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Talking Points, Amtrak

Max S. Baucus

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Senator * or Department*: **BAUCUS**

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Prepare one form for insertion at the beginning of each record series.

Prepare and insert additional forms at points that you want to index.

For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: **Speeches & Remarks**

MONTH/YEAR of Records*: **July-2003**

(Example: JANUARY-2003)

(1) Subject*: **DOT**

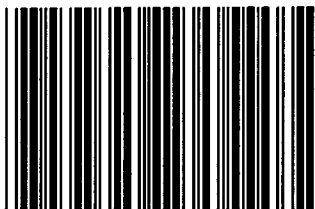
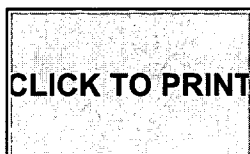
(select subject from controlled vocabulary, if your office has one)

(2) Subject* **Privatize Amtrak**

DOCUMENT DATE*: **07/30/2003**

(Example: 01/12/1966)

* "required information"



BAUCUS

Amtrak FY 04 Appropriations*

- **Please hold the line at \$1.346 billion for Amtrak!**
- Amtrak requested \$1.8 billion for FY 04. The Senate Appropriations Committee provided \$1.346 billion in federal funds for Amtrak for fiscal year 2004. The House of Representatives passed its FY 2004 Transportation, Treasury, and General Government appropriations providing \$900 million for Amtrak.
- It is absolutely vital that funding for Amtrak not fall below the \$1.346 billion amount adopted by Senate Appropriators.
- As most are aware, David Gunn, Amtrak's CEO and President, assembled and released earlier this year a five-year plan for Amtrak that addresses its operating and capital needs. In order to begin addressing the deferred maintenance outlined in the plan, it is imperative that Amtrak has adequate funding. Even the DOT IG has testified that Amtrak needs at least \$1.5 billion.
- It is possible that amendments may be offered on the Senate floor to cut funding for Amtrak.
- It must be made abundantly clear – any funding level below the \$1.346 billion mark will present serious risks for the system resulting in a degradation of service, infrastructure, and fleet.
- Another possibility exists whereby conferees take a 'split the difference' approach and use the halfway point between the Senate and House numbers for Amtrak. Again, this approach would lower the number to a point that puts the railroad at risk and may create the need for supplemental funding later this year.
- We are attaching a document entitled "Amtrak Reliability Risks" dated August 21, 2003. Mr. Gunn has been insistent that the five-year capital plan be progressed regardless of Amtrak's long-term status. The attached paper gives you some of the reasons for his sense of urgency.
- Detailed budgeting analyses indicate that funding Amtrak at \$1.346 billion will provide the minimum level needed to continue operating over the next year. While getting at deferred maintenance will help stabilize operating costs and help reverse declining on-time performance and equipment availability, overall performance issues will continue to be at risk.

To: Senator Baucus
From: Jay Driscoll
Re: Transportation Approps
Date: Oct. 23, 2003

The Senate will take up HR. 2989—the transportation approps bill at 10:45 am today. Staff expects amendments on EAS, Amtrak, Cuba, ITC and Indian Road funding.

Background

The bill as reported by the Appropriations Committee contains an overall funding level for the Federal-aid Highway program obligation ceiling of \$33.843 billion—the highest level ever in the program's history and a \$2.25 billion increase above the level appropriated for FY 2003. That level is \$4.55 billion more than the level sought in the Administration's budget request for the FY 2004.

Concerns

Several issues remain unresolved mainly Amtrak, EAS and Indian Roads.

EAS

The FAA conference includes language that requires states to share 10% of the costs for essential air service in those communities within 100 of a hub. This provision was added by Senator Lott during conference although the Senate voted overwhelmingly not to include it in FAA reauthorization. While Montana is not affected because our EAS communities lie outside this radius, we feel this provision is an assault on EAS and can not be tolerated. Senator Bingaman and Snowe plan to offer an amdt to bar implementation of mandatory cost sharing for essential air service communities. **Staff recommends supporting this amendment.**

Amtrak

The Senate passed approps bill contains \$1.346 billion to fund Amtrak. The House includes \$900 million. Senator Murray offered an amdt in committee adding \$440 million for Amtrak to get them to \$1.346 b. A portion, \$156 million, of the \$440 was un-obligated contract authority from the Federal aid-highway program. Senator Bond is rumored to have an amdt to rescind the \$156 million. Senator Hollings may offer an amendment to fully fund Amtrak at the \$1.8 billion Amtrak needs. **Staff recommends opposing Senator Bond's amendment.**

Indian Reservation Roads

Senators Bingaman, Inhofe, Johnson, and Innoye will offer an amendment to increase funding under Section 204 of the Indian Roads program from \$265 million to \$333 million and eliminates the obligation limitation deduction. The Amendment would mean an additional \$4.4 million for Montana. **Staff recommends supporting Senator Bignaman's amendment.**

~~TRANSPORTATION AND INFRASTRUCTURE APPROPRIATIONS BILL~~

OMB-Circular A-76

Senators Mikulski-Landrieu plan to introduce an amendment overturn the newly revised guidelines for public/private competitions.

The new rules favor contractors and stack the deck against federal employees. The Mikulski-Landrieu Amendment would ensure fair competition by getting rid of unfair rules.

Even though OMB said it will no longer enforce quotas, they still are requiring agencies to compete as many jobs as they can – at least 416,000 jobs. These employees must be guaranteed a fair competition.

Montana

Montana did well in committee. We received approximately \$30 million in earmarks with additional priority dollars set aside for discretionary airport projects (Glacier, Billings, Bozeman, Butte, Helena, and Great Falls). Several of your high priority projects received funding.

Including:

Going-to-the-Sun---\$8 million

Billings Bypass---\$2.5 million

Kalispell Bypass--\$2 million

Taylor Hill Road – U.S. Secondary Montana 234 - \$1,885,000

Fort Peck Road Access Project - \$1.5 million

US 93 Evaro to Polson Wildlife Crossing - \$2 million

Indian roads are not funded through
highway bill

AMENDMENT NO. _____ Calendar No. _____

Purpose: To establish the level of funding for the Indian reservation roads program.

IN THE SENATE OF THE UNITED STATES—108th Cong., 1st Sess.

S. 1589

Making appropriations for the Departments of Transportation and Treasury, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 2004, and for other purposes.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. BINGAMAN
(for himself, Mr. INHOFE, Mr. INOUE, and Mr. JOHNSON)

Viz:

1 On page 31, between lines 13 and 14, insert the following:
2

3 **SEC. 1____. INDIAN RESERVATION ROADS PROGRAM.**

4 (a) IN GENERAL.—Notwithstanding any other provision of law, in addition to funds limited in this Act for
5 the Indian reservation roads program under section 204
6 of title 23, United States Code, an additional amount to
7

1 be derived from the Highway Trust Fund (other than the
2 Mass Transit Account) shall be available, such that a total
3 of \$333,000,000 shall be available in fiscal year 2004 to
4 carry out the Indian reservation roads program.

5 (b) AVAILABILITY.—The additional amount under
6 subsection (a)—

7 (1) shall be available in the same manner as if
8 the funds were apportioned under chapter 1 of title
9 23, United States Code; and

10 (2) shall be subject to any obligation limitation
11 for Federal-aid highways established by this Act or
12 any other Act.

13 (c) AMOUNT OF OBLIGATION LIMITATION.—The
14 amount of any obligation limitation for the Indian reserva-
15 tion roads program shall be equal to the total amount of
16 contract authority made available for the Indian reserva-
17 tion roads program for fiscal year 2004.

The American Rail Equity Act (AREA)

- The total package is \$60 billion over 6 years. Authorizes \$12 billion in operating expenses from the general fund for Amtrak. \$48 billion is allocated for bonding for capital expenses, which will be used for repairs and improvements to the National System and the NEC, divided at a ratio of 4-1.
- Establishes an independent nonprofit organization, The Rail Infrastructure Finance Corporation (RIFCO), to underwrite government-backed tax credit bonds and administer a trust fund to repay the bonds over 20 years. The corporation will have \$48 billion in bond authority.
- Separates the NEC from Amtrak and turns it over to DOT. DOT is required to seek proposals within one year of enactment on how to best handle the NEC.
- Creates a Rail Office at DOT. This office, in conjunction with the States will be responsible for recommending capital projects for funding.
- Establishes a National Passenger Rail System. The System consists of Amtrak's current routes. The Rail Office can make additions to the National Passenger
- To resolve scheduling conflicts with freights, Amtrak will have access to a dispute resolution procedure at the STB. Any freight accepting funding for improvements must agree to allow Amtrak to meet its schedule.
- Amtrak will be required to bring the national system up to an 80% on-time arrival rate. Once a route has enjoyed reasonable on-time performance, it can be fairly evaluated from a cost-benefit perspective. If Amtrak is unable to meet performance requirements on a route, that route will be opened for bidding by other operators.

Senator Hutchinson's
Proposal

Co-sponsors

Lott

Burns

Snowe

G. Smith?