

H.R. 3058; Public Law No: 109-115

OPERATING SUBSIDY GRANTS TO THE
NATIONAL RAILROAD PASSENGER
CORPORATION

To enable the Secretary of Transportation to make quarterly grants to the National Railroad Passenger Corporation for operation of intercity passenger rail, \$495,000,000, to remain available until expended: *Provided*, That the Secretary of Transportation shall approve funding to cover operating losses for the National Railroad Passenger Corporation only after receiving and reviewing a grant request for each specific train route: *Provided further*, That each such grant request shall be accompanied by a detailed financial analysis, revenue projection, and capital expenditure projection justifying the Federal support to the Secretary's satisfaction: *Provided further*, That the Secretary of Transportation shall reserve \$60,000,000 of the funds provided under this heading and is authorized to transfer such sums to the Surface Transportation Board, upon request from said Board, to carry out directed service orders issued pursuant to section 11123 of title 49, United States Code, to respond to the cessation of commuter rail operations by the National Railroad Passenger Corporation : *Provided further*, That the Secretary of Transportation shall make the reserved funds available to the National Railroad Passenger Corporation through an appropriate grant instrument not earlier than September 1, 2006 to the extent that no directed service orders have been issued by the Surface Transportation Board as of the date of transfer or there is a balance of reserved funds not needed by the Board to pay for any directed service order issued through September 30, 2006: *Provided further*, That the Corporation is directed to achieve savings through operating efficiencies including, but not limited to, modifications to food and beverage service and first class service: *Provided further*, That the Inspector General of the Department of Transportation shall report to the House and Senate Committees on Appropriations beginning on January 3, 2006 and quarterly thereafter with estimates of the savings accrued as a result of all operational reforms instituted by the National Railroad Passenger Corporation : *Provided further*, That if the Inspector General cannot certify that the Corporation has achieved operational savings by July 1, 2006, none of the funds in this Act may be used after July 1, 2006, to subsidize the net losses of food and beverage service and sleeper car service on any Amtrak route: *Provided further*, That of the funds provided under this section, not less than \$5,000,000 shall be expended for the development and implementation of a managerial cost accounting system, which includes average and marginal unit cost capability: *Provided further*, That within 30 days of development of the managerial cost accounting system, the Department of Transportation Inspector General shall review and comment to the Secretary of Transportation and the House and Senate Committees on Appropriations upon the strengths and weaknesses of the system and how it best can be implemented to improve decision making by the Board of Directors and management of the Corporation : *Provided further*, That not later than 60 days after enactment of this Act, Amtrak shall transmit, in electronic format, to the Secretary of Transportation, the House and Senate Committees on Appropriations, the House Committee on Transportation and Infrastructure and the Senate Committee on Commerce, Science, and Transportation a comprehensive business plan approved by the Board of Directors for fiscal year 2006 under section 24104(a) of title 49, United States Code: *Provided further*, That the business plan shall include, as applicable, targets for ridership, revenues, and capital and operating expenses: *Provided further*, That the plan shall also include a separate accounting of such targets for the Northeast Corridor; commuter service; long-distance Amtrak service; State-supported service; each intercity train route, including Autotrain; and commercial activities including contract operations: *Provided further*, That the business plan shall include a description of the work to be funded, along with cost estimates and an estimated timetable for completion of the projects covered by this business plan: *Provided further*, That the Corporation shall continue to provide monthly reports in electronic format regarding the pending business plan, which shall describe the work completed to date, any changes to the business plan, and the reasons for such changes, and shall identify all sole source contract awards which shall be accompanied by a justification as to why said contract was awarded on a sole source basis: *Provided further*, That none of the funds in this Act may be used for operating expenses, including advance purchase orders, not approved by the Secretary of Transportation or on the National Railroad Passenger Corporation's fiscal year 2006 business plan: *Provided further*, That Amtrak shall display the business plan and all subsequent supplemental plans on the Corporation's website within a reasonable timeframe following their submission to the appropriate entities: *Provided further*, That none of the funds under this heading may be obligated or expended until the National Railroad Passenger Corporation agrees to continue abiding by the provisions of paragraphs 1, 2, 3, 5, 9, and 11 of the summary of conditions for the direct loan agreement of June 28, 2002, in the same manner as in effect on the date of enactment of this Act: ***Provided further*, That none of the funds provided in this Act may be used after March 1, 2006, to support any route on which Amtrak offers a discounted fare of more than 50 percent off the normal, peak fare.**