ✓	S. 2840 ✓	H.R. 7768	H.R. 14225
S.J. Res. 250 ✓	S. 3007 ✓	H.R. 7780	H.R. 14597
S.J. Res. 251 ✓	S. 3234 ✓	H.R. 11221 ✓	H.R. 15148 ✓
S. 355 ✓	S. 3473 ✓	H.R. 11251 ✓	H.R. 15427 ✓
S. 605 ✓	S. 3698 ✓	H.R. 11452 ✓	H.R. 15540 ✓
S. 628 ✓	S. 3792 ✓	H.R. 11830 ✓	H.R. 15643 ✓
S. 1411 ✓	S. 3838 ✓	H.R. 12035 ✓	H.R. 16857 ✓
S. 1412 ✓	S. 3979 ✓	H.R. 12281	H.R. 17027 ✓
S. 1769 ✓	H.R. 6624	H.R. 13561 ✓	
S. 2348 ✓	H.R. 6642 ✓	H.R. 13631 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.