

Public Law 96-73  
96th Congress

An Act

To amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 2 additional years, and for other purposes.

Sept. 29, 1979

[H.R. 3996]

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

Amtrak  
Reorganization  
Act of 1979.

TITLE I—AMTRAK REORGANIZATION

SHORT TITLE

SECTION 101. This title may be cited as the "Amtrak Reorganization Act of 1979". 45 USC 501 note.

PURPOSES

SEC. 102. Section 101 of the Rail Passenger Service Act (45 U.S.C. 502) is amended— 45 USC 501.

(1) by inserting "(a)" immediately before "The Congress";

(2) by striking out "and" after "this purpose";

(3) by striking out the period after "Railroad Passenger Corporation" and inserting in lieu thereof the following: "; and that rail passenger service offers significant benefits in public transportation for the safe movement of passengers with minimum energy expenditure and represents a significant national transportation asset in time of national emergency or energy shortage."; and

(4) by adding at the end thereof the following new subsection: "(b) The Congress further finds that—

"(1) inadequately defined goals for the Corporation have denied its board of directors an effective role in guiding the Corporation or in promoting and increasing the number of intercity rail passengers;

"(2) uncertain goals and financial commitment have discouraged the development of effective corporate management;

"(3) uncertainty arising from the lack of specific goals has made the achievement of high employee morale difficult;

"(4) State participation in subsidizing interstate rail passenger service has, for the most part, been unworkable;

"(5) lack of full cooperation by the railroad industry has impeded effective systemwide operation of passenger trains by the Corporation; and

"(6) a greater degree of cooperation is necessary among railroads, the Corporation, States with subsidized service, labor organizations, and suppliers of services and equipment to the Corporation in order to achieve a level of performance sufficient to justify additional expenditure of public funds."

GOALS

SEC. 103. (a) GOALS FOR AMTRAK.—The Rail Passenger Service Act (45 U.S.C. 501 et seq.) is amended by redesignating section 102 as 45 USC 502.

section 103 and by inserting after section 101 the following new section:

45 USC 501a.

**"SEC. 102. GOALS.**

"The Congress hereby establishes the following goals for Amtrak:

"(1) Improvement of on-time performance by at least 50 percent within the three-year period beginning on the date of enactment of this section.

"(2) Implementation of schedules which provide a systemwide average speed of at least 55 miles per hour, and which can be adhered to with a degree of reliability and passenger comfort.

"(3) Improvement of the ratio of revenues to operating expenses, with the goal of coverage of at least 44 percent of operating expenses, excluding depreciation, from revenues by the end of fiscal year 1982 and 50 percent by the end of fiscal year 1985.

"(4) Improvement of the feasibility of State-subsidized service through the use of technical assistance panels to coordinate, plan, and implement such service.

"(5) Encouragement of rail carriers to assist in improving intercity rail passenger service.

"(6) General improvement of Amtrak's performance through comprehensive, systematic operational programs and employee incentives."

(b) TECHNICAL AMENDMENT.—The heading for title I of the Rail Passenger Service Act is amended by inserting "GOALS," after "PURPOSES,".

**DEFINITIONS**

45 USC 502.

*Ante*, p. 537.

SEC. 104. Section 103 of the Rail Passenger Service Act, as redesignated by this Act, is amended to read as follows:

**"SEC. 103. DEFINITIONS.**

"For the purposes of this Act—

45 USC 741.

"(1) 'Amtrak' means the National Railroad Passenger Corporation created under title III of this Act.

"(2) 'Auto-ferry service' means intercity rail passenger service characterized by transportation of automobiles or recreational vehicles and their occupants.

"(3) 'Avoidable loss' means the avoidable costs of providing passenger service, less revenues attributable thereto, as determined by the Interstate Commerce Commission under the provisions of section 553 of title 5, United States Code.

45 USC 711, 763.

"(4) 'Basic system' means (A) prior to October 1, 1979, the system of intercity rail passenger service designated by the Secretary under title II and section 403(a) of this Act, and (B) on and after October 1, 1979, the system of intercity rail passenger service designated by the Secretary under section 4 of the Amtrak Improvement Act of 1978 (Public Law 95-421) and approved by the Congress, and service required to be operated under sections 404(d) and 404(e) of this Act and under section 4(g) of the Amtrak Improvement Act of 1978, including changes to such system or service made by the Corporation using the Route and Service Criteria.

92 Stat. 923.

45 USC 521 note.

*Post*, p. 546.

"(5) 'Center' means the Performance Evaluation Center established under section 305 of this Act.

*Post*, pp.

539-541.

"(6) 'Commission' means the Interstate Commerce Commission.

“(7) ‘Corporation’ means the National Railroad Passenger Corporation created under title III of this Act.

45 USC 741.

“(8) ‘Intercity rail passenger service’ means all rail passenger service other than commuter and other short-haul service in metropolitan and suburban areas, usually characterized by reduced fare, multiple-ride and commutation tickets, and by morning and evening peak period operations.

“(9) ‘Model Program’ means a program carried out by the Corporation under section 807 or section 809 of this Act and the employee assistance program established by the Corporation.

45 USC 646;  
Post, p. 551.

“(10) ‘Panel’ means a Technical Assistance Panel established under section 403(b) of this Act.

Post, p. 542.

“(11) ‘Rail carrier’ and ‘railroad’ mean a person providing railroad transportation for compensation.

“(12) ‘Regional transportation agency’ means an authority, corporation, or other entity established for the purpose of providing passenger service within a region.

“(13) ‘Route and Service Criteria’ means the Criteria and Procedures for Making Route and Service Decisions established pursuant to section 404(c) of this Act.

“(14) ‘Secretary’ means the Secretary of Transportation or his delegate unless the context indicates otherwise.”.

#### REDUCED FARE PROGRAM

SEC. 105. Section 305(c) of the Rail Passenger Service Act (45 U.S.C. 545(c)) is amended—

(1) by inserting “(1)” immediately after “(c)”; and

(2) by adding at the end thereof the following new paragraph:

“(2)(A) Within 90 days after the date of enactment of this paragraph, the Corporation shall establish a reduced fare program for elderly and handicapped individuals.

“(B) For purposes of this paragraph—

“(i) the term ‘elderly individual’ means a person who has attained the age of 65 years; and

“Elderly  
individual.”

“(ii) the term ‘handicapped individual’ means any person who has a physical or mental impairment which substantially limits one or more of such person’s major life activities, has record of such an impairment, or is regarded as having such an impairment, but the term handicapped individual does not include any person who is an alcoholic or drug abuser.”.

“Handicapped  
individual.”

#### OPERATIONAL IMPROVEMENT PROGRAM

SEC. 106. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545) is amended by redesignating subsections (f) through (j) as subsections (g) through (k), respectively, and by inserting after subsection (e) the following new subsection:

“(f) The Corporation shall, not later than January 1, 1981, develop and submit to the Congress and to the President a comprehensive plan for the improvement of all intercity rail passenger service provided in the basic system. The Corporation shall commence implementation of such plan as soon as practicable after all or any portion thereof is developed. Such plan shall include—

Comprehensive  
plan, submittal  
to President and  
Congress.

“(1) a zero-based assessment of all operating practices and implementation of changes to achieve the minimum use of employees consistent with safe operations and adequate service;

“(2) a systematic program for optimizing the ratio of train size to passenger demand;

“(3) a systematic program for trip time reduction on all trains in the basic system;

“(4) establishment of training programs to achieve on-time departures and priorities for passenger trains over freight trains en route;

“(5) adjustment of purchasing and pricing of food and beverages to achieve, as soon as practical after the date of enactment of this subsection, a continuing reduction in losses associated with food and beverage services with a goal of ultimate profitability;

“(6) cooperative marketing opportunities between the Corporation and governmental entities at all levels having intercity rail passenger service; and

“(7) cooperative marketing campaigns sponsored by the Corporation and the Department of Energy, the Federal Highway Administration, and the Environmental Protection Agency.”.

#### REGIONAL MAINTENANCE PLAN

Establishment.  
*Ante*, p. 539.

SEC. 107. Section 305(g) of the Rail Passenger Service Act, as redesignated by this Act, is amended to read as follows:

“(g) The Corporation shall, not later than January 1, 1980, establish a Regional Maintenance Plan. Such plan shall include—

“(1) a review panel at corporate headquarters consisting of such members as the President of the Corporation shall designate;

“(2) a systemwide inventory of spare equipment parts by operational regions;

“(3) establishment of the necessary number of maintenance employees per number of cars and locomotives per region;

“(4) establishment of a systematic preventive maintenance program;

“(5) a method for periodic evaluation of maintenance costs, time lags, and parts shortages with appropriate corrective actions; and

“(6) such other elements or activities as the Corporation considers appropriate.”.

#### RAILROAD POLICE

*Ante*, p. 539.

SEC. 108. Section 305(j) of the Rail Passenger Service Act, as redesignated by this Act, is amended by striking out “security guards” each place it appears and inserting in lieu thereof “railroad police” and by striking out “Security guards” and inserting in lieu thereof “Railroad police”.

#### BUY AMERICA PROTECTION

*Ante*, p. 539.

SEC. 109. Section 305(k) of the Rail Passenger Service Act, as redesignated by this Act, is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

“(3) In addition to the exemptive authority set forth in paragraph (2), the Secretary may, upon application of the Corporation, exempt the Corporation from the requirements of paragraph (1) of this subsection with respect to the purchase of rolling stock or power train equipment if the Secretary determines that such rolling stock or power train equipment, as the case may be, cannot be purchased and delivered in the United States within a reasonable time.”.

## PERFORMANCE EVALUATION CENTER

SEC. 110. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection: Establishment. Ante, p. 539.

“(l) The Corporation shall establish a Performance Evaluation Center within the Corporation which shall have the responsibility of providing an ongoing review of operations. The Center should evaluate both short-term and long-term operational problems and make recommendations for improvement of operations. Each six months, the Corporation shall submit a report of the Center’s activities and recommendations to the appropriate authorizing committees of both Houses of Congress and to the Secretary.”

## ADEQUACY OF SERVICE REPORTS

SEC. 111. (a) REPORTS.—Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection: *Supra.*

“(m) For purposes of assessing the operational performance of trains, the President of the Corporation shall have the authority to direct the conductor on any Amtrak train to report to the Center any inadequacy of train operation. Adequacy of service reports required under this subsection shall be promptly transmitted to the Center. Each report shall be signed by the conductor and contain sufficient information to locate equipment or personnel failures.”

(b) REPEAL.—Section 801 of the Rail Passenger Service Act (45 U.S.C. 641) is hereby repealed. *Repeal.*

## APPLICABILITY OF OTHER LAWS

SEC. 112. (a) EXCEPTIONS TO APPLICABILITY.—Section 306(a) of the Rail Passenger Service Act (45 U.S.C. 546(a)) is amended by striking out the period at the end of paragraph (3) and inserting in lieu thereof “; and” and by adding at the end thereof the following new paragraph:

“(4) the issuance of securities or the assumption of any obligation or liability with respect to the securities of others.”

(b) THROUGH ROUTES AND JOINT FARES.—Section 306(j)(2) of the Rail Passenger Service Act (45 U.S.C. 546(j)(2)) is amended by striking out “motor carrier” and inserting in lieu thereof “any domestic or international motor, air, or water carrier”.

(c) PAY PERIODS AND QUALIFICATIONS.—Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is further amended by adding at the end thereof the following new subsections:

“(l) The Corporation shall not be subject to any State or local law relating to pay periods or days for payment of employees. No employee of the Corporation shall be paid less frequently than such employee is paid as of the effective date of this subsection, other than pursuant to an applicable collective bargaining agreement.

“(m) The Corporation shall be deemed to be qualified to do business in each State in which it performs any activity authorized under this Act. In connection with the performance of such activities, the Corporation shall accept service of process addressed by certified mail to the secretary of the Corporation at its principal office and place of business in Washington, District of Columbia. The Corporation shall be deemed to be a citizen of the District of Columbia for the purpose of determining the original jurisdiction of the district courts of the United States in civil actions to which the Corporation is party.”

## REPORTS TO THE CONGRESS

45 USC 548.

SEC. 113. Section 308(a)(1) of the Rail Passenger Service Act of 1970 is amended to read as follows:

“(a)(1) Not later than the 45th day following the end of each calendar month, the Corporation shall transmit to the Congress and release to the public the following information applicable to its operations for such calendar month:”.

## UNIFORM CONTRACT

SEC. 114. Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended by adding at the end thereof the following new subsection:

“(g) The Corporation shall enter into a contract with rail carriers on an industrywide basis to establish rights for the operation of special or charter trains between specific routes and points anywhere in the Nation upon provision of reasonable notice (of not less than seven days) to the carriers involved in the operation of any special or charter trains, except that with respect to rail lines on which rail passenger service has not been operated for the preceding 180 days, reasonable notice under this sentence shall be notice of not less than 21 days. If the Corporation and the rail carriers are unable to reach agreement by January 1, 1981, the Commission shall, upon application by the Corporation, order rail services to be provided under this subsection and shall, consistent with just and reasonable compensation principles, determine within 180 days after such date the proper amount of compensation for the provision of such services and the proper method of prior notification of the schedule and routing of a special or charter train by the Corporation.”

## NEW SERVICE

SEC. 115. ROUTE ADDITIONS.—Section 403(a) of the Rail Passenger Service Act (45 U.S.C. 563(a)) is amended to read as follows:

“(a) Except as otherwise provided in this Act, after October 1, 1979, all route additions shall be in accordance with the Route and Service Criteria.”.

(b) SUBSIDIZED SERVICE.—Section 403(b) of the Rail Passenger Service Act (45 U.S.C. 563(b)) is amended to read as follows:

“(b)(1)(A) Any State or group of States, or any regional or local agency, may submit an application to the Corporation requesting the institution of rail passenger service in addition to that service provided in the basic system.

“(B) An application for rail passenger service under this subsection shall be submitted at least 180 days prior to the beginning of the fiscal year in which such service is to be operated, except that an application for service to be operated in the fiscal year ending September 30, 1980, shall be submitted no later than the 60th day following the beginning of such fiscal year.

“(C) Each application by a State or agency for rail passenger service under this subsection shall contain—

“(i) adequate assurances by such State or agency that it has sufficient resources to meet its share of the cost of such service for the period such service is to be provided;

“(ii) a market analysis acceptable to the Corporation to ensure that there is adequate demand to warrant such service;

“(iii) a statement by such State or agency that it agrees to provide 20 percent of the solely related costs of such service in

Application for  
additional  
service.

the first year of operation, 35 percent of such costs in the second year of operation, and 50 percent of such costs in each year of operation thereafter; and

“(iv) a statement by such State or agency that it agrees to provide, in each year of operation of such service, 50 percent of the associated capital costs of operating such service.

“(2)(A) The Corporation shall review each application submitted by a State or agency for the institution of service under this subsection and shall convene a Technical Assistance Panel to consider such application if the Corporation determines that—

Technical  
Assistance  
Panel.

“(i) the application complies with requirements of paragraph (1)(C) of this subsection; and

“(ii) there is a reasonable probability that the service requested can be provided with the resources available to the Corporation.

“(B) The Corporation shall make its determinations under this paragraph, and convene a panel if appropriate, at least 150 days prior to the beginning of the fiscal year in which the service requested is to be operated, except that with respect to an application for service to be operated in the fiscal year ending September 30, 1980, the Corporation shall make its determinations, and convene a panel if appropriate, no later than 30 days after the date such application is submitted.

“(C) Any application submitted by a group of States shall be considered in the same manner as an application submitted by a single State, and not on the basis of whether each State that is a party to such application meets the requirements of paragraph (1)(C) of this subsection.

“(3)(A) Each panel convened by the Corporation to consider an application shall be composed of—

Members of  
panel.

“(i) a State rail planning official from each State that is a party to the application;

“(ii) a representative of the Corporation;

“(iii) a representative from a railroad labor organization representing operating crafts of employees; and

“(iv) a representative from a railroad labor organization representing nonoperating crafts of employees.

“(B) The Corporation shall submit to each panel data projecting the solely related costs and associated capital costs of operating the service under consideration. Each panel shall, no later than 90 days after the date it is convened, consider and make recommendations to the Corporation with respect to—

Recommendations.

“(i) appropriate measures for minimizing such costs, including measures such as—

“(I) the assumption by the applicant State or agency of certain responsibilities in connection with the operation of the service under consideration; and

“(II) a reduction in the labor costs of operating such service; and

“(ii) if more than one State is a party to the application, the appropriate manner for allocating such costs among the applicant States.

“(4)(A) After taking into account the recommendations of the panel with respect to rail passenger service requested by a State or agency under this subsection, the Corporation shall enter into an agreement with such State or agency for the institution of such service, in accordance with the funding formula set forth in paragraph (1)(C) of this subsection, if the Corporation determines that such service can be provided with resources available to the Corporation.

Agreements.

“(B) An agreement entered into pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than 2 years.

“(C) If more than one application is made for service and all applications are consistent with the requirements of this subsection, but all the services applied for cannot be provided with the available resources of the Corporation, the Board of Directors shall decide in its discretion which application or applications best serve the public interest and can be provided with the available resources of the Corporation, except that a proposal for State support of a service deleted from the basic system in effect prior to October 1, 1979, or the basic system in effect after such date, shall be given preference.

Fare increases.

“(5) Prior to instituting any fare increase that applies to service provided under this subsection and that represents an increase of more than 5 percent over a 6-month period, the Corporation shall consult with and obtain the views of the appropriate officials of each State to be affected by such fare increase. The Corporation shall provide the officials of each such State with an explanation of the circumstances warranting the proposed fare increase (such as the unique costs of or demand for the services involved).

Federal funds, limitation.

“(6)(A) Federal funds available for expenditure under this subsection shall not be in substitution for the average amount of State and local funds expended for the operation of rail services under this subsection in the State for the two fiscal years preceding the fiscal year for which the funds are made available.

*Ante*, p. 537.

“(B) If service provided under this subsection on the date of enactment of the Amtrak Reorganization Act of 1979 is terminated by a State or agency and such State or agency subsequently decides to resume such service, the Corporation shall agree to provide funding at the level provided under the contract in effect on such date of enactment.

Additional frequencies of service.

“(C) A State may add additional frequencies of service on an existing route. Additional frequencies shall be initiated in accordance with the funding formula described in paragraph (1)(C) of this subsection, without regard to funding ratios then in effect on other frequencies on such existing route.

“(7)(A) Any funds provided by the Corporation under an agreement with an agency pursuant to this subsection which are allocated for associated capital costs and which are not expended during the fiscal year for which they are provided shall remain available until expended.

Reimbursement.

“(B) An agency entering into an agreement with the Corporation for the operation of service under this subsection shall be entitled to reimbursement for staff services in an amount equal to 1½ percent of the operating losses and associated capital costs.

“(C) The Board of Directors shall establish the basis for determining the solely related costs and associated capital costs of service operated under this subsection, and the total revenue from such service.

Advertising and promotion, limitation.

“(8) Not more than five percent of all revenues generated by each particular route operated under the authority of this subsection shall be dedicated to advertising and promotion of such service on a local level.”

(c) REPEAL.—Section 403(c) of the Rail Passenger Service Act (45 U.S.C. 563(c)) is repealed.

(d) COMMUTER SERVICE.—Section 403(d) of the Rail Passenger Service Act (45 U.S.C. 563(d)) is amended—

(1) by inserting “(1)” immediately before “The Corporation”;

(2) by inserting immediately after the first sentence thereof the following: “An agreement made pursuant to this section may by



mutual agreement be renewed for one or more additional terms of not more than two years.”; and

(3) by adding at the end thereof the following new paragraphs:

“(2) Any rail passenger service which is operated by the Corporation on January 1, 1979, and which constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, continue to be operated by the Corporation and funded in accordance with the method of funding in effect for that service on January 1, 1979. In addition, any rail passenger service which (A) is operated by the Consolidated Rail Corporation, (B) is the subject of an application for discontinuance filed with the Commission before July 15, 1979, and (C) constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, be operated by the Corporation and funded by the Corporation in the same manner as service operated under the preceding sentence.

“(3) The Corporation shall, until April 1, 1981, continue to accept commuter based fares for any rail passenger service which it operates and for which such fares are accepted on January 1, 1979. Nothing in this paragraph shall be construed as prohibiting the Corporation or any other railroad from increasing the amount of any fare charged for rail passenger service.”

Commuter based fares.

#### SERVICE CHANGES

SEC. 116. (a) SERVICE CHANGES.—Section 404(b) of the Rail Passenger Service Act (45 U.S.C. 564(b)) is amended to read as follows:

“(b) After October 1, 1979, all route discontinuances by the Corporation shall be in accordance with the Route and Service Criteria.”.

(b) TECHNICAL AMENDMENT.—Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is amended by striking out

“SEC. 404. DISCONTINUANCE OF SERVICE.”

and inserting in lieu thereof

“SEC. 404. SERVICE CHANGES.”

#### APPLICATION OF ROUTE AND SERVICE CRITERIA

SEC. 117. Section 404(c) of the Rail Passenger Service Act (45 U.S.C. 564(c)) is amended by adding at the end thereof the following new paragraph:

“(4)(A) The Corporation shall conduct an annual review of each long-distance route in the basic system to determine if such route meets the criteria set forth in paragraph (1) of subsection (d) of this section, as adjusted to reflect constant 1979 dollars. If the Corporation determines, on the basis of such review, that a route fails to meet the criteria set forth in such paragraph, the Corporation shall evaluate such route under the Route and Service Criteria. If the Corporation determines, on the basis of such evaluation, that such route fails to meet the Route and Service Criteria, the Corporation shall discontinue the operation of rail passenger service over such route.

Review of long-distance routes.

“(B) The annual review conducted by the Corporation under subparagraph (A) shall include an evaluation of the potential market demand for, and the cost of providing service on, portions or segments of long-distance routes, and the potential market demand for, and cost of providing service on, alternative routings. The Corporation shall transmit the results of the annual review to each House of the Congress and to the Secretary of Transportation.”.

Review results, transmittal to Congress and Secretary of Transportation.

## EXCEPTIONS TO APPLICABILITY OF ROUTE AND SERVICE CRITERIA

SEC. 118. Section 404(c) of the Rail Passenger Service Act (45 U.S.C. 564(c)), as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

“(5) The Route and Service Criteria shall not apply to—

“(A) decisions of the Corporation to increase or, where construction schedules, other temporary disruptive factors, or seasonal fluctuations in ridership so warrant, to decrease frequency of service on existing routes or portions of existing routes or on routes where an additional frequency of service is being tested; and

“(B) rerouting of service between major population centers on existing routes.”.

## ADDITIONAL QUALIFYING ROUTES

SEC. 119. Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is amended by adding at the end thereof the following new subsections:

“(d)(1) Where reductions in operating expenses can be obtained, the Corporation shall operate rail passenger service over any long distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978, with or without any restructuring of such route to serve major population centers as end points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

“(A) the short term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than 7 cents per passenger mile; and

“(B) the passenger mile per train mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 150.

Short term avoidable loss per passenger mile calculated by the Corporation for purposes of this subsection shall be based upon consistently defined factors for all types of routes, and such short term avoidable loss and passenger mile per train mile shall be calculated in the same manner for all routes. The Corporation shall make its calculations under this subsection on the basis of the most recent available statistics for a 90-day period, except that the Corporation may also utilize historical data (such as seasonal fluctuations in ridership) as long as such data is adjusted to reflect the most recent available statistics. The Corporation shall, no later than 30 days after the effective date of this subsection, submit a report to the Interstate and Foreign Commerce Committee of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the methodology, equations, factors used, assumptions, and results in connection with the calculation of short term avoidable loss per passenger mile and passenger mile per train mile under this subsection.

“(2) Where reductions in operating expenses can be obtained, the Corporation shall operate rail passenger service over any short-distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978 with or without any restructuring of such route to serve major population centers as end-points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

92 Stat. 923.  
45 USC 521 note.

Report to  
congressional  
committees.

“(A) the short-term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than 9 cents per passenger mile; and

“(B) the passenger mile per train mile, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 80.

“(e)(1) In order to preserve regional balance in the national inter-city rail passenger system and to ensure that long-distance routes recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978 which provide service to regions with few population centers in a large geographic area have equal opportunity to qualify for continued operation, the Corporation shall operate a long-distance route in each section of the United States (with sections being determined by dividing the United States into four quadrants) if—

92 Stat. 923.  
45 USC 521 note.

“(A) service is not maintained on any long-distance route in that section under the criteria set forth in subsection (d)(1) of this section; and

“(B) the Corporation determines that (i) a long-distance route exists in that section which has shown and will show improvements in performance under the criteria, set forth in subsection (d)(1) of this section, and (ii) such route shows potential, under such criteria, to warrant maintenance in the system.

“(2) The Corporation shall not continue to operate any route under this subsection if service is provided on a significant part of that route by any other route.

“(3) Service operated on a route under this subsection shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in subsection (d)(1) of this section: *Provided*, That the Corporation shall continue to operate the Inter-American train to the Mexican border if that train meets the criteria set forth above.

“(f) For the purpose of this section and section 4 of the Amtrak Improvement Act of 1978, the reference to Tampa in table 4-1 at page 4-7 of the Secretary's Final Report to Congress on the Amtrak Route System, dated January 1979, shall be deemed to mean Saint Petersburg.

“(g) Notwithstanding any other provisions of this Act (including the requirements of section 403(d)), the Corporation is authorized, to the extent available resources permit, to operate short-haul trains, on a demonstration basis for the purpose of determining the feasibility and benefits of such services, on additional routes of 200 miles or less which link two or more major metropolitan areas.”

Ante, p. 544.

#### FREE OR REDUCED RATE TRANSPORTATION OF RAILROAD EMPLOYEES

SEC. 120. (a) REIMBURSEMENT RATE.—Section 405(f) of the Rail Passenger Service Act (45 U.S.C. 565(f)) is amended by striking out “The Corporation shall be reimbursed” and all that follows through “in accordance with the agreements.” and inserting in lieu thereof the following: “Unless the Corporation and a railroad or group of railroads agree on a different basis for compensation, the Corporation shall, during the 2-year period beginning on the effective date of the Amtrak Reorganization Act of 1979, be reimbursed by each railroad at the rate of 25 percent of the systemwide average monthly yield per revenue passenger mile. Reimbursement at this rate is in lieu of any charges for liability incident to travel of railroad employees eligible for free or reduced-rate transportation and any other costs incurred by the Corporation in connection with free or reduced-rate transpor-

tation and any other costs incurred by the Corporation in connection with free or reduced-rate transportation. Nothing in this subsection shall preclude the Commission from ordering retroactive relief in any proceeding instituted or reopened after October 1, 1981.”

45 USC 565 note.

(b) REPORT.—The Comptroller General shall conduct a study of the free or reduced-rate transportation provided to railroad employees by the National Railroad Passenger Corporation under section 405(f) of the Rail Passenger Service Act. Within 180 days after the effective date of this Act, the Comptroller General shall submit a report to the Congress and to the Interstate Commerce Commission setting forth recommendations regarding the appropriate means for reimbursing the Corporation for the cost of providing such transportation services, taking into account the value of the services being provided.

Ante, p. 547.

#### RETENTION AND MAINTENANCE OF FACILITIES

SEC. 121. Title IV of the Rail Passenger Service Act (45 U.S.C. 561 et seq.) is amended by adding at the end thereof the following new section:

45 USC 566.

“SEC. 406. RETENTION AND MAINTENANCE OF FACILITIES.

Downgrading or disposal of a facility.

“(a) No facilities of a railroad (including a regional transportation agency) which are used in the operation of rail passenger services by the Corporation on February 1, 1979, shall be downgraded or disposed of without obtaining the prior approval of the Secretary under this section.

Notification.

“(b) Whenever any railroad intends to downgrade or dispose of a facility referred to in subsection (a) of this section which is not currently being used in the operation of services by the Corporation, such railroad shall first notify the Corporation of its intention to take such action. If, within 60 days after receipt by the Corporation of such notice, the Corporation and such railroad are not able to enter into an agreement for the retention or maintenance of such facility or for the conveyance to the Corporation of such facility or an interest therein, the railroad may apply to the Secretary for approval of the downgrading or disposal of the facility.

Approval.

“(c)(1) If the Corporation does not object to an application of a railroad to downgrade or dispose of a facility within 30 days after the date such application is submitted, the Secretary shall promptly approve such application.

“(2) If the Corporation makes a timely objection to such an application, the Secretary shall, within 180 days after the date of such objection, determine the costs which the railroad could avoid if it were not required to maintain or retain the facility in the condition requested by the Corporation. If the Corporation does not, within 60 days after the date of the Secretary’s determination, agree to pay such avoidable costs to the railroad, the Secretary shall approve such application.

“(d)(1) In electing whether to enter into an agreement pursuant to this section to pay a railroad the avoidable costs of maintaining or retaining a facility, the Corporation shall consider—

“(A) the potential importance of restoring rail passenger service on the route on which such facility is located;

“(B) the market potential of such route;

“(C) the availability, adequacy, and energy efficiency of alternate modes or alternate rail lines for providing passenger transportation to or near the points which would be served by the route;

“(D) the extent to which major population centers would be served by such route;

“(E) the extent to which the provision of service over such route would encourage the expansion of a national intercity rail passenger system; and

“(F) the possibility of increased ridership on lines of railroad connecting with such route.

“(2)(A) In order to prepare for a valid and timely analysis of a facility, after a railroad gives notice pursuant to this section that it intends to downgrade or dispose of such facility, the Corporation shall conduct a survey of population centers with railroad passenger service facilities and shall update such survey from time to time as may be necessary or appropriate. Within 90 days after the date of enactment of this section, the Corporation shall take steps to prepare a survey plan which shall provide for—

Survey plan.

“(i) a target completion date for the survey of population centers of not later than 360 days after the ninetieth day after such date of enactment; and

“(ii) a system of collection, compilation, and storage of information gathered pursuant to the survey according to geographic region and according to whether a facility would be part of a short- or long-haul route.

“(B) The survey should facilitate an analysis of—

“(i) ridership potential by ascertaining existing travel patterns or changing travel patterns which would maximize efficiencies of railroad passenger service;

“(ii) the quality of service of competitors or likely competitors;

“(iii) the likelihood of the Corporation offering service at a competitive fare;

“(iv) opportunities to target advertising and fares to potential classes of riders;

“(v) economic characteristics of railroad passenger service associated with a facility and the extent to which such characteristics are consistent with sound economic principles of short- or long-haul railroad operations; and

“(vi) the feasibility of applying effective internal cost controls to a facility and the route which the facility would serve in order to improve over time the ratio of transportation expenses, excluding maintenance of track, structure, and equipment and depreciation, to passenger revenue.

“(e) For purposes of this section—

Definitions.

“(1) the term ‘facilities’ means railroad tracks, rights-of-way, fixed equipment and facilities, and real property appurtenant thereto, and includes signal systems, passenger station and repair tracks, station buildings, platforms, and adjunct facilities such as water, fuel, steam, electric, and air lines;

“(2) the downgrading of a facility means a reduction in track classification as specified in the Federal Railroad Administration track safety standards (49 C.F.R. 213), or any other change in such facilities which may increase the time required for a passenger train to operate over the route on which such facility is located; and

“(3) approval of downgrading or disposal under this section shall not be construed as relieving a railroad from compliance with its other common carrier or legal obligations with respect to a facility.”

## AUTHORIZATION OF APPROPRIATIONS

SEC. 122. (a) AUTHORIZATION.—Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended by adding at the end thereof the following new subsection:

“(b)(1) There are authorized to be appropriated to the Secretary for the benefit of the Corporation—

“(A) for the payment of operating expenses, not to exceed \$630,900,000 for the fiscal year ending September 30, 1980, and not to exceed \$674,900,000 for the fiscal year ending September 30, 1981, of which not less than \$1,200,000 for the fiscal year ending September 30, 1980, and \$1,000,000 for the fiscal year ending September 30, 1981, shall be available for the cost of Model Programs;

“(B) for the payment of the costs of capital acquisition or improvements to the basic system, including the payment of expenses for the retention and maintenance of facilities under section 406 of this Act, not to exceed \$203,000,000 for the fiscal year ending September 30, 1980, not to exceed \$244,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$254,000,000 for the fiscal year ending September 30, 1982;

“(C) for the payment of operating and capital expenses of rail passenger service provided pursuant to section 403(b) of this Act, not to exceed \$23,800,000 for the fiscal year ending September 30, 1980, not to exceed \$29,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$30,000,000 for the fiscal year ending September 30, 1982;

“(D) for labor protection payments required pursuant to section 405 of this Act, not to exceed \$30,000,000 for the fiscal year ending September 30, 1980, not to exceed \$12,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$20,000,000 for the fiscal year ending September 30, 1982; and any sums authorized by this subparagraph which remain available after such labor protection payments are made shall be made available to the Corporation for use in the payment of expenses and costs in accordance with subparagraphs (A) and (B) of this paragraph; and

“(E) for the payment of the principal of obligations (other than leases) of the Corporation which are guaranteed by the Secretary pursuant to section 602 of this Act, not to exceed \$25,000,000 for the fiscal year ending September 30, 1980, not to exceed \$25,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$25,000,000 for the fiscal year ending September 30, 1982.

“(2) Funds appropriated pursuant to this section shall be made available to the Secretary during the fiscal year for which appropriated, except that appropriations for capital acquisitions and improvements may be made in an appropriations Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation. Funds appropriated are authorized to remain available until expended. Appropriated sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with (A) the Secretary's budget request as approved or modified by Congress at the time of appropriation, and (B) guidelines established by the Secretary. 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.

*Ante*, p. 548.

*Ante*, p. 542.

45 USC 602.

“(3) Funds appropriated for capital grants pursuant to this subsection shall be paid to the Corporation in each fiscal quarter, and such grants may be used by the Corporation for temporary reduction of outstanding loan balances, including loans guaranteed by the Secretary pursuant to section 602 of this Act.”.

(b) TECHNICAL AMENDMENTS.—(1) Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended—

(A) by striking out “(a)(1)” and inserting in lieu thereof “(a)”; and

(B) by striking out “(2) Funds appropriated for” and all that follows through “of this Act”.

(2) Section 602(d) of the Rail Passenger Service Act (45 U.S.C. 602(d)) is amended by striking out “clause (3) of section 601(a)” and inserting in lieu thereof “section 601(a)(3) or section 601(b)(1)(E)”.

#### EMPLOYEE COMPENSATION AND INCENTIVE COMMISSION

SEC. 123. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.) is amended by adding at the end thereof the following new section:

“SEC. 808. EMPLOYEE COMPENSATION AND INCENTIVE COMMISSION. 45 USC 647.

“(a) The Secretary shall, within 30 days after the date of enactment of this section, name a five-member Employee Compensation and Incentive Commission. The members of the Commission shall be selected on the basis of their knowledge of the railroad industry.

“(b) The Employee Compensation and Incentive Commission shall— Functions.

“(1) evaluate the salary paid officers of Amtrak in relation to Amtrak’s ability to attract and maintain qualified officers; and

“(2) after consultation with the Corporation and railroad labor organizations, develop a program for improving Amtrak employee incentive and morale, including measures such as the institution of recognition and financial awards for outstanding employees.

“(c) The Employee Compensation and Incentive Commission shall, no later than March 1, 1980, submit recommendations to the Board of Directors of the Corporation with respect to the matters referred to in subsection (b) of this section. The Board of Directors shall, within 90 days after the date of submission, notify the Congress of (1) any action it plans to take to implement the Commission’s recommendations, and (2) any proposals for additional legislation which the board considers necessary.”.

#### MODEL PROGRAMS

SEC. 124. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

“SEC. 809. MODEL PROGRAMS. 45 USC 648.

“Not later than October 1, 1979, the Corporation shall, in consultation with railroad labor organizations, develop and implement a Job Placement Program for employees who will be affected by the reduction in work force caused by the implementation of the Secretary’s recommendations for the restructuring of routes. Such program shall emphasize the facilitation of reemployment of employees dismissed or dislocated as a result of corporate restructuring. In

carrying out its responsibilities under this section, the Corporation shall attempt to reduce labor protection costs and maximize utilization of the employment skills of affected employees. Such program may include job counseling, placement advertising, skills improvement courses, and such other activities as the Corporation considers appropriate to facilitate reemployment of affected employees within or outside the rail industry.”

#### STATE TAXATION STUDY

SEC. 125. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

45 USC 649.

“SEC. 810. STATE TAXATION STUDY.

“The Secretary shall conduct a study of the payment of taxes by the Corporation to State and local governments, including the payment of property taxes, sales taxes, gross revenue taxes, fuel taxes, licenses, and other user fees, and any other taxes paid by the Corporation to such governments, and shall make recommendations to the Congress no later than January 1, 1980, concerning the advisability of relieving the Corporation, either in whole or in part, of its obligation to make such payments. In conducting such study, the Secretary shall consider—

“(1) the requirement that the Corporation be operated and managed as a for-profit corporation;

“(2) the certainty that the Corporation will need substantial Federal subsidies for the foreseeable future;

“(3) the demand by States and localities for continued and increased federally funded rail passenger service;

“(4) the benefit to States and localities of rail passenger service directly funded by the Federal Government; and

“(5) the importance to the Nation of maintaining an efficient and reliable national rail transportation system.”

#### REPORT ON REVENUES AND EXPENSES

SEC. 126. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

#### “REVENUE REPORT

45 USC 650.

“SEC. 811. Within 60 days of the end of each fiscal year beginning with fiscal year 1981, the Corporation shall report to the Congress on the ratio of revenue to operating expenses on all routes in the basic system. As part of such report, the Corporation shall specifically identify those train routes which did not achieve a 50 percent revenue-to-expense ratio, and the Corporation shall include statements explaining the reasons which prevented such ratios from being achieved.”

#### IMPLEMENTATION OF THE NEW ROUTE PLAN

92 Stat. 923.

45 USC 521 note.

SEC. 127. Section 4(g) of the Amtrak Improvement Act of 1978 (Public Law 95-421) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: “: *Provided, however,* That implementation of the Secretary’s recommendations which require (1) operation over rail lines not used in intercity passenger service upon the date of approval thereof; (2) use of new



facilities; or (3) new labor agreements, may be deferred by the Corporation until any necessary capital improvements in such lines or facilities, or required labor agreements, are made, to permit service that is equivalent or improved service and is consistent with the goals contained in subsection (a) of this section: *And provided further*, That, notwithstanding any other provision of law, pending deferred implementation of such recommendations, the Corporation shall provide substitute service over existing routes which are recommended for restructuring in whole or in part and over other feasible existing routes, without reference to the Route and Service Criteria. Substitute service provided over an existing route under this paragraph shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in section 404(d)(1) of the Rail Passenger Service Act, as adjusted to reflect constant 1979 dollars; but excepting any short-haul route concentrating on commuter ridership.”.

*Ante*, p. 546.

#### INTERMODAL TERMINAL PROGRAM

SEC. 128. The first sentence of section 4(i)(5) of the Department of Transportation Act (49 U.S.C. 1653(i)(5)) is amended by striking out “within two years following the approval of the application for Federal financial assistance under this subsection” and inserting in lieu thereof “within such time period as the Secretary establishes”.

#### GAO STUDY OF DEBT ELIMINATION

SEC. 129. Within 180 days after the effective date of this Act, the Comptroller General shall submit a report to the Congress recommending appropriate means for the National Railroad Passenger Corporation to eliminate the obligations of the Corporation that are guaranteed under section 602 of the Rail Passenger Service Act. In developing such recommendations, the Comptroller General shall consider (1) the feasibility of converting such obligations into stock issued by the Corporation, (2) the likelihood of obligation retirement from profits of the Corporation, (3) the ability of the Corporation to continue to carry its debt service within the context of operating subsidies, fairly and accurately reflecting current operating costs, and (4) the extent to which debt incurred by the Corporation prior to the effective date of this Act should be recognized as unrecoverable.

Report to  
Congress.  
45 USC 602 note.

45 USC 602.

#### SERVICE ON PORTION OR SEGMENT OF DISCONTINUED ROUTES

SEC. 130. The National Railroad Passenger Corporation shall conduct an evaluation of the possibility of providing rail passenger service on a portion or segment of any route over which service is discontinued on or after October 1, 1979. Such evaluation shall include an examination of the potential market demand for rail passenger service over a portion or segment of any such discontinued route, and the cost of providing such service. The Corporation shall, no later than February 15, 1980, submit a report to both Houses of the Congress and to the Secretary of Transportation setting forth its findings under this section.

45 USC 564 note.

Report to  
Congress and  
Secretary of  
Transportation.

#### MAIL AND EXPRESS REVENUES

SEC. 131. The National Railroad Passenger Corporation shall, in conjunction with the United States Postal Service, determine those mail transportation requirements which can be met by the Corporation and shall develop and submit to the Congress, no later than April

Report to  
Congress.  
45 USC 545a  
note.

30, 1980, a report setting forth recommendations designed to enable the Corporation to achieve maximum levels of mail carriage and revenues derived from such carriage. Such report shall include the following considerations:

- (1) the modification of existing facilities to handle mail and express more efficiently;
- (2) the acquisition of modern materials handling equipment and rolling stock;
- (3) optimum scheduling;
- (4) trains devoted exclusively to mail carriage;
- (5) staffing and promotional requirements; and
- (6) proposals for such legislative action as may be appropriate.

#### AMTRAK ROUTE ALLOCATION STUDY

Report to  
Congress.  
45 USC 545 note.

SEC. 132. (a) COST ALLOCATION REPORT.—(1) Not later than April 30, 1980, the President of the National Railroad Passenger Corporation shall submit a report to the Congress on the feasibility of establishing a system of uniform cost allocation for the Corporation which would include—

- (A) the avoidable cost by route;
- (B) the revenue (including mail and State subsidies, if any) by route;
- (C) the fully allocated cost by route;
- (D) the number of passengers carried by route;
- (E) the avoidable profit or loss by route;
- (F) the fully allocated profit or loss by route;
- (G) the profit or loss per passenger by route; and
- (H) the profit or loss by revenue passenger mile.

Definitions.

(2) For the purposes of this section, the term—

(A) "avoidable profit or loss" means the result of all revenue attributable to a route minus all reasonable and necessary expenses (including use of tracks and other facilities) which would be incurred by a carrier in providing a service which the carrier can establish that it would not incur if such service were not operated, and all other services were continued; such costs shall be restricted to costs solely related to the service and variable portion of common costs which would not be incurred but for the existence of the service; such costs shall exclude fixed common costs, allocation of any common costs which do not vary as a consequence of providing the service, return on investment, rent, and any other costs which the carrier cannot establish that it would not have reasonably and necessarily incurred but for the existence of the service;

(B) "fully allocated profit or loss" means the avoidable costs plus all other costs, other than unallocated costs, allocated to a route according to the Corporation's current accounting practices; and

(C) "unallocated costs" means those corporate interest, general, and administrative costs not assigned to particular routes.

(b) PROFIT AND LOSS REPORT.—(1) The Corporation shall prepare and submit to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and the Committee on Interstate and Foreign Commerce and the Committee on Appropriations of the House of Representatives not later than April 30, 1980, a report containing—

- (A) a profit and loss table by route for the upcoming fiscal year, assuming a 50 percent Government reimbursement of the fully allocated losses experienced by each such route; and

(B) the average ticket subsidy required to show a systemwide public service profit (above and beyond such 50 percent Government reimbursement) for the upcoming fiscal year.

(2) Such reports shall be based on the best possible data available to the Corporation including, but not limited to, historical ridership trends, marketing studies, general economic conditions, ticket pricing policies, levels of services and equipment availability among other factors.

(3) For the purposes of this section, the term "public service profit" means the profit or loss experienced on each route after the Government subsidies (both operating and ticket) are added to such route's revenues.

"Public service profit."

## TITLE II—AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

### AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—For the fiscal year ending September 30, 1980, there are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this Act such sums as are necessary, not to exceed \$28,500,000. Sums appropriated under this subsection are authorized to remain available until expended."

### REPORT ON SPECIAL COURT PROCEEDINGS

SEC. 202. Section 202(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712(e)) is amended by adding at the end thereof the following new paragraphs:

"(3) The Association shall transmit to the Congress, no later than 30 days after the end of each fiscal quarter, a report with respect to the proceedings before the special court to determine the valuation of rail properties conveyed to the Corporation under section 303 of this Act. Each such report shall include—

45 USC 743.

"(A) a detailed accounting of the Federal funds expended during such quarter in connection with such proceedings, and the purposes for which such funds were expended;

"(B) an explanation of the status of such proceedings, including the prospects for settlement or conclusion; and

"(C) an identification of which responsibilities in connection with such proceedings are being carried out directly by the Association, and which are being carried out by contract with private organizations."

### TRANSFER OF FUNCTIONS; MONITORING

SEC. 203. Section 202 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712) is amended by adding at the end thereof the following new subsections:

"(h) TRANSFER OF LITIGATION.—No later than March 1, 1980, the Association and the Attorney General of the United States shall develop and submit to the Congress a feasibility study for the transfer, to the appropriate department or agency of the Federal Government, of all responsibility for representing the United States in the proceedings before the special court to determine the valuation

Feasibility study.

45 USC 743.

of rail properties conveyed to the Corporation under section 303 of this Act.

“(i) **TRANSFER OF OTHER FUNCTIONS.**—No later than March 1, 1980, the Association and the Secretary of Transportation shall develop and submit to the Congress a feasibility study for the transfer of all functions of the Association, other than those referred to in subsection (h) of this section, to the appropriate department or agency of the Federal Government, including the abolition of those functions which will no longer be necessary.

“(j) **MONITORING OF CONTRACTORS.**—The Board of Directors of the Association shall adopt procedures to insure (1) that contractors, including law firms, provide reports containing written verification of tasks assigned, work performed, time worked, and costs incurred, including periodic status reports on work performed, (2) that such reports are audited by the Association, (3) that no funds are paid to contractors without written reports complying with the requirements of this subsection, and (4) that the Association applies such procedures uniformly to all contractors.”

#### INSURANCE COVERAGE

**SEC. 204. (a) PAYMENT OF PREMIUMS AND BENEFITS.**—Section 303(b)(6)(B) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(b)(6)(B)) is amended by striking out the first and second sentences and inserting in lieu thereof the following:

“(B) The Corporation shall, through the purchase of insurance or otherwise, maintain in effect any medical insurance coverage or so much of any life insurance coverage that does not exceed in death benefits an amount equal to twice the employee’s annual salary at the time of retirement or \$60,000, whichever is lower, which coverage was maintained by a railroad in reorganization in the region immediately prior to April 1, 1976, and which provides insurance benefits to employees who retired, prior to April 1, 1976, from service with such a railroad. With respect to any such employee whose medical or life insurance coverage lapsed after April 1, 1976, due to nonpayment of premiums, the Corporation shall—

“(i) through the purchase of insurance or otherwise, provide medical insurance benefits or life insurance benefits at the same level as were provided by the employer railroad in reorganization and in effect with respect to such employees immediately prior to April 1, 1976, except that the life insurance benefits so provided shall not exceed in death benefits an amount equal to twice the employee’s annual salary at the time of retirement or \$60,000, whichever is lower; and

“(ii) assume and pay any claim for such employee (or his personal representative) for any such insurance benefits, if—

“(I) such claim arose during the period beginning April 1, 1976, and ending on the date insurance coverage is provided pursuant to clause (i) of this subparagraph;

“(II) such benefits were not paid by an insurer solely because of the lapse of the insurance coverage during such period,

except that such death benefits shall not be paid for any such employee in excess of an amount equal to twice the employee’s annual salary at the time of retirement or \$60,000, whichever is lower.”

(b) **AMENDMENTS TO SECTION 211(h).**—(1) Section 211(h)(1)(A)(viii) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(h)(1)(A)(viii)) is amended to read as follows:

45 USC 721.

“(viii) amounts required to provide adequate funding for continuation, by the Corporation, of medical and life insurance coverage and benefits for retired employees of railroads in reorganization as required and limited by section 303(b)(6)(B) of this Act.”

(2) Section 211(h)(6) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(h)(6)) is amended—

(A) by inserting “(A)” immediately before “Notwithstanding”;

(B) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively; and

(C) by adding at the end thereof the following new paragraph:

“(B) The Association shall have a direct claim, as a current expense of administration of the estate of the railroad in reorganization whose obligations were paid with the proceeds of loans forgiven under this paragraph, equal to the amount by which the loans, plus interest, have been forgiven. Such direct claim shall not be subject to any reduction by way of setoff, cross-claim, or counterclaim which the estate of such railroad in reorganization may be entitled to assert against the Corporation, the National Railroad Passenger Corporation, the Association, or the United States. The direct claim of the Association under this paragraph shall be prior to all other administrative claims of the estate of the railroad in reorganization, except claims arising under trustee’s certificates or from default on the payment of such certificates ”

### TITLE III—OFFICE OF RAIL PUBLIC COUNSEL

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 10388 of title 49, United States Code, is amended to read as follows:

#### “§ 10388. Authorization of appropriations

“There is authorized to be appropriated to the Office of Rail Public Counsel to carry out this subchapter not to exceed \$1,200,000 for the fiscal year ending September 30, 1980 ”

### TITLE IV—AMENDMENTS TO THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976

#### EXTENSION OF FINANCIAL ASSISTANCE PROGRAM

SEC. 401. Sections 505(e), 507(a), 507(d), and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(e), 827(a), 827(d), and 829) are amended by striking out “September 30, 1979” each place it appears and inserting in lieu thereof “September 30, 1980”

## TITLE V—EFFECTIVE DATES

## EFFECTIVE DATES

- 45 USC 501 note. **SEC. 501. (a)** Except as provided in subsection (b), the provisions of this Act shall take effect on October 1, 1979.
- 45 USC 743 note. **(b)** The amendments made by section 204 of this Act shall be effective as of the date of enactment of Public Law 95-597.

Approved September 29, 1979.

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**LEGISLATIVE HISTORY:**

**HOUSE REPORTS:** No. 96-189 (Comm. on Interstate and Foreign Commerce) and No. 96-481 (Comm. of Conference).

**SENATE REPORT** No. 96-183 accompanying S. 712 (Comm. on Commerce, Science, and Transportation).

**CONGRESSIONAL RECORD**, Vol. 125 (1979):

July 24, 25, considered and passed House.

Aug. 1, S. 712 considered and passed Senate.

Aug. 2, action of Aug. 1 vitiated and H.R. 3996 considered and passed Senate, amended, in lieu.

Sept. 25, Senate agreed to conference report.

Sept. 27, House agreed to conference report, receded from its disagreement and concurred in Senate amendment.