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RETURN REQUESTED

THE NEW AMTRAK LAW

LEGISLATORS WORK HARD TO SAVE "CARDINAL"

Although the train may not operate while the government is funded under a continuing resolution (Oct. 1 until probably some time before Thanksgiving), prospects looked good for inclusion of "save-the-Cardinal" language in the regular FY '82 appropriations bill.

On Sept. 16, five Senators, Secretary Lewis, and Amtrak President Boyd met to discuss the "Cardinal." They included Senate Minority Leader Robert C. Byrd (D-WV), Wendell H. Ford (D-KY), John Glenn (D-OH), Walter D. Huddleston (D-KY), and Jennings Randolph (D-WV). Howard M. Metzenbaum (D-OH) and Dan Quayle (R-IN) were represented by staff. Subsequently, House Commerce Chairman John D. Dingell (D-MI) and Rep. Philip R. Sharp (D-IN) met with Boyd.

A Sept. 18 letter to the Amtrak board in support of the "Cardinal" was signed by nine out of Virginia's ten representatives.

On Sept. 24, a letter to the Amtrak Board signed by Senators Robert C. Byrd and Howard W. Cannon (D-NV, ranking Democrat on Senate Commerce) and by Reps. Dingell, Sharp, James J. Florio (D-N), House Commerce Transportation Subcommittee Chairman, and Adam Benjamin, Jr. (D-IN, House Appropriations Transportation Subcommittee Chairman) reminded the Board of the Conference Report language directing Amtrak to "pursue all available alternatives with respect to . . . the Cardinal." The letter concluded: "We therefore urge the Amtrak Board to continue operation of the Cardinal pending completion of the appropriations process."

Also on Sept. 24, in a colloquy on the Senate floor, Robert C. Byrd asked Mark Andrews (R-ND, Appropriations Transportation Subcommittee Chairman) if the continuing resolution would allow the "Cardinal" to operate. Andrews replied, "Yes, it does. Under the terms of the continuing resolution, . . . Amtrak would be allowed to operate the train along its existing route . . ." (Sept. 24 *Congressional Record*, page S 10426).

The next morning, one of Rep. Florio's staff flew out to Chicago to deliver the letter and copies of the colloquy to the Amtrak Board members before their meeting. Boyd carefully reported all of the above, along with the Amtrak General Counsel's view that Amtrak still had no authority to continue the "Cardinal" because the criteria in the 1979 law had not been superceded. Bruce Gwinn, of Florio's staff told the board that, so far as "legislative intent" was concerned, the "Cardinal" was to be continued.

The board voted 6-0 to end service after Oct. 1 with management to restart service if appropriate language was enacted.

If Amtrak survives the President's fall budget-cutting efforts, the Amtrak Improvement Act of 1981, also known as Subtitle F of Title XI of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35, signed by the President Aug. 13), will be remembered as the law that kept most of Amtrak's trains running in the wake of an intense battle that threatened to destroy Amtrak.

This law is also notable for removing some legal roadblocks that have limited involvement of private enterprise in the intercity rail passenger business.

On the negative side, Amtrak's capital improvements program is brought to a screeching halt, except for a few projects to which funds were already committed. This problem needs addressing soon because the rebuilt cars Amtrak uses in the East won't run forever, and because there are simply not enough Superliners to meet demand in the West—even to provide maximum capacity on trains now operating.

On the uncertain side, Congress has become deeply involved in telling Amtrak how to manage its on-board food service. If Amtrak quickly learns how to serve decent food with reduced staffing (a talent not instantly learned and often not in evidence so far on the four guinea-pig trains) and if Congress will back off the nonsensical 100% cost recovery requirement now set for FY '83, the result should be long-distance trains that are much more cost-effective and better able to weather future budget fights.

Unless otherwise noted, the provisions in the law took effect Oct. 1. In the following summary, quotations not otherwise identified are from the law, and quotations attributed to the conferees are from the "Explanatory Statement of the House and Senate Conferees With Respect to" rail portions of the reconciliation law. The Amtrak portion of the Statement is on pages S 9067-73 and commuter rail/Northeast Corridor matters are on S 9056-8 of the Aug. 1 *Congressional Record* (Senate Proceedings (cont. on p. 2))

TRAVELERS' ADVISORY

PRIVATE SECTOR TO THE RESCUE DEPT.: On Oct. 1, Trailways International (phone 604/430-2131) was to inaugurate a bus replacement for Amtrak's discontinued Seattle-Vancouver "Pacific International." Although the bus will serve none of the intermediate points where the train stopped, it will get to Vancouver quicker (3:20 vs. Amtrak's 4:30) and will permit same-day connections between Amtrak's LA-Seattle "Coast Starlight" and VIA's "Canadian" to/from Banff/Calgary/Winnipeg and points east. If the northbound bus is late and can connect with the "Canadian" by detouring to VIA's Port Coquitlam station, it will do so. Normally, the buses will run express between Amtrak's Seattle station and VIA's Vancouver station (southbound departure at 7:30 AM). There will also be a downtown Vancouver stop, probably the Sheraton-Landmark Hotel.

ANOTHER NEW CONNECTION: Beginning Oct. 25, Amtrak's northbound "Montrealer" will arrive Montreal 80 minutes earlier, at 9:30 AM, connecting to VIA's 10:50 AM "Rapido" to Toronto and giving a safer connection to VIA's 11:30 Ottawa express.

The modernization of Amtrak's last steam-heated train has begun: on Sep. 16, the first all-electric New York-Florida "Silver Star" left New York with Heritage cars released from other eastern trains during the off-season. If Budd delivers Amfleet II cars as hoped, a second set will run in mid-Oct., and the four sets needed for total conversion will run by Dec.

On Oct. 16, Amtrak will vacate its present station on the wharf in Newport News, VA, and relocate to a new station in midtown, closer to the current population center and to the Norfolk bridges, within walking distance of hotels and motels, and 10 minutes closer to Washington. The new station is the result of a land-swap deal between Chesapeake & Ohio Ry., the City, and a local business, and was funded by profits from the deal. Although the station has provisions for handling checked baggage, this service will not be offered unless the United Transportation Union allows the existing flagman on the Boston-Newport News "Colonial" to handle baggage. Until now, UTU has said no baggage service can be offered unless Amtrak agrees to pay for a third traincrew member.

Also in mid-Oct., Amtrak will open a new, \$9 million station in Rensselaer (Albany), NY, adjacent to its present station, which will be converted to offices and a commissary.

In addition to the previously-reported through coach, Amtrak now offers a through sleeper (Superliner including economy rooms) between Denver-Las Vegas, Denver-Los Angeles, Chicago-Las Vegas, etc. via the "San Francisco Zephyr/Desert Wind." In April, the "Desert Wind" began serving Caliente, NV.

In August, the slumbercoach economy sleeper was removed from the Boston-Washington "Night Owl" and was added to the Washington section of the Chicago-New York/Washington "Broadway Ltd." (where it earns more!) on a thrice-weekly basis (departs Washington Tu, Th, Fr; Chicago Mo, Tu, Fr). When enough rebuilt slumbercoaches become available, the service will be offered on all days. Once the "Broadways" Washington section is rerouted Oct. 1, it will assume the name "Capitol Limited."

The New Amtrak Law (cont. from p. 1)

of July 31). The law itself is in the July 29 *Record*, Amtrak on pages H 5534-7 and commuter/NEC on H 5521-3. You may also wish to refer to our comparison of the earlier House and Senate versions (May News; more detail in our June 12 memo—send us self-addressed stamped envelope) and our summary of the 1979 law (Sep. '79 News).

Funding

Amtrak authorizations are \$735 million in FY '82 (which began Oct. 1, 1981) and \$788 million in FY '83 for operations and capital. (Remember, actual appropriations may not be as large.) For 403(b) state-assisted trains, Amtrak may not spend more than \$24 million in FY '82 or \$26 million in FY '83. (By comparison, Amtrak spent \$20 million in FY '80 and expects to spend \$18 million in FY '81 for state-assisted trains.)

Amtrak's interest payments on its debt to the Federal government are deferred during FY '82 and '83, saving Amtrak \$82 million and \$100 million, respectively. However, as the conferees noted, "such interest would remain as an obligation to the Federal Financing Bank, and . . . interest would accrue on this outstanding obligation." It is also important to note that the \$853 million budget Amtrak proposed in March assumed deferral of interest would be approved. (That \$82 million savings was the biggest single item in Amtrak's explanation of how its request was reduced from \$970 million in its February proposal.)

Amtrak's loan authority was increased by \$30 million (to \$930 million) to cover the final payment on Amtrak's purchase of the Northeast Corridor from Conrail.

The Senate provision on exemption from taxation was adopted:

"[Amtrak] shall not be required to pay any additional taxes as a consequence of its expenditure of funds to acquire or improve real property, equipment, facilities, or right-of-way materials or structures used directly or indirectly in the provision of rail passenger service. For purposes of this subsection, 'additional taxes' means taxes or fees (1) on the acquisition, improvement, or ownership of personal property by [Amtrak]; and (2) on real property other than taxes or fees on the acquisition of real property or on the value of real property which is not attributable to improvements made by [Amtrak]."

This was expected to save Amtrak \$6.5 million in FY '82, whereas the House proposal relieving Amtrak of all state and local taxes would have saved an estimated \$14.5 million.

Limits on Managerial Discretion

Overall revenue-cost ratio: "Commencing in fiscal year 1982, [Amtrak] shall recover an amount sufficient that the ratio of its revenues; including contributions from States, agencies, and other persons, to costs, excluding capital costs, shall be at least 50%."

Food Service: Amtrak "shall implement policies which will eliminate the deficit in its on-board food and beverage operations no later than Sept. 30, 1982. Beginning Oct. 1, 1982, food and beverage services shall be provided on-board Amtrak trains only if the revenues from such service are equal to or greater than the total costs of such services as computed on an annual basis."

TRAIN POWER

Our thanks to Ralph Cregger of Overland Park, KS, for promoting NARP along with his new 192-page book, "Train Power," in his media interviews. The book includes a foreword by Sen. Nancy Landon Kassebaum (R-KS). Much of the book is devoted to an engaging narrative about the author's years working for the Rock Island Railroad. It concludes with his recommendations for transportation policy, with which NARP members will generally agree, and "a little history" by Barry B. Combs of the Union Pacific. Send \$10.95 to Missouri-Kansas Rail Passenger Coalition, P.O. Box 1192, Kansas City, MO 64141.

This provision is inconsistent with the vastly more important overall cost recovery requirement. (See *NARP News*, May, p. 3.) Moreover, while Amtrak management believes it can meet the overall goal, it does not believe the 100% cost recovery on food service can be attained, at least not in FY '83. Hopefully, Congress will modify this goal next year before the effective date. Certainly it makes no sense for Congress to mandate that Amtrak shall be "managed as a for-profit corporation" and then hamper management with "sub-goals" that may prevent management from maximizing the overall revenue: cost ratio and certainly distract management from focussing on the crucial bottom line of the entire corporation.

There is also a requirement that, during FY '81, food service revenues must cover 50% of costs. Amtrak thinks it will meet this requirement.

The section which forces Amtrak to employ members of the unions with which Amtrak now has contracts is modified so that it no longer applies "to food and beverage services provided on-board Amtrak trains." Since Amtrak now must pay its commissary workers twice what Marriott pays, this exemption should open the door to further cost savings as soon as contracts can be renegotiated or replaced.

Route structure and service changes: Amtrak is required to conduct an annual review of basic system trains and to discontinue, modify, or adjust service which fails the performance criteria. The criteria remain, for long-distance trains, 150 passenger-miles-per-trainmile and 7¢ avoidable-loss-per-passenger-mile in constant FY '79 dollars (10.1¢ in FY '82 dollars) and, for short-distance trains, 80 PMTM and 9¢ ALPM in '79 dollars (12.9¢/PM in '82 dollars). This annual review "shall include an evaluation of the potential market demand for, and the cost of providing service on routes or portions thereof, and the potential market demand for, and cost of providing service on, alternative routings. [Amtrak] shall transmit the results of the annual review to each House of the Congress and to the Secretary of Transportation."

Each October, Amtrak "shall evaluate the financial require-

ments for operating the basic system and its progress in achieving the system-wide performance standards prescribed in this Act during such fiscal year. If [Amtrak] determines that the funds to be available for such fiscal year are insufficient to meet the projected operating costs, or if [Amtrak] projects that the system cannot meet the performance standards of this Act, [Amtrak] shall, in accordance with this subparagraph, take such action as may be necessary to reduce such costs and improve performance.

“(ii) Any action taken by [Amtrak] to reduce costs or improve performance pursuant to this subparagraph shall be designed to continue the maximum level of service practicable, and may include—(I) changes in frequency of service; (II) increases in fares; (III) reductions in the costs of sleeper car service on certain routes; (IV) reductions in the costs of dining car service on certain routes; (V) increases in the passenger capacity of cars used on certain routes; and (VI) restructuring or adjustment of the route system or discontinuance of service over routes, considering short-term avoidable loss and the number of passengers served by trains on such routes.”

Amtrak Commuter Trains

Amtrak-operated commuter trains averaging at least 80 passenger-miles-per-trainmile are to be continued under the same arrangement in effect Sept. 30: 100% Amtrak money except for Detroit-Jackson which is partly funded by the state.

Amtrak's commuter trains—not to be confused with Conrail commuter trains operated over Amtrak-owned tracks!—were first identified in a Jan. 1979 DOT report and include the now-defunct “Beacon Hill,” the Detroit-Jackson “Michigan Executive,” several of the NY-Phila. and Phila.-Harrisburg trains, some New Haven-Springfield service, the Chicago-Valparaiso locals, the Washington-Martinsburg “Blue Ridge” (weekdays only), and at least the eastbound Harrisburg-to-New York “Valley Forge.” (Commuter traffic now constitutes less than half the business on the westbound “Valley Forge.”)

All of the trains met the criteria except for “Beacon Hill” and New Haven-Springfield.

Notification of Discontinuance

If the annual review of trains, the October evaluation of the basic system, or the law governing state-supported services leads to discontinuances, notices “shall be posted at least 14 days before such discontinuance in all stations served by the train to be discontinued.”

In addition, notice “shall be given in such a manner as [Amtrak] determines will afford an opportunity for any State or group of States, or any regional or local agency or other person, to agree to share the cost of such route, train, or service, or some portion” thereof. “Such notice shall be given at least 90 days prior to such discontinuance,” except that Amtrak need only provide such notice “as soon as possible following” any decision to discontinue service in October if (as usually happens!) Amtrak's funding is not enacted at least 90 days prior to Oct. 1.

Board of Directors

“(1) The Corporation shall have a board of directors consisting of nine individuals who are citizens of the United States, as follows:

“(A) The Secretary of Transportation, ex officio. The Secretary of Transportation may be represented at meetings of the Board by his deputy, the Administrator of the Federal Railroad Administration or the General Counsel of the Department of Transportation.

“(B) The President of the Corporation.

“(C) Three members appointed by the President, by and with the advice and consent of the Senate, on the following basis:

“(i) One to be selected from a list of three qualified individuals recommended by the Railway Labor Executives Association.

“(ii) One to be selected from among the Governors of States with an interest in rail transportation. Such Governor may select an individual to represent him at meetings of the Board.

“(iii) One to be selected as a representative of business with an interest in rail transportation.

“(D) Two members selected by commuter authorities, on the following basis:

“(i) Until January 1, 1983, the two members under this subparagraph shall be selected by the President from a list of names consisting of one individual nominated by each commuter authority for which the Consolidated Rail Corporation operates commuter service under the Regional Rail

Reorganization Act of 1973. Such members shall serve until December 31, 1982, or until their successors are appointed pursuant to subparagraph (ii).

“(ii) After January 1, 1983, the two members under this subparagraph shall be selected by the President from a list of names consisting of one individual nominated by each commuter authority for which Amtrak Commuter operates commuter service under title V of this Act and one individual nominated by each commuter authority in the Region (as defined in section 102 of the Regional Rail Reorganization Act of 1973) which operates its own service or contracts with an operator other than Amtrak Commuter, except that—

“(I) if Amtrak Commuter operates commuter service for one or more commuter authorities, at least one of the members selected under this clause shall be an individual nominated by such a commuter authority; and

“(II) if Amtrak Commuter does not operate commuter service for any commuter authority, five names shall be submitted to the President by commuter authorities providing service over rail properties owned by Amtrak, and the President shall select two members from such list.

“(E) Two members selected annually by the preferred stockholders of the Corporation, which members shall be selected as soon as practicable after the first issuance of preferred stock by the Corporation.

“(2)(A) Members appointed by the President under paragraph (1)(C) shall serve for terms of four years or until their successors have been appointed and qualified, except that any member appointed by the President under such subparagraph to fill a vacancy shall be appointed only for the unexpired term of the member he is appointed to succeed. Not more than two of the members appointed under such subparagraph shall be registered as members of the same political party.

“(B) Members selected under paragraph (1)(D) shall serve for terms of two years or until their successors have been appointed.

“(3) Except as provided in paragraph (2)(A) of this subsection, any vacancy in the membership of the board shall be filled in the same manner as in the case of the original selection.

“(4) The President of the Corporation shall serve as chairman of the board of directors.”

Although the above provisions took effect Oct. 1, the “old” Board is to continue sitting for up to 90 days while the President makes appointments under the above provisions. If any position on the new board remains vacant after 90 days (after Dec. 29, 1981), “the President of Amtrak may designate any citizen of the United States to serve in such position until the President (of the U.S.) fills such position.” This doubtless responds to repeated failures of U.S. Presidents to fill Amtrak board vacancies promptly.

The two members representing preferred stockholders will be picked by U.S. DOT *without* the advice and consent of the Senate. Amtrak is to issue preferred stock to the Secretary “not later than Feb. 1, 1982.”

The labor ‘slot’ takes on added importance because the new board is smaller and because there are likely to be fewer other members who believe in Amtrak as it now exists, if at all.

State Supported Services (“Section 403(b) Trains”)

Private individuals and corporations are added to the list of entities eligible to pay for part of the costs of “non-basic system” train services. In fact, the conferees simply say “a non-Federal entity.”

The cost-sharing basis is changed so that the non-federal share must be at least 45% in the first year of operation and 65% thereafter “of the short-term avoidable losses of operating such service”; capital funding is unchanged at 50% in all years. As with all changes affecting jointly funded trains, these percentages apply to new agreements entered into after Oct. 1, 1981, “and to any renewal after Oct. 1, 1983, of” agreements existing prior to Oct. 1, 1981.

The law just expired required non-federal payments constituting lower percentages of a slightly broader definition of costs: 20% in the first year, 35% the second, and 50% thereafter of “solely related” operating costs.

The “Technical Assistance Panel” provision is eliminated.

If Amtrak gets more viable applications than it can fund, Amtrak's “board of directors shall decide in its discretion which application(s) best serve the public interest and can be provided with the available resources. . . .”

Because of difficulties the states have experienced in dealing with Amtrak, Amtrak has lost some of its flexibility with regard to fare increases on jointly funded trains: “Prior to instituting

any fare increase . . . that represents an increase of more than 5% over a 6-month period, [Amtrak] shall consult with and obtain the views of the appropriate officials of each State to be affected by such fare increase. [Amtrak] shall provide [them] with an explanation of the circumstances warranting the proposed fare (such as the unique costs of or demand for the services involved)."

Such proposed fare increase may only "take effect 90 days after" Amtrak's first consultation with the affected states on the increase. "Within 30 days of the initial consultation, the affected State may submit proposals . . . for reducing costs and increasing revenues. . . . Following such 30-day period, [Amtrak], after taking into consideration such proposals as may be submitted by a State, shall decide whether to implement the proposed fare increase in whole or in part."

If, however, Amtrak funding is not enacted at least 90 days before Oct. 1, such fares may be raised during Oct. and during the 30 days "following enactment of any appropriations for [Amtrak] or rescission thereof," notifying the affected state "as soon as possible."

Because of continual state dissatisfaction with Amtrak's marketing, Amtrak is now required to dedicate "at least 2 but not more than 5% of all revenues generated by [jointly funded trains] to advertising and promotion of such service on a local level."

Other Studies and Reports

By the end of 1981, Amtrak must submit to Congress "a report on actual and potential problems for [Amtrak] in entering into agreements regarding direct employment of rail passenger operating personnel," including any legislative recommendations Amtrak finds appropriate.

By Feb. 1, DOT, "in consultation with the General Accounting Office, [Amtrak], and the Department of the Treasury, shall submit to the Congress legislative recommendations for how best to relieve Amtrak of its debt to the Federal Government."

By April 1, Amtrak, the Association of American Railroads, and representatives of labor must conduct a study and submit a joint report to Congress "regarding their efforts to achieve greater efficiencies in management and labor practices. Such report shall include a description of efforts by [Amtrak] toward efficiencies in the management of [Amtrak], recommendations for further efficiencies, and any other appropriate legislative recommendations."

By June 1, Amtrak must "transmit to the Congress a report containing its recommendations for the development of rail corridors." Perhaps reflecting a growing awareness of the importance of existing long-distance trains, Amtrak is directed to include in the financial plan portion of this report "recommendations for reductions in the cost of the existing service." The original House wording sought recommendations for cutting existing service costs "by not less than \$100 million on an annual basis."

The ICC is relieved of its obligation to write an annual report on Amtrak.

Customs and Immigration

Amtrak is relieved of the need to pay "any agency of the Federal Government for the cost of customs inspection or immigration procedures in connection with the provision of services by [Amtrak]."

It's unclear how this will affect passengers. Immigration-related delays remain as severe a problem as ever, and the budgets of the customs and immigration services are also cut in FY '82. Since this is a clear case of one federally-funded entity reducing the effectiveness of another, we suggest you bring problems of which you have direct knowledge to the attention of your legislators.

Findings

The "findings" at the start of the Amtrak Improvement Act were revised to reflect the establishment of Amtrak Commuter. Also, as the conferees noted, "references made under current law to the essentiality of a national rail passenger system as a significant asset in time of national emergency or energy shortage and to the need for Federal financial assistance for such purposes were deleted." However, the conferees' language quoted on the front of our July issue was written later and suggests a more positive attitude towards the service.

Goals

The expanded list of goals for Amtrak now reads:

"(1) Exercise of the Corporation's best business judgment in taking actions to minimize Federal subsidies, including increasing fares, increasing revenues from the carriage of mail and express, reducing losses on food service, improving its contracts with operating railroads, reducing management costs, and increasing employee productivity.

"(2) Encouragement of State, regional, and local governments and the private sector to share the costs of operating rail passenger service, including the costs of operating stations and other facilities, in order to minimize Federal subsidies.

"(3) Improvement of the number of passenger miles generated systemwide per dollar of Federal funding by at least 30 percent within the two-year period beginning on the effective date of the Amtrak Improvement Act of 1981.

"(4) Elimination of the deficit associated with food and beverage services by September 30, 1982.

"(5) Implementation of strategies to achieve immediately maximum productivity and efficiency consistent with safe and efficient service.

"(6) Operation of Amtrak trains, to the maximum extent feasible, to all station stops within 15 minutes of the time established in public timetables for such operation.

"(7) Development of service on rail corridors, subsidized by States or private parties, or both.

"(8) Implementation of schedules which provide a systemwide average speed of at least 60 miles per hour, and which can be adhered to with a degree of reliability and passenger comfort.

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

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

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

"(12) Implementation of policies ensuring equitable access to the Northeast Corridor by both intercity and commuter services.

"(13) Coordination among the various users of the Northeast Corridor, particularly intercity and commuter passenger services.

"(14) Amtrak's maximization of the use of its resources, including the most cost-effective use of employees, facilities, and real estate. Amtrak is encouraged to enter into agreements with the private sector and undertake initiatives which are consistent with good business judgment and designed to maximize its revenues and minimize Federal subsidies."

Of the above, only goals eight through eleven were in the old law (eight referred to 55 mph).

Commuter Rail/Northeast Corridor

These provisions are part of the Northeast Rail Service Act of 1981, a.k.a. Subtitle E of Title XI of the Omnibus Budget Reconciliation Act:

● Section 504(f) of the Regional Rail Reorganization Act of 1973 is repealed, allowing Amtrak to bargain effectively and directly with rail labor for the first time. Amtrak estimates this could result in up to \$40 million in savings in the Northeast Corridor annually. (1982 savings obviously depend on how quickly negotiations are concluded.)

● Passenger and freight trains operating on Amtrak- and Conrail-owned rail lines in the Northeast are exempted from state full-crew laws.

● A wholly-owned subsidiary of Amtrak, to be known as Amtrak Commuter Services Corp., is to be established by Nov. 1, 1981, to gradually assume Conrail's Northeast commuter operations by Jan. 1, 1983. During the transition period, Northeast commuter agencies may either assume train operations directly from Conrail, or end contracts with Conrail and initiate new contracts with Amtrak Commuter. To insure that Amtrak's intercity and commuter operations remain separate and independent of each other, the conferees inserted the following: "None of the funds appropriated . . . for the payment of operating and capital expenses of intercity rail passenger service shall be used for the operation of commuter service by Amtrak Commuter." ■