

Calendar No. 255

104TH CONGRESS
1ST Session

H. R. 1788

AN ACT

To reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

DECEMBER 4, 1995

Read twice and placed on the calendar

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IN THE SENATE OF THE UNITED STATES

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AN ACT

To reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Amtrak Reform and
5 Privatization Act of 1995”.

1 **TITLE I—PROCUREMENT**
2 **REFORMS**

3 **SEC. 101. CONTRACTING OUT.**

4 (a) AMENDMENT.—Section 24312(b) of title 49,
5 United States Code, is amended to read as follows:

6 “(b) CONTRACTING OUT.—(1) When Amtrak con-
7 tracts out work normally performed by an employee in a
8 bargaining unit covered by a contract between a labor or-
9 ganization and Amtrak, Amtrak is encouraged to use
10 other rail carriers for performing such work.

11 “(2)(A) Amtrak may not enter into a contract for the
12 operation of trains with any entity other than a State or
13 State authority.

14 “(B) If Amtrak enters into a contract as described
15 in subparagraph (A)—

16 “(i) such contract shall not relieve Amtrak of
17 any obligation in connection with the use of facilities
18 of another entity for the operation covered by such
19 contract; and

20 “(ii) such operation shall be subject to any op-
21 erating or safety restrictions and conditions required
22 by the agreement providing for the use of such fa-
23 cilities.

1 “(C) This paragraph shall not restrict Amtrak’s au-
2 thority to enter into contracts for access to or use of
3 tracks or facilities for the operation of trains.”.

4 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-
5 fect 254 days after the date of the enactment of this Act.

6 **SEC. 102. CONTRACTING PRACTICES.**

7 (a) BELOW-COST COMPETITION.—Section 24305(b)
8 of title 49, United States Code, is amended to read as
9 follows:

10 “(b) BELOW-COST COMPETITION.—(1) Amtrak shall
11 not submit any bid for the performance of services under
12 a contract for an amount less than the cost to Amtrak
13 of performing such services, with respect to any activity
14 other than the provision of intercity rail passenger trans-
15 portation, commuter rail passenger transportation, or mail
16 or express transportation. For purposes of this subsection,
17 the cost to Amtrak of performing services shall be deter-
18 mined using generally accepted accounting principles for
19 contracting.

20 “(2) Any aggrieved individual may commence a civil
21 action for violation of paragraph (1). The United States
22 district courts shall have jurisdiction, without regard to
23 the amount in controversy or the citizenship of the parties,
24 to enforce paragraph (1). The court, in issuing any final
25 order in any action brought pursuant to this paragraph,

1 may award bid preparation costs, anticipated profits, and
2 litigation costs, including reasonable attorney and expert
3 witness fees, to any prevailing or substantially prevailing
4 party. The court may, if a temporary restraining order
5 or preliminary injunction is sought, require the filing of
6 a bond or equivalent security in accordance with the Fed-
7 eral Rules of Civil Procedure.

8 “(3) This subsection shall cease to be effective on the
9 expiration of a fiscal year during which no Federal operat-
10 ing assistance is provided to Amtrak.”.

11 (b) THROUGH SERVICE IN CONJUNCTION WITH
12 INTERCITY BUS OPERATIONS.—(1) Section 24305(a) of
13 title 49, United States Code, is amended by adding at the
14 end the following new paragraph:

15 “(3)(A) Except as provided in subsection (d)(2), Am-
16 trak may enter into a contract with a motor carrier of
17 passengers for the intercity transportation of passengers
18 by motor carrier over regular routes only—

19 “(i) if the motor carrier is not a public recipient
20 of governmental assistance, as such term is defined
21 in section 10922(d)(1)(F)(i) of this title, other than
22 a recipient of funds under section 18 of the Federal
23 Transit Act;

1 “(ii) for passengers who have had prior move-
2 ment by rail or will have subsequent movement by
3 rail; and

4 “(iii) if the buses, when used in the provision
5 of such transportation, are used exclusively for the
6 transportation of passengers described in clause (ii).

7 “(B) Subparagraph (A) shall not apply to transpor-
8 tation funded predominantly by a State or local govern-
9 ment, or to ticket selling agreements.”.

10 (2) Section 24305(d) of title 49, United States Code,
11 is amended by adding at the end the following new para-
12 graph:

13 “(3) Congress encourages Amtrak and motor com-
14 mon carriers of passengers to use the authority conferred
15 in section 11342(a) of this title for the purpose of provid-
16 ing improved service to the public and economy of oper-
17 ation.”.

18 **SEC. 103. FREEDOM OF INFORMATION ACT.**

19 Section 24301(e) of title 49, United States Code, is
20 amended by striking “Section 552 of title 5, this part,”
21 and inserting in lieu thereof “This part”.

22 **SEC. 104. TRACK WORK.**

23 (a) **OUTREACH PROGRAM.**—Amtrak shall, within one
24 year after the date of the enactment of this Act, establish
25 an outreach program through which it will work with track

1 work manufacturers in the United States to increase the
2 likelihood that such manufacturers will be able to meet
3 Amtrak’s specifications for track work. The program shall
4 include engineering assistance for the manufacturers and
5 dialogue between Amtrak and the manufacturers to iden-
6 tify how Amtrak’s specifications can be met by the capa-
7 bilities of the manufacturers.

8 (b) ANNUAL REPORT.—Amtrak shall report to the
9 Congress within 2 years after the date of the enactment
10 of this Act on progress made under subsection (a), includ-
11 ing a statement of the percentage of Amtrak’s track work
12 contracts that are awarded to manufacturers in the United
13 States.

14 **TITLE II—OPERATIONAL** 15 **REFORMS**

16 **SEC. 201. BASIC SYSTEM.**

17 (a) OPERATION OF BASIC SYSTEM.—Section 24701
18 of title 49, United States Code, and the item relating
19 thereto in the table of sections of chapter 247 of such title,
20 are repealed.

21 (b) IMPROVING RAIL PASSENGER TRANSPOR-
22 TATION.—Section 24702 of title 49, United States Code,
23 and the item relating thereto in the table of sections of
24 chapter 247 of such title, are repealed.

1 (c) DISCONTINUANCE.—Section 24706 of title 49,
2 United States Code, is amended—

3 (1) in subsection (a)(1)—

4 (A) by striking “90 days” and inserting in
5 lieu thereof “180 days”;

6 (B) by striking “a discontinuance under
7 section 24704 or 24707(a) or (b) of this title”
8 and inserting in lieu thereof “discontinuing
9 service over a route”; and

10 (C) by inserting “or assume” after “agree
11 to share”;

12 (2) in subsection (a)(2), by striking “section
13 24704 or 24707(a) or (b) of this title” and inserting
14 in lieu thereof “paragraph (1)”; and

15 (3) by striking subsection (b).

16 (d) COST AND PERFORMANCE REVIEW.—Section
17 24707 of title 49, United States Code, and the item relat-
18 ing thereto in the table of sections of chapter 247 of such
19 title, are repealed.

20 (e) SPECIAL COMMUTER TRANSPORTATION.—Section
21 24708 of title 49, United States Code, and the item relat-
22 ing thereto in the table of sections of chapter 247 of such
23 title, are repealed.

1 (f) CONFORMING AMENDMENT.—Section
2 24312(a)(1) of title 49, United States Code, is amended
3 by striking “, 24701(a),”.

4 **SEC. 202. MAIL, EXPRESS, AND AUTO-FERRY TRANSPOR-**
5 **TATION.**

6 (a) REPEAL.—Section 24306 of title 49, United
7 States Code, and the item relating thereto in the table of
8 sections of chapter 243 of such title, are repealed.

9 (b) CONFORMING AMENDMENT.—Section 24301 of
10 title 49, United States Code, is amended by adding at the
11 end the following new subsection:

12 “(o) NONAPPLICATION OF CERTAIN OTHER LAWS.—
13 State and local laws and regulations that impair the provi-
14 sion of mail, express, and auto-ferry transportation do not
15 apply to Amtrak or a rail carrier providing mail, express,
16 or auto-ferry transportation.”.

17 **SEC. 203. ROUTE AND SERVICE CRITERIA.**

18 Section 24703 of title 49, United States Code, and
19 the item relating thereto in the table of sections of chapter
20 247 of such title, are repealed.

21 **SEC. 204. ADDITIONAL QUALIFYING ROUTES.**

22 Section 24705 of title 49, United States Code, and
23 the item relating thereto in the table of sections of chapter
24 247 of such title, are repealed.

1 **SEC. 205. TRANSPORTATION REQUESTED BY STATES, AU-**
2 **THORITIES, AND OTHER PERSONS.**

3 (a) REPEAL.—Section 24704 of title 49, United
4 States Code, and the item relating thereto in the table of
5 sections of chapter 247 of such title, are repealed.

6 (b) EXISTING AGREEMENTS.—Amtrak shall not,
7 after the date of the enactment of this Act, be required
8 to provide transportation services pursuant to an agree-
9 ment entered into before such date of enactment under
10 the section repealed by subsection (a) of this section.

11 (c) STATE, REGIONAL, AND LOCAL COOPERATION.—
12 Section 24101(c)(2) of title 49, United States Code, is
13 amended by inserting “, separately or in combination,”
14 after “and the private sector”.

15 (d) CONFORMING AMENDMENT.—Section
16 24312(a)(1) of title 49, United States Code, is amended
17 by striking “or 24704(b)(2)”.

18 **SEC. 206. AMTRAK COMMUTER.**

19 (a) REPEAL OF CHAPTER 245.—Chapter 245 of title
20 49, United States Code, and the item relating thereto in
21 the table of chapters of subtitle V of such title, are re-
22 pealed.

23 (b) CONFORMING AMENDMENTS.—(1) Section
24 24301(f) of title 49, United States Code, is amended to
25 read as follows:

1 “(f) TAX EXEMPTION FOR CERTAIN COMMUTER AU-
2 THORITIES.—A commuter authority that was eligible to
3 make a contract with Amtrak Commuter to provide com-
4 muter rail passenger transportation but which decided to
5 provide its own rail passenger transportation beginning
6 January 1, 1983, is exempt, effective October 1, 1981,
7 from paying a tax or fee to the same extent Amtrak is
8 exempt.”.

9 (2) Subsection (a) of this section shall not affect any
10 trackage rights held by Amtrak or the Consolidated Rail
11 Corporation.

12 **SEC. 207. COMMUTER COST SHARING ON THE NORTHEAST**
13 **CORRIDOR.**

14 (a) DETERMINATION OF COMPENSATION.—Section
15 24904 of title 49, United States Code, is amended—

16 (1) by striking subsection (b);

17 (2) by redesignating subsection (c) as sub-
18 section (b);

19 (3) in subsection (b), as so redesignated by
20 paragraph (2) of this subsection—

21 (A) by striking “TRANSPORTATION OVER
22 CERTAIN RIGHTS OF WAY AND FACILITIES” in
23 the subsection head and inserting in lieu thereof
24 “FREIGHT TRANSPORTATION”;

1 (B) by inserting “relating to rail freight
2 transportation” after “subsection (a)(6) of this
3 section” in paragraph (1); and

4 (C) by inserting “to an agreement de-
5 scribed in paragraph (1)” after “If the parties”
6 in paragraph (2); and

7 (4) by inserting after subsection (b), as so re-
8 designated by paragraph (2) of this subsection, the
9 following new subsection:

10 “(c) BINDING ARBITRATION FOR COMMUTER DIS-
11 PUTES.—(1) If the parties to an agreement described in
12 subsection (a)(6) relating to commuter rail passenger
13 transportation cannot agree to the terms of such agree-
14 ment, such parties shall submit the issues in dispute to
15 binding arbitration.

16 “(2) The parties to a dispute described in paragraph
17 (1) may agree to use the Interstate Commerce Commis-
18 sion to arbitrate such dispute, and if requested the Inter-
19 state Commerce Commission shall perform such func-
20 tion.”.

21 (b) PRIVATIZATION.—Section 24101(d) of title 49,
22 United States Code, is amended to read as follows:

23 “(d) MINIMIZING GOVERNMENT SUBSIDIES.—To
24 carry out this part, Amtrak is encouraged to make agree-
25 ments with the private sector and undertake initiatives

1 that are consistent with good business judgment, that
2 produce income to minimize Government subsidies, and
3 that promote the potential privatization of Amtrak's oper-
4 ations.”.

5 **SEC. 208. ACCESS TO RECORDS AND ACCOUNTS.**

6 Section 24315 of title 49, United States Code, is
7 amended—

8 (1) in subsection (e), by inserting “financial or”
9 after “Comptroller General may conduct”; and

10 (2) by adding at the end the following new sub-
11 section:

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

16 **TITLE III—COLLECTIVE**
17 **BARGAINING REFORMS**

18 **SEC. 301. RAILWAY LABOR ACT PROCEDURES.**

19 (a) NOTICES.—(1) Notwithstanding any arrange-
20 ment in effect before the date of the enactment of this
21 Act, notices under section 6 of the Railway Labor Act (45
22 U.S.C. 156) with respect to all issues relating to—

23 (A) employee protective arrangements and sev-
24 erance benefits, including all provisions of Appendix

1 C-2 to the National Railroad Passenger Corporation
2 Agreement, signed July 5, 1973; and

3 (B) contracting out by Amtrak of work nor-
4 mally performed by an employee in a bargaining
5 unit covered by a contract between Amtrak and a
6 labor organization representing Amtrak employees,
7 applicable to employees of Amtrak shall be deemed served
8 and effective on the date which is 90 days after the date
9 of the enactment of this Act. Amtrak, and each affected
10 labor organization representing Amtrak employees, shall
11 promptly supply specific information and proposals with
12 respect to each such notice. This subsection shall not apply
13 to issues relating to provisions defining the scope or classi-
14 fication of work performed by an Amtrak employee.

15 (2) In the case of provisions of a collective bargaining
16 agreement with respect to which a moratorium is in effect
17 90 days after the date of the enactment of this Act, para-
18 graph (1) shall take effect on the expiration of such mora-
19 torium. For purposes of the application of paragraph (1)
20 to such provisions, notices shall be deemed served and ef-
21 fective on the date of such expiration.

22 (b) NATIONAL MEDIATION BOARD EFFORTS.—Ex-
23 cept as provided in subsection (c), the National Mediation
24 Board shall complete all efforts, with respect to each dis-
25 pute described in subsection (a), under section 5 of the

1 Railway Labor Act (45 U.S.C. 155) not later than 180
2 days after the date of the enactment of this Act.

3 (c) RAILWAY LABOR ACT ARBITRATION.—The par-
4 ties to any dispute described in subsection (a) may agree
5 to submit the dispute to arbitration under section 7 of the
6 Railway Labor Act (45 U.S.C. 157), and any award re-
7 sulting therefrom shall be retroactive to the date which
8 is 180 days after the date of the enactment of this Act.

9 (d) DISPUTE RESOLUTION.—(1) With respect to any
10 dispute described in subsection (a) which—

11 (A) is unresolved as of the date which is 180
12 days after the date of the enactment of this Act; and

13 (B) is not submitted to arbitration as described
14 in subsection (c),

15 Amtrak and the labor organization parties to such dispute
16 shall, within 187 days after the date of the enactment of
17 this Act, each select an individual from the entire roster
18 of arbitrators maintained by the National Mediation
19 Board. Within 194 days after the date of the enactment
20 of this Act, the individuals selected under the preceding
21 sentence shall jointly select an individual from such roster
22 to make recommendations with respect to such dispute
23 under this subsection.

24 (2) No individual shall be selected under paragraph
25 (1) who is pecuniarily or otherwise interested in any orga-

1 nization of employees or any railroad. Nothing in this sub-
2 section shall preclude an individual from being selected for
3 more than 1 dispute described in subsection (a).

4 (3) The compensation of individuals selected under
5 paragraph (1) shall be fixed by the National Mediation
6 Board. The second paragraph of section 10 of the Railway
7 Labor Act shall apply to the expenses of such individuals
8 as if such individuals were members of a board created
9 under such section 10.

10 (4) If the parties to a dispute described in subsection
11 (a) fail to reach agreement within 224 days after the date
12 of the enactment of this Act, the individual selected under
13 paragraph (1) with respect to such dispute shall make rec-
14 ommendations to the parties proposing contract terms to
15 resolve the dispute.

16 (5) If the parties to a dispute described in subsection
17 (a) fail to reach agreement, no change shall be made by
18 either of the parties in the conditions out of which the
19 dispute arose for 30 days after recommendations are made
20 under paragraph (4).

21 (6) Section 10 of the Railway Labor Act (45 U.S.C.
22 160) shall not apply to a dispute described in subsection
23 (a).

1 **SEC. 302. SERVICE DISCONTINUANCE.**

2 (a) REPEAL.—(1) Section 24706(c) of title 49, Unit-
3 ed States Code, is repealed.

4 (2)(A) Any provision of a contract, entered into be-
5 fore the date of the enactment of this Act between Amtrak
6 and a labor organization representing Amtrak employees,
7 relating to—

8 (i) employee protective arrangements and sever-
9 ance benefits, including all provisions of Appendix
10 C–2 to the National Railroad Passenger Corporation
11 Agreement, signed July 5, 1973; or

12 (ii) contracting out by Amtrak of work normally
13 performed by an employee in a bargaining unit cov-
14 ered by a contract between Amtrak and a labor or-
15 ganization representing Amtrak employees,
16 applicable to employees of Amtrak is extinguished. This
17 paragraph shall not apply to provisions defining the scope
18 or classification of work performed by an Amtrak em-
19 ployee.

20 (B) In the case of provisions of a collective bargaining
21 agreement with respect to which a moratorium is in effect
22 90 days after the date of the enactment of this Act, sub-
23 paragraph (A) shall take effect 164 days after the date
24 of the expiration of such moratorium.

25 (3) Section 1172(c) of title 11, United States Code,
26 shall not apply to Amtrak and its employees.

1 (4) Paragraphs (1) and (2) of this subsection shall
2 take effect 254 days after the date of the enactment of
3 this Act.

4 (b) INTERCITY PASSENGER SERVICE EMPLOYEES.—
5 Section 1165(a) of the Northeast Rail Service Act of 1981
6 (45 U.S.C. 1113(a)) is amended—

7 (1) by inserting “(1)” before “After January 1,
8 1983”;

9 (2) by striking “Amtrak, Amtrak Commuter,
10 and Conrail” and inserting in lieu thereof “Amtrak
11 and Conrail”;

12 (3) by striking “Such agreement shall ensure”
13 and all that follows through “submitted to binding
14 arbitration.”; and

15 (4) by adding at the end the following new
16 paragraph:

17 “(2) Notwithstanding any other provision of law,
18 agreement, or arrangement, with respect to employees in
19 any class or craft in train or engine service, Conrail shall
20 have the right to furlough one such employee for each em-
21 ployee in train or engine service who moves from Amtrak
22 to Conrail in excess of the cumulative number of such em-
23 ployees who move from Conrail to Amtrak. Conrail shall
24 not be obligated to fill any position governed by an agree-
25 ment concerning crew consist, attrition arrangements, re-

1 serve boards, or reserve engine service positions, where an
2 increase in positions is the result of the return of an Am-
3 trak employee pursuant to an agreement entered into
4 under paragraph (1). Conrail’s collective bargaining agree-
5 ments with organizations representing its train and engine
6 service employees shall be deemed to have been amended
7 to conform to this paragraph. Any dispute or controversy
8 with respect to the interpretation, application, or enforce-
9 ment of this paragraph which has not been resolved within
10 90 days after the date of the enactment of this paragraph
11 may be submitted by either party to an adjustment board
12 for a final and binding decision under section 3 of the
13 Railway Labor Act.”.

14 (c) TECHNICAL AMENDMENT.—Section 11347 of
15 title 49, United States Code, is amended by striking “sec-
16 tions 24307(e), 24312, and” and inserting in lieu thereof
17 “section”.

18 **TITLE IV—USE OF RAILROAD** 19 **FACILITIES**

20 **SEC. 401. LIABILITY LIMITATION.**

21 (a) AMENDMENT.—Chapter 281 of title 49, United
22 States Code, is amended by adding at the end the follow-
23 ing new section:

1 **“§28103. Limitations on rail passenger transpor-**
2 **tation liability**

3 “(a) LIMITATIONS.—(1) Notwithstanding any other
4 statutory or common law or public policy, or the nature
5 of the conduct giving rise to damages or liability, in a
6 claim for personal injury, death, or damage to property
7 arising from or in connection with the provision of rail
8 passenger transportation, or from or in connection with
9 any rail passenger transportation operations over or rail
10 passenger transportation use of right-of-way or facilities
11 owned, leased, or maintained by any high-speed railroad
12 authority or operator, any commuter authority or opera-
13 tor, any rail carrier, or any State—

14 “(A) punitive damages shall not exceed the
15 greater of—

16 “(i) \$250,000; or

17 “(ii) three times the amount of economic
18 loss; and

19 “(B) noneconomic damages awarded to any
20 claimant for each accident or incident shall not ex-
21 ceed the claimant’s economic loss, if any, by more
22 than \$250,000.

23 “(2) If, in any case wherein death was caused, the
24 law of the place where the act or omission complained of
25 occurred provides, or has been construed to provide, for
26 damages only punitive in nature, the claimant may recover

1 in a claim limited by this subsection for economic and non-
2 economic damages and punitive damages, subject to para-
3 graph (1)(A) and (B).

4 “(3) For purposes of this subsection—

5 “(A) the term ‘actual damages’ means damages
6 awarded to pay for economic loss;

7 “(B) the term ‘claim’ means a claim made, di-
8 rectly or indirectly—

9 “(i) against Amtrak, any high-speed rail-
10 road authority or operator, any commuter au-
11 thority or operator, any rail carrier, or any
12 State; or

13 “(ii) against an officer, employee, affiliate
14 engaged in railroad operations, or agent, of
15 Amtrak, any high-speed railroad authority or
16 operator, any commuter authority or operator,
17 any rail carrier, or any State;

18 “(C) the term ‘economic loss’ means any pecu-
19 niary loss resulting from harm, including the loss of
20 earnings, medical expense loss, replacement services
21 loss, loss due to death, burial costs, loss of business
22 or employment opportunities, and any other form of
23 pecuniary loss allowed under applicable State law or
24 under paragraph (2) of this subsection;

1 “(D) the term ‘noneconomic damages’ means
2 damages other than punitive damages or actual
3 damages; and

4 “(E) the term ‘punitive damages’ means dam-
5 ages awarded against any person or entity to punish
6 or deter such person or entity, or others, from en-
7 gaging in similar behavior in the future.

8 “(b) INDEMNIFICATION OBLIGATIONS.—Obligations
9 of any party, however arising, including obligations arising
10 under leases or contracts or pursuant to orders of an ad-
11 ministrative agency, to indemnify against damages or li-
12 ability for personal injury, death, or damage to property
13 described in subsection (a), incurred after the date of the
14 enactment of the Amtrak Reform and Privatization Act
15 of 1995, shall be enforceable, notwithstanding any other
16 statutory or common law or public policy, or the nature
17 of the conduct giving rise to the damages or liability.

18 “(c) EFFECT ON OTHER LAWS.—This section shall
19 not affect the damages that may be recovered under the
20 Act of April 27, 1908 (45 U.S.C. 51 et seq.; popularly
21 known as the ‘Federal Employers’ Liability Act’) or under
22 any workers compensation Act.

23 “(d) DEFINITION.—For purposes of this section, the
24 term ‘rail carrier’ includes a person providing excursion,

1 scenic, or museum train service, and an owner or operator
2 of a privately owned rail passenger car.”.

3 (b) CONFORMING AMENDMENT.—The table of sec-
4 tions of chapter 281 of title 49, United States Code, is
5 amended by adding at the end the following new item:

“28103. Limitations on rail passenger transportation liability.”.

6 **TITLE V—FINANCIAL REFORMS**

7 **SEC. 501. FINANCIAL POWERS.**

8 (a) CAPITALIZATION.—(1) Section 24304 of title 49,
9 United States Code, is amended to read as follows:

10 **“§ 24304. Employee stock ownership plans**

11 “In issuing stock pursuant to applicable corporate
12 law, Amtrak is encouraged to include employee stock own-
13 ership plans.”.

14 (2) The item relating to section 24304 of title 49,
15 United States Code, in the table of sections of chapter 243
16 of such title is amended to read as follows:

“24304. Employee stock ownership plans.”.

17 (b) REDEMPTION OF COMMON STOCK.—(1) Amtrak
18 shall, within 2 months after the date of the enactment of
19 this Act, redeem all common stock previously issued, for
20 the fair market value of such stock.

21 (2) Section 28103 of title 49, United States Code,
22 shall not apply to any rail carrier holding common stock
23 of Amtrak after the expiration of 2 months after the date
24 of the enactment of this Act.

1 (3) Amtrak shall redeem any such common stock held
2 after the expiration of the 2-month period described in
3 paragraph (1), using procedures set forth in section
4 24311(a) and (b).

5 (c) ELIMINATION OF LIQUIDATION PREFERENCE
6 AND VOTING RIGHTS OF PREFERRED STOCK.—(1)(A)
7 Preferred stock of Amtrak held by the Secretary of Trans-
8 portation shall confer no liquidation preference.

9 (B) Subparagraph (A) shall take effect 90 days after
10 the date of the enactment of this Act.

11 (2)(A) Preferred stock of Amtrak held by the Sec-
12 retary of Transportation shall confer no voting rights.

13 (B) Subparagraph (A) shall take effect 60 days after
14 the date of the enactment of this Act.

15 (d) NOTE AND MORTGAGE.—(1) Section 24907 of
16 title 49, United States Code, and the item relating thereto
17 in the table of sections of chapter 249 of such title, are
18 repealed.

19 (2) The United States hereby relinquishes all rights
20 held in connection with any note obtained or mortgage
21 made under such section 24907, or in connection with the
22 note, security agreement, and terms and conditions related
23 thereto entered into with Amtrak dated October 5, 1983.

1 (3) No amount shall be includible in Amtrak’s gross
2 income for Federal tax purposes as a result of the applica-
3 tion of this subsection or subsection (c).

4 (e) STATUS AND APPLICABLE LAWS.—(1) Section
5 24301(a)(3) of title 49, United States Code, is amended
6 by inserting “, and shall not be subject to title 31, United
7 States Code” after “United States Government”.

8 (2) Section 9101(2) of title 31, United States Code,
9 relating to Government corporations, is amended by strik-
10 ing subparagraph (A) and redesignating subparagraphs
11 (B) through (M) as subparagraphs (A) through (L), re-
12 spectively.

13 **SEC. 502. DISBURSEMENT OF FEDERAL FUNDS.**

14 Section 24104(d) of title 49, United States Code, is
15 amended to read as follows:

16 “(d) ADMINISTRATION OF APPROPRIATIONS.—Fed-
17 eral operating assistance funds appropriated to Amtrak
18 shall be provided to Amtrak upon appropriation when re-
19 quested by Amtrak.”.

20 **SEC. 503. BOARD OF DIRECTORS.**

21 (a) AMENDMENT.—Section 24302 of title 49, United
22 States Code, is amended to read as follows:

23 **“§ 24302. Board of Directors**

24 “(a) EMERGENCY REFORM BOARD.—

1 “(1) ESTABLISHMENT AND DUTIES.—The
2 Emergency Reform Board described in paragraph
3 (2) shall assume the responsibilities of the Board of
4 Directors of Amtrak 60 days after the date of the
5 enactment of the Amtrak Reform and Privatization
6 Act of 1995, or as soon thereafter as such Board is
7 sufficiently constituted to function as a board of di-
8 rectors under applicable corporate law. Such Board
9 shall adopt new bylaws, including procedures for the
10 selection of members of the Board of Directors
11 under subsection (c) which provide for employee rep-
12 resentation.

13 “(2) MEMBERSHIP.—(A) The Emergency Re-
14 form Board shall consist of 7 members appointed by
15 the President, by and with the advice and consent
16 of the Senate.

17 “(B) In selecting individuals for nominations
18 for appointments to the Emergency Reform Board,
19 the President should consult with—

20 “(i) the Speaker of the House of Rep-
21 resentatives concerning the appointment of two
22 members;

23 “(ii) the minority leader of the House of
24 Representatives concerning the appointment of
25 one member;

1 “(iii) the majority leader of the Senate
2 concerning the appointment of two members;
3 and

4 “(iv) the minority leader of the Senate con-
5 cerning the appointment of one member.

6 “(C) Appointments under subparagraph (A)
7 shall be made from among individuals who—

8 “(i) have technical qualification, profes-
9 sional standing, and demonstrated expertise in
10 the fields of intercity common carrier transpor-
11 tation and corporate management; and

12 “(ii) are not employees of Amtrak, employ-
13 ees of the United States, or representatives of
14 rail labor or rail management.

15 “(b) DIRECTOR GENERAL.—If the Emergency Re-
16 form Board described in subsection (a)(2) is not suffi-
17 ciently constituted to function as a board of directors
18 under applicable corporate law before the expiration of 60
19 days after the date of the enactment of the Amtrak Re-
20 form and Privatization Act of 1995, the special court es-
21 tablished under section 209(b) of the Regional Rail Reor-
22 ganization Act of 1973 (45 U.S.C. 719(b)) shall appoint
23 a Director General, who shall exercise all powers of the
24 Board of Directors of Amtrak until the Emergency Re-
25 form Board assumes such powers.

1 “(c) BOARD OF DIRECTORS.—Four years after the
2 establishment of the Emergency Reform Board under sub-
3 section (a), a Board of Directors shall be selected pursu-
4 ant to bylaws adopted by the Emergency Reform Board,
5 and the Emergency Reform Board shall be dissolved.”.

6 (b) EFFECT ON AUTHORIZATIONS.—If the Emer-
7 gency Reform Board has not assumed the responsibilities
8 of the Board of Directors of Amtrak before March 15,
9 1996, all provisions authorizing appropriations under the
10 amendments made by section 701 of this Act for a fiscal
11 year after fiscal year 1996 shall cease to be effective.

12 **SEC. 504. REPORTS AND AUDITS.**

13 Section 24315 of title 49, United States Code, as
14 amended by section 208 of this Act, is further amended—

15 (1) by striking subsections (a) and (c);

16 (2) by redesignating subsections (b), (d), (e),
17 (f), (g), and (h) as subsections (a), (b), (c), (d), (e),
18 and (f), respectively; and

19 (3) in subsection (d), as so redesignated by
20 paragraph (2) of this section, by striking “(d) or
21 (e)” and inserting in lieu thereof “(b) or (c)”.

22 **SEC. 505. OFFICERS’ PAY.**

23 Section 24303(b) of title 49, United States Code, is
24 amended by inserting “The preceding sentence shall cease
25 to be effective on the expiration of a fiscal year during

1 which no Federal operating assistance is provided to Am-
2 trak.” after “with comparable responsibility.”.

3 **SEC. 506. EXEMPTION FROM TAXES.**

4 Section 24301(l)(1) of title 49, United States Code,
5 is amended—

6 (1) by inserting “, and any passenger or other
7 customer of Amtrak or such subsidiary,” after “sub-
8 sidiary of Amtrak”;

9 (2) by striking “or fee imposed” and all that
10 follows through “levied on it” and inserting in lieu
11 thereof “, fee, head charge, or other charge, imposed
12 or levied by a State, political subdivision, or local
13 taxing authority, directly or indirectly on Amtrak or
14 on persons traveling in intercity rail passenger
15 transportation or on mail or express transportation
16 provided by Amtrak or a rail carrier subsidiary of
17 Amtrak, or on the carriage of such persons, mail, or
18 express, or on the sale of any such transportation,
19 or on the gross receipts derived therefrom”; and

20 (3) by amending the last sentence thereof to
21 read as follows: “In the case of a tax or fee that
22 Amtrak was required to pay as of September 10,
23 1982, Amtrak is not exempt from such tax or fee if
24 it was assessed before April 1, 1995.”.

1 **TITLE VI—MISCELLANEOUS**

2 **SEC. 601. TEMPORARY RAIL ADVISORY COUNCIL.**

3 (a) APPOINTMENT.—Within 30 days after the date
4 of the enactment of this Act, a Temporary Rail Advisory
5 Council (in this section referred to as the “Council”) shall
6 be appointed under this section.

7 (b) DUTIES.—The Council shall—

8 (1) evaluate Amtrak’s performance;

9 (2) prepare an analysis and critique of Am-
10 trak’s business plan;

11 (3) suggest strategies for further cost contain-
12 ment and productivity improvements, including
13 strategies with the potential for further reduction in
14 Federal operating subsidies and the eventual partial
15 or complete privatization of Amtrak’s operations;
16 and

17 (4) recommend appropriate methods for adop-
18 tion of uniform cost and accounting procedures
19 throughout the Amtrak system, based on generally
20 accepted accounting principles.

21 (c) MEMBERSHIP.—(1) The Council shall consist of
22 7 members appointed as follows:

23 (A) Two individuals to be appointed by the
24 Speaker of the House of Representatives.

1 (B) One individual to be appointed by the mi-
2 nority leader of the House of Representatives.

3 (C) Two individuals to be appointed by the ma-
4 jority leader of the Senate.

5 (D) One individual to be appointed by the mi-
6 nority leader of the Senate.

7 (E) One individual to be appointed by the
8 President.

9 (2) Appointments under paragraph (1) shall be made
10 from among individuals who—

11 (A) have technical qualification, professional
12 standing, and demonstrated expertise in the fields of
13 transportation and corporate management; and

14 (B) are not employees of Amtrak, employees of
15 the United States, or representatives of rail labor or
16 rail management.

17 (3) Within 40 days after the date of the enactment
18 of this Act, a majority of the members of the Council shall
19 elect a chairman from among such members.

20 (d) TRAVEL EXPENSES.—Each member of the Coun-
21 cil shall serve without pay, but shall receive travel ex-
22 penses, including per diem in lieu of subsistence, in ac-
23 cordance with sections 5702 and 5703 of title 5, United
24 States Code.

1 (e) ADMINISTRATIVE SUPPORT.—The Secretary of
2 Transportation shall provide to the Council such adminis-
3 trative support as the Council requires to carry out this
4 section.

5 (f) ACCESS TO INFORMATION.—Amtrak shall make
6 available to the Council all information the Council re-
7 quires to carry out this section. The Council shall establish
8 appropriate procedures to ensure against the public disclo-
9 sure of any information obtained under this subsection
10 which is a trade secret or commercial or financial informa-
11 tion that is privileged or confidential.

12 (g) REPORTS.—(1) Within 120 days after the date
13 of the enactment of this Act, the Council shall transmit
14 to the Amtrak board of directors and the Congress an in-
15 terim report on its findings and recommendations.

16 (2) Within 270 days after the date of the enactment
17 of this Act, the Council shall transmit to the Amtrak
18 board of directors and the Congress a final report on its
19 findings and recommendations.

20 (h) STATUS.—The Council shall not be subject to the
21 Federal Advisory Committee Act (5 U.S.C. App.) or sec-
22 tion 552 of title 5, United States Code (commonly referred
23 to as the Freedom of Information Act).

1 **SEC. 602. PRINCIPAL OFFICE AND PLACE OF BUSINESS.**

2 Section 24301(b) of title 49, United States Code, is
3 amended—

4 (1) by striking the first sentence;

5 (2) by striking “of the District of Columbia”
6 and inserting in lieu thereof “of the State in which
7 its principal office and place of business is located”;
8 and

9 (3) by inserting “For purposes of this sub-
10 section, the term ‘State’ includes the District of Co-
11 lumbia. Notwithstanding section 3 of the District of
12 Columbia Business Corporation Act, Amtrak, if its
13 principal office and place of business is located in
14 the District of Columbia, shall be considered orga-
15 nized under the provisions of such Act.” after “in a
16 civil action.”.

17 **SEC. 603. STATUS AND APPLICABLE LAWS.**

18 Section 24301 of title 49, United States Code, is
19 amended—

20 (1) in subsection (a)(1), by striking “rail car-
21 rier under section 10102” and inserting in lieu
22 thereof “railroad carrier under section 20102(2) and
23 chapters 261 and 281”; and

24 (2) by amending subsection (c) to read as fol-
25 lows:

1 “(c) APPLICATION OF SUBTITLE IV.—Subtitle IV of
2 this title shall not apply to Amtrak, except for sections
3 11303, 11342(a), 11504(a) and (d), and 11707. Notwith-
4 standing the preceding sentence, Amtrak shall continue to
5 be considered an employer under the Railroad Retirement
6 Act of 1974, the Railroad Unemployment Insurance Act,
7 and the Railroad Retirement Tax Act.”.

8 **SEC. 604. WASTE DISPOSAL.**

9 Section 24301(m)(1)(A) of title 49, United States
10 Code, is amended by striking “1996” and inserting in lieu
11 thereof “2001”.

12 **SEC. 605. ASSISTANCE FOR UPGRADING FACILITIES.**

13 Section 24310 of title 49, United States Code, and
14 the item relating thereto in the table of sections of chapter
15 243 of such title, are repealed.

16 **SEC. 606. RAIL SAFETY SYSTEM PROGRAM.**

17 Section 24313 of title 49, United States Code, and
18 the item relating thereto in the table of sections of chapter
19 243 of such title, are repealed.

20 **SEC. 607. DEMONSTRATION OF NEW TECHNOLOGY.**

21 Section 24314 of title 49, United States Code, and
22 the item relating thereto in the table of sections of chapter
23 243 of such title, are repealed.

1 **SEC. 608. PROGRAM MASTER PLAN FOR BOSTON-NEW YORK**

2 **MAIN LINE.**

3 (a) REPEAL.—Section 24903 of title 49, United
4 States Code, and the item relating thereto in the table of
5 sections of chapter 249 of such title, are repealed.

6 (b) CONFORMING AMENDMENT.—Section
7 24902(a)(1)(A) of title 49, United States Code, is amend-
8 ed by striking “and 40 minutes”.

9 **SEC. 609. BOSTON-NEW HAVEN ELECTRIFICATION**
10 **PROJECT.**

11 Section 24902(f) of title 49, United States Code, is
12 amended—

13 (1) by inserting “(1)” before “Improvements
14 under”; and

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

17 “(2) Amtrak shall design and construct the elec-
18 trification system between Boston, Massachusetts, and
19 New Haven, Connecticut, to accommodate the installation
20 of a third mainline track between Davisville and Central
21 Falls, Rhode Island, to be used for double-stack freight
22 service to and from the Port of Davisville. Amtrak shall
23 also make clearance improvements on the existing main
24 line tracks to permit double stack service on this line, if
25 funds to defray the costs of clearance improvements be-
26 yond Amtrak’s own requirements for electrified passenger

1 service are provided by public or private entities other
2 than Amtrak. Wherever practicable, Amtrak shall use por-
3 tal structures and realign existing tracks on undergrade
4 and overgrade bridges to minimize the width of the right-
5 of-way required to add the third track. Amtrak shall take
6 such other steps as may be required to coordinate and fa-
7 cilitate design and construction work. The Secretary of
8 Transportation may provide appropriate support to Am-
9 trak for carrying out this paragraph.”.

10 **SEC. 610. AMERICANS WITH DISABILITIES ACT OF 1990.**

11 (a) APPLICATION TO AMTRAK.—Amtrak, and with
12 respect only to the facilities it jointly uses with Amtrak,
13 a commuter authority, shall not be subject to any require-
14 ment under section 242(a) (1) and (3) and (e)(2) of the
15 Americans With Disabilities Act of 1990 (42 U.S.C.
16 12162(a) (1) and (3) and (e)(2)) until January 1, 1998.
17 For stations jointly used by Amtrak and a commuter au-
18 thority, this subsection shall not affect the allocation of
19 costs between Amtrak and the commuter authority relat-
20 ing to accessibility improvements.

21 (b) CONFORMING AMENDMENT.—Section 24307 of
22 title 49, United States Code, is amended—

23 (1) by striking subsection (b); and

24 (2) by redesignating subsection (c) as sub-
25 section (b).

1 **SEC. 611. DEFINITIONS.**

2 Section 24102 of title 49, United States Code, is
3 amended—

4 (1) by striking paragraphs (2), (3), and (11);

5 (2) by redesignating paragraphs (4) through
6 (8) as paragraphs (2) through (6), respectively;

7 (3) by inserting after paragraph (6), as so re-
8 designated by paragraph (2) of this section, the fol-
9 lowing new paragraph:

10 “(7) ‘rail passenger transportation’ means the
11 interstate, intrastate, or international transportation
12 of passengers by rail;”;

13 (4) in paragraph (6), as so redesignated by
14 paragraph (2) of this section, by inserting “, includ-
15 ing a unit of State or local government,” after
16 “means a person”; and

17 (5) by redesignating paragraphs (9) and (10)
18 as paragraphs (8) and (9), respectively.

19 **SEC. 612. NORTHEAST CORRIDOR COST DISPUTE.**

20 Section 1163 of the Northeast Rail Service Act of
21 1981 (45 U.S.C. 1111) is repealed.

22 **SEC. 613. INSPECTOR GENERAL ACT OF 1978 AMENDMENT.**

23 (a) AMENDMENT.—Section 8G(a)(2) of the Inspector
24 General Act of 1978 (5 U.S.C. App.) is amended by strik-
25 ing “Amtrak,”.

1 (b) AMTRAK NOT FEDERAL ENTITY.—Amtrak shall
2 not be considered a Federal entity for purposes of the In-
3 spector General Act of 1978.

4 **SEC. 614. CONSOLIDATED RAIL CORPORATION.**

5 Section 4023 of the Conrail Privatization Act (45
6 U.S.C. 1323), and the item relating thereto in the table
7 of contents of such Act, are repealed.

8 **SEC. 615. INTERSTATE RAIL COMPACTS.**

9 (a) CONSENT TO COMPACTS.—Congress grants con-
10 sent to States with an interest in a specific form, route,
11 or corridor of intercity passenger rail service (including
12 high speed rail service) to enter into interstate compacts
13 to promote the provision of the service, including—

14 (1) retaining an existing service or commencing
15 a new service;

16 (2) assembling rights-of-way; and

17 (3) performing capital improvements, includ-
18 ing—

19 (A) the construction and rehabilitation of
20 maintenance facilities and intermodal passenger
21 facilities;

22 (B) the purchase of locomotives; and

23 (C) operational improvements, including
24 communications, signals, and other systems.

1 (b) FINANCING.—An interstate compact established
2 by States under subsection (a) may provide that, in order
3 to carry out the compact, the States may—

4 (1) accept contributions from a unit of State or
5 local government or a person;

6 (2) use any Federal or State funds made avail-
7 able for intercity passenger rail service (except funds
8 made available for the National Railroad Passenger
9 Corporation);

10 (3) on such terms and conditions as the States
11 consider advisable—

12 (A) borrow money on a short-term basis
13 and issue notes for the borrowing; and

14 (B) issue bonds; and

15 (4) obtain financing by other means permitted
16 under Federal or State law.

17 **SEC. 616. CONFORMING AMENDMENT.**

18 Section 10362(b) of title 49, United States Code, is
19 amended by striking paragraph (5) and redesignating
20 paragraphs (6) through (8) as paragraphs (5) through
21 (7), respectively.

22 **SEC. 617. MAGNETIC LEVITATION TRACK MATERIALS.**

23 The Secretary of Transportation shall transfer to
24 the State of Florida, pursuant to a grant or cooperative
25 agreement, title to aluminum reaction rail, power rail

1 base, and other related materials (originally used in con-
2 nection with the Prototype Air Cushion Vehicle Program
3 between 1973 and 1976) located at the Transportation
4 Technology Center near Pueblo, Colorado, for use by the
5 State of Florida to construct a magnetic levitation track
6 in connection with a project or projects being undertaken
7 by American Maglev Technology, Inc., to demonstrate
8 magnetic levitation technology in the United States. If
9 the materials are not used for such construction within
10 3 years after the date of the enactment of this Act, title
11 to such materials shall revert to the United States.

12 **SEC. 618. RAILROAD LOAN GUARANTEES.**

13 (a) DECLARATION OF POLICY.—Section 101(a) of
14 the Railroad Revitalization and Regulatory Reform Act of
15 1976 (45 U.S.C. 801(a)(4)) is amended to read as follows:

16 “(4) continuation of service on, or preservation
17 of, light density lines that are necessary to continued
18 employment and community well-being throughout
19 the United States;”.

20 (b) MAXIMUM RATE OF INTEREST.—Section 511(f)
21 of the Railroad Revitalization and Regulatory Reform Act
22 of 1976 (45 U.S.C. 831(f)) is amended by striking “shall
23 not exceed an annual percentage rate which the Secretary
24 determines to be reasonable, taking into consideration the
25 prevailing interest rates for similar obligations in the pri-

1 vate market.” and inserting in lieu thereof “shall not ex-
2 ceed the annual percentage rate charged equivalent to the
3 cost of money to the United States.”.

4 (c) MINIMUM REPAYMENT PERIOD AND PREPAY-
5 MENT PENALTIES.—Section 511(g)(2) of the Railroad Re-
6 vitalization and Regulatory Reform Act of 1976 (45
7 U.S.C. 831(g)(2)) is amended to read as follows:

8 “(2) payment of the obligation is required by its
9 terms to be made not less than 15 years not more
10 than 25 years from the date of its execution, with
11 no penalty imposed for prepayment after 5 years;”.

12 (d) DETERMINATION OF REPAYABILITY.—Section
13 511(g)(5) of the Railroad Revitalization and Regulatory
14 Reform Act of 1976 (45 U.S.C. 831(g)(5)) is amended
15 to read as follows:

16 “(5) either the loan can reasonably be repaid by
17 the applicant or the loan is collateralized at no more
18 than the current value of assets being financed
19 under this section to provide protection to the Unit-
20 ed States;”.

21 **TITLE VII—AUTHORIZATION OF** 22 **APPROPRIATIONS**

23 **SEC. 701. AUTHORIZATION OF APPROPRIATIONS.**

24 (a) IN GENERAL.—Section 24104(a) of title 49,
25 United States Code, is amended to read as follows:

1 “(a) IN GENERAL.—There are authorized to be ap-
2 propriated to the Secretary of Transportation—

3 “(1) \$772,000,000 for fiscal year 1995;

4 “(2) \$712,000,000 for fiscal year 1996;

5 “(3) \$712,000,000 for fiscal year 1997;

6 “(4) \$712,000,000 for fiscal year 1998; and

7 “(5) \$403,000,000 for fiscal year 1999,

8 for the benefit of Amtrak for capital expenditures under
9 chapters 243 and 247 of this title, operating expenses, and
10 payments described in subsection (c)(1)(A) through (C).”.

11 (b) ADDITIONAL AUTHORIZATIONS.—Section
12 24104(b) of title 49, United States Code, is amended to
13 read as follows:

14 “(b) ADDITIONAL AUTHORIZATIONS.—(1) In addi-
15 tion to amounts appropriated under subsection (a), there
16 are authorized to be appropriated to the Secretary of
17 Transportation—

18 “(A) \$200,000,000 for fiscal year 1995;

19 “(B) \$200,000,000 for fiscal year 1996;

20 “(C) \$200,000,000 for fiscal year 1997;

21 “(D) \$200,000,000 for fiscal year 1998; and

22 “(E) \$200,000,000 for fiscal year 1999,

23 for the benefit of Amtrak to make capital expenditures
24 under chapter 249 of this title.

1 “(2) In addition to amounts appropriated under sub-
2 section (a), there are authorized to be appropriated to the
3 Secretary of Transportation—

4 “(A) \$21,500,000 for fiscal year 1995;

5 “(B) \$10,000,000 for fiscal year 1996;

6 “(C) \$10,000,000 for fiscal year 1997;

7 “(D) \$10,000,000 for fiscal year 1998; and

8 “(E) \$2,300,000 for fiscal year 1999,

9 for the benefit of Amtrak to be used for engineering, de-
10 sign, and construction activities to enable the James A.
11 Farley Post Office in New York, New York, to be used
12 as a train station and commercial center and for necessary
13 improvements and redevelopment of the existing Penn-
14 sylvania Station and associated service building in New
15 York, New York.”.

16 (c) CONFORMING AMENDMENTS.—Section 24909 of
17 title 49, United States Code, and the item relating thereto
18 in the table of sections of chapter 249 of such title, are
19 repealed.

20 (d) GUARANTEE OF OBLIGATIONS.—There are au-
21 thorized to be appropriated to the Secretary of Transpor-
22 tation—

23 (1) \$50,000,000 for fiscal year 1996;

24 (2) \$50,000,000 for fiscal year 1997;

25 (3) \$50,000,000 for fiscal year 1998; and

1 (4) \$50,000,000 for fiscal year 1999,
 2 for guaranteeing obligations of Amtrak under section 511
 3 of the Railroad Revitalization and Regulatory Reform Act
 4 of 1976 (45 U.S.C. 831).

5 (e) CONDITIONS FOR GUARANTEE OF OBLIGA-
 6 TIONS.—Section 511(i) of the Railroad Revitalization and
 7 Regulatory Reform Act of 1976 (45 U.S.C. 831(i)) is
 8 amended by adding at the end the following new para-
 9 graph:

10 “(4) The Secretary shall not require, as a condition
 11 for guarantee of an obligation under this section, that all
 12 preexisting secured obligations of an obligor be subordi-
 13 nated to the rights of the Secretary in the event of a de-
 14 fault.”.

 Passed the House of Representatives November 30,
 1995.

Attest:

ROBIN H. CARLE,

Clerk.

HR 1788 PCS—2

HR 1788 PCS—3

HR 1788 PCS—4