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for the subscription to NATIONAL ASSOCIATION OF RAILROAD PASSENGERS NEWS, published monthly except in November, and GETTING THERE.

(No. 4 was mailed May 18)

A TIME FOR SACRIFICE

The NARP Board of Directors, meeting in Washington May 2, unanimously approved a program aimed at saving the largest number of trains possible by supporting various initiatives to make the trains more efficient. (The Board was not aware of and did not consider the drastic dining service changes Amtrak is now implementing.)

In late June, it appeared that total funding of \$735 million was the best Amtrak could expect for FY '82. Amtrak President Alan S. Boyd said he could run about 85% of the existing system, assuming virtually no capital budget, but many new economy measures.

\$735 million is \$118 million (14%) less than the \$853 million in Amtrak's proposal—and that proposal already assumed discontinuance of the Washington-Cincinnati "Shenandoah," Washington-Chicago "Cardinal," and the San Antonio-Laredo and Temple-Houston legs of the Chicago-Texas "Inter-American," plus the reduction of Chicago-San Antonio service to tri-weekly, albeit with through cars to and from El Paso-Phoenix-LA on the "Sunset Ltd."

It is clear, therefore, that major changes in the way Amtrak trains are operated will be essential if we are to save any of the above trains or, in the worst event, if we are to minimize the number of additional trains discontinued. The Board took a strong stand in favor of continuing the "Cardinal," in light of healthy ridership increases over the past two years which have enabled the train to meet the financial criterion in the 1979 law.

With the funding pretty much set, attention now shifts to the question of what sacrifices passengers and employees are willing to make to keep as many trains as possible. This means, among

YOUR MESSAGE IS GETTING THROUGH!

"We listened to other groups, other congressional committees, other congressmen, and one of the things we heard in the House of Representatives was support for the Amtrak program. Amtrak was a priority, and not just in the Northeast Corridor but in the rest of the country as well. I won't say that ... everybody felt this was at the top of their list. But we had to try and weight things, and one of the things that did come across was that Amtrak was a priority....

"Evidently there is room, in my opinion [based partly on the Committee's] mail, for a lot of productivity savings in that Amtrak system. And the degree to which we can make some of these savings is the degree to which we can retain more, service, more trains...."

-Ken Leventhal, House Budget Committee Staff, Addressing the NARP Board on May 1

other things, we must address the labor issue directly.

Our mail, which we do read and appreciate even when there's no time for individual replies, indicates a large proportion of our membership wants us to speak out on the rail labor issue. We even received a phone call from a conductor on one of the Western long-distance trains who said big changes in labor agreements are needed and wondered what our position was.

Let's give Amtrak and rail labor credit for significant progress to date. The present climate, however, demands drastic measures.

The changes NARP recommends for exploration by Amtrak, the government, and rail labor are not irrevocable; train discontinuances, on the other hand, might well be. Doubtless most readers will find much of what follows distasteful. Please try to remember that the alternative is fewer trains!

Sacrifices for the Passengers

Fares: Amtrak must replace timid pricing with aggressive discounting where required and aggressive fare increases where demand is strong, including experimentation to find how high a level of fares can be maintained with full trains. It is our impres-

TRAVELERS' ADVISORY-MORE SACRIFICE

On June 15, Amtrak introduced "the best possible quality tray meals, custom-prepared for Amtrak passengers" in the dining cars of the "Broadway Ltd.," "Crescent," "Southwest Ltd.," and "San Francisco Zephyr." Amtrak feels these meals are equivalent to the best airline meals, i.e. those on Air France.

Passengers will seat themselves, order from a limited menu and pay the attendant at time of order. The attendant will then take the order to the kitchen attendant who will assemble the meal on a tray—all hot food would be stored frozen and requires microwave heating in advance of serving. The attendant who took the order will then deliver it to the passenger. Passengers could only make additional orders if low volume permits; one goal of the new system is to increase dining car sales by 50% over the current method of service.

At least initially, prices will be considerably lower: the steak dinner will be \$6.75 instead of \$11.95.

Total staff per dining car is three. Amtrak has furloughed 310 employees simply as a result of converting these four trains. Applied to all long-distance trains, this system would save \$30 to \$35 million annually.

It is Amtrak's intention to monitor the introduction of this service closely. During the first month, there will be management supervision on board every train every day. "Modified dining car service" will be phased in systemwide later in the year, incorporating lessons from this initial test. The program is part of Amtrak's attempt to comply with the House Energy & Commerce Committee's directive to eliminate the food service deficit by July 1, 1982.

Auto-Train Corporation's Virginia-Florida last trips departed May 1. Amtrak Chicago-Decatur starts July 1. sion that overpricing is confined to selected short-distance markets, including some segments of long-distance routes, whereas underpricing applies to most long trips and virtually all sleeping car fares. In addition, Amtrak needs lower fares on new services, whether or not they are sharing tracks of existing trains. For example, first-year fares on the Eugene locals and on the "Pennsylvanian" should have been lower than "Coast Starlight" and "Broadway Ltd." fares between the same points.

The potential for drastic increases in sleeping car yields results from: (a.) having a decent product to offer for the first time in Amtrak's history systemwide (this statement may have to be reviewed in light of the new dining service); (b.) skyrocketing air fares—up an average 30.8% from Feb. '80 to Feb. '81. Remember, supersaver fares are not available between most Amtrak citypairs. In many cases where they are, Amtrak attracts business travelers who couldn't use supersaver fares anyway because their schedules don't include the required Friday night layover (e.g. overnight runs such as Chicago-Denver).

In short, Amtrak needs to charge what the traffic will bear, and those who set the fares must act quickly so that fares keep up-todate with marketing conditions. Substantial increases can be introduced on very short lead times so long as those already holding reservations are given a week or so to buy at the previous price, and those already ticketed are not made to pay more.

Amtrak should experiment with some higher-density, lowerfare seating on the long-distance trains in order to maintain the present heavy usage of long-distance trains by poor people. Colorado Market Research Services, surveying 302 Amtrak noncommuter passengers waiting for trains or checked baggage in late February at Denver, Kansas City, and Washington, found 40% had incomes under \$18,000 and income tends to decline as triplength increases (24% under \$12,000; 11% under \$8,000).

I hear that train a coming It's coming down the track If we don't speak up America It won't be coming back . . . We have but a few months before the Oct. 1 date So let's speak up America Before it's too late.

-NARP Member Sandra Pennington of Nashville

Dining cars: Prices should rise to at least the level one would expect in a good restaurant.

Filling Coaches and Lounges: NARP gets too many complaints from persistent members who, after Amtrak tells them a train is sold-out, manage to get on the train and find lots of empty seats. To eliminate this problem, Amtrak, at a bare minimum, needs to return to the practice of overselling trains with persistent "noshow" patterns.

We think more drastic action is needed, due to Amtrak's desperate need for revenue and the fact that one can almost always find a seat somewhere for passengers on board.

The coach reservation requirement unnecessarily reduces revenues and ridership on long-distance trains. Some people, especially many with low incomes, are confused by "toll-free" numbers and reservations. Some people—especially those traveling on short notice—give up if jammed phone lines make it hard to reach an information clerk. Amtrak is losing a steadily increasing percentage of callers due to busy signals as expanding public demand clashes with a contrasting Amtrak budget.

All of this distorts comparisons with unreserved short-distance trains which take standees whenever necessary and helps reinforce the Washington planners' mythology that demand for longdistance trains is light.

Consequently, we recommend that coach reservation requirements be eliminated except for trips that include the most heavily used segments of a few of the most heavily traveled routes. We particularly object to Amtrak's *new* policy of requiring coach reservations for all passengers on the "Cardinal," one of the trains which Amtrak says doesn't have enough ridership to justify continuation beyond Oct. 1! Amtrak could serve more people, cut reservation costs, get more revenue, and learn when to add cars and/or warn prospective passengers of possible standing-room-only conditions.

We also recommend that, at least in the most heavily traveled segments, Amtrak sell seats in the upstairs portion of Superliner lounges, informing the passenger at the time of sale that the seats do not recline or have high backs and that baggage will have to be stored in the next car, but that the view is beautiful. This would enhance the trains' earning and energy-saving capabilities, keep people on the rails who would otherwise divert to energy-wasting air and auto, and maintain a substantial—if reduced—space-perpassenger advantage over air and bus. Passengers would still enjoy roomier seating, the ability to walk around, the downstairs lounge, and the diner. Since lounge seats would be sold last, they would probably remain largely available to other passengers except through the "peak segment" of the train's route.

Northeast Corridor: Frequencies must be adjusted to minimize total dollar subsidies while protecting Amtrak's market share from substantial inroads.

Sacrifices for the Employees

Railroad-employed Train Crews (Conductor/Trainmen/Brakemen): Management should be able to operate single-level trains with one conductor only. Even where that person is not able to collect all the revenue, management should be free to decide that not enough revenue is being lost to justify adding another position. Where commuters are involved, fares should encourage purchase of the monthly pass so that "collection" means just glancing at the pass.

Congress might consider including a line-item for the "Cardinal" conditioned on a traincrew of one.

"I don't like to hear you say that, but I'd like it even less if we lost the trains. At the risk of making myself more unpopular, I'd have to support you on that."

> —A local rail union chairman, reacting to NARP's proposal to run some Amtrak trains with just one conductor, no brakemen

Long-distance Superliner trains probably need a conductor and one trainman.

Instances where a trainman is a "combination man" who also works the baggage car need to be studied to see whether the baggage work is required. It should be possible to provide checked baggage service at major stations without a baggage man on board, or, on a smaller train, the conductor might do the minimal amount of on-board work required to provide checked baggage at certain points. It may be cost-effective in some cases to eliminate checked baggage service but require all on-board personnel (no matter who signs their paychecks) to assist those needing help with their bags so that trains get reputations as having enough assistance for such matters.

In short, we need total flexibility, nationally, now!

Coach Attendants: Some NARP members think these people are unnecessary. On Superliner trains, where one must negotiate a flight of stairs to find out if the doors are open in a particular car, reduced manning will require careful loading of passengers according to their destinations, and use of the public address system to inform people as to which cars' doors will be open at the approaching station.

Firemen: Are they necessary? The nation's fastest passenger trains, the Metroliners, have never had firemen.

Labor protection: The contrast between rail labor protective conditions and the benefits for idle auto workers has not gone unnoticed on Capitol Hill. (Likewise, the fact that, as reported in the April 16 New York Times, the "last of five Braniff unions accepted a 10% pay cut.")

Labor protection inflates the cost of reducing Amtrak's size (but only in the first couple of years after service cuts) and is sometimes a helpful argument against cutting Amtrak's budget. But it also reduces labor's incentive to cut the dramatic kinds of deals we need to save Amtrak.

One alternative would be to kill labor protection for all person-

The Amtrak Improvement Act of 1981

The biggest single indication that Washington is hearing a strong pro-Amtrak message from America came on June 10 when the Senate Commerce Committee voted unanimously to provide Amtrak with three consecutive years of funding at the \$735 million level.

This Committee had voted 10-4 on April 29 in favor of the administration's request: \$613 million for FY '82 and \$532 million in FY '83. One observer said he had never seen such uncomfortable Republicans as on this April 29 vote. The four Senators who voted against the "kill-Amtrak" funding level and who deserve our thanks were: Howard Cannon (D-NV), Daniel K. Inouye (D-HI), Wendell H. Ford (D-KY). and J.J. Exon (D-NE).

Chairman Bob Packwood (R-OR) increased the funding when he drafted the Committee's reconciliation bill and after he saw that Cannon probably had the votes needed to adopt an amendment raising the funding to that level anyway. A few weeks later, without fanfare, the FY '84 funding was reduced to \$640 million before the reconciliation package went to the Senate floor.

Under the new reconciliation process, there will not be floor votes on individual authorization bills such as for Amtrak. Such bills have been included in House and Senate omnibus reconciliation bills. For simplicity, however, we'll refer to them here by their original numbers, HR 3568 and S 1199.

There will be a massive House-Senate conference on the reconciliation bill probably starting around July 9. With 200 participants and virtually the entire federal budget involved, the process could go on for a long time. It is likely that differences between House and Senate Amtrak provisions will be resolved primarily by key members of the two Commerce Committees. Let them—and your own legislators—know if you have strong feelings about the relative merits of the House and Senate versions described below. For a more detailed summary, send a self-addressed, stamped envelope to the NARP office.

Funding

HR 3568's higher funding reflects strong support for passenger trains on the part of several Energy & Commerce members, including Chairman John D. Dingell (D-MI) and James J. Florio,

nel rendered superfluous by service reductions which take place on or after October 1, 1982. This would punish the government for killing trains this year before the unions had a chance to respond to the new realities in Washington, while giving the unions an incentive to work hard and fast now to whip the business into the most cost-effective shape possible.

Ideally, we'd like to absorb everyone by having more frequent trains. That would cut the subsidy-per-passenger-mile but increase the total dollar subsidy, so it's not in the cards in today's conservative Washington. But the best hope for increasing service frequency tomorrow lies in saving the existing trains. With muchimproved efficiency, those service expansions might even develop under the present administration or with more state funding.

Sacrifices by Management

On May 28, Amtrak dismissed about 200 employees from its corporate headquarters in Washington, the biggest single step towards its goal of cutting the Washington staff of 1,400 by 25%. Most future reductions will be from attrition.

Some observers, especially railroad employees, ask: what about railroad managements? Realistically, the passenger trains are only going to be saved by sacrifices from the people who care about these trains, and most railroad officials would not cry much if Amtrak disappeared tomorrow. There's simply no leverage.

It may be helpful to observe that Amtrak is constantly auditing its payments to the railroads and making after-the-fact adjustments based on those audits. If you hear, for example, that Amtrak paid an obviously inflated, unjust bill for railroad performance of a particular service, it is possible that an appropriate adjustment will be made through the audit process before the matter is laid to rest. Chairman of the Subcommittee on Commerce, Transportation & Tourism.

HR 3568: \$735 million in FY '82 (\$625 million for operations, of which not more than \$24 million can be used for operating and capital expenses of section 403b state-supported trains; \$100 million for basic system capital acquisition/improvements; \$10 million for labor protection payments); \$842 million in FY '83 of which not more than \$26 million can be used for 403b and not *less* than \$170 million must be used for basic system capital. In addition, the bill provides \$30 million in new loan guarantee authority which Amtrak could use for some of its "irreduceable capital budget" needs in FY '82.

Because three Democrats on the House Energy & Commerce Committee (Santini-NV, Gramm-TX, and Shelby-AL) supported the Republican reconciliation package, leaving the Committee deadlocked at 21 votes each for the two alternatives, it's certain that the Republican package offered by Ranking Member James T. Broyhill (D-NC) will be offered as an amendment on the House floor. Broyhill's version includes \$735 million for Amtrak in FY '82, but only \$654 million and \$593 million in the following two years.

S 1199: \$735 million in FY '82; \$735 million in FY '83; \$640 million in FY '84. No categorical restrictions.

Interest

HR 3568 exempts Amtrak from continued interest payments on loans Amtrak owes the government, while S 1199 contains no such exemption. These payments, which have been included in Amtrak's operating budget over the years, would total \$82 million in FY '82, \$100 million and up in the following years. Resolution of this issue will have a big impact on how much service Amtrak can offer.

Taxes

HR 3568 would save Amtrak more than \$14 million in FY '82 by exempting Amtrak from payment of state and local taxes. S 1199 would save Amtrak \$6.5 million in FY '82 by exempting Amtrak from "further" state and local taxes.

Limiting Managerial Discretion

There appears to be a general consensus in Washington that Amtrak management should strive, first and foremost, to improve the economic performance of the system as a whole. Indeed, S1199 mandates Amtrak to achieve an overall 50% revenues: cost ratio in FY '82, but does include "contributions from States, local authorities and other persons" (the private sector) within the definition of revenues. Similarly, HR 3568 contains this new goal: "Improvement of the number of passenger miles generated systemwide per dollar of federal investment by at least 30% within" two years from enactment. But HR 3568 contains other provisions which may conflict with those goals.

Food service: HR 3568 mandates elimination of the food service "deficit" by July 1, 1982. It appears, however, that *some* loss may be unavoidable. Amtrak says its austere new dining service brings it only halfway towards zero food service deficit. The Committee's logic, applied to the airlines that charge "nothing" for meals, would define the food service "deficit" as 100% of the costs of providing food aloft. The airlines, of course, see this service as essential for attracting passengers. Amtrak is being denied the right to make a similar commercial judgment.

In the extreme instance, HR 3568 would effectively force discontinuance of a train with no avoidable loss if the food service taken in isolation was not breaking even. The food service, however, is not isolated from the train's overall performance. Amtrak estimates that 17% of its total FY '80 revenues were attributable to its food and bar service (6% direct from food sales; 11% indirect from ticket sales that would not otherwise have been made).

Route structure: S 1199 includes no "statutory criteria to guide management in its decisions regarding train discontinuances" because the Committee "believes that such criteria are likely to be arbitrary and fail to take into account matters which normally would be considered by management."

HR 3568, in contrast, tightens the application of the criteria.

On the Home Front ...

Since mid-April, NARP volunteers in cities throughout the United States have been distributing leaflets at train stations, warning railroad passengers about the Administration's plan to dismantle Amtrak, and urging passengers to write to Congress. The purpose of the leaflet campaign, which NARP Assistant Director Barry Williams has characterized as "the biggest effort ever undertaken by NARP," is to increase public awareness of the Administration's plan and to mobilize intense grassroots opposition.

The leaflet campaign appears to be generating much mail to Congress and many requests for NARP membership information.

Evidently alarmed by the effectiveness of NARP's efforts, the National Taxpayers Union, which wants to kill Amtrak, issued a statement denouncing NARP's "massive lobbying effort.... Most of Amtrak's stations and trains are empty.... It is totally unjustified to ask taxpayers to subsidize the nostalgia trip of the NARP."

Indeed, NTU has virtually transformed itself into the "NTU Transportation Policy Committee" whose executive director is erstwhile NTU Executive Director Len Rippa and whose sole interest is ending Amtrak. An internal NTU document implies other projects are being sidelined for the anti-Amtrak push ("Meetings have been held . . . to determine . . . changing some other issue time-tables, etc. so as to add strength to our handling of the [Amtrak] issue.") and indicates NTU plans to spend \$154,250 on a campaign lasting "a maximum of 9 months. Not included in the budget is any additional expenses that NTU incurs with certain management personnel time involved in development and coordination; communications section planning; unusual field orientation expenses, etc." The document says this budget is "larger than we anticipated."

NARP and NTU are both far from "massive" by normal Washington lobbying standards, but it's worth noting that NTU's 9-month budget is larger than NARP's 12-month budget. We're sure that more Americans are volunteering their help to NARP than to NTU, reflecting the pro-train groundswell that is alive in the land....

Currently, if the required annual review of long-distance routes finds one that falls below 150 passenger-miles-per-trainmile or rises above an avoidable-loss-per-passenger-mile of 7¢ in "constant 1979 dollars" (10.2¢ in FY '82), Amtrak must "evaluate such route under the Route and Service Criteria" and discontinue it only if it fails those more comprehensive standards.

HR 3568 mandates discontinuance of a long-distance route if, in any year, it simply fails either criteria, regardless of the train's contribution to the viability of the system as a whole. In addition, Amtrak's authority to operate the "regional balance" trains (Inter-American and Pioneer) is specifically repealed, and the Committee's report states: "The Committee, however directs Amtrak to eliminate the following trains beginning Oct. 1, 1981: the Pioneer; the Inter-American; the Shenandoah; and the Cardinal. Under the 1979 Act, these trains were given two years to meet the criteria, and they have failed." (We assume this will be modified in conference, since Senator Packwood received Amtrak President Boyd's assurance before the Senate Committee increased Amtrak's funding that the "Pioneer" and "Coast Starlight" would be continued.)

HR 3568 as written removes the incentive for state and local governments and rail labor to develop special packages aimed at saving the trains; it's Section 403(b) or nothing. While 403(b) is impractical for long-distance service because several states are not likely to cough up the money and agree on cost allocations and schedules, it is possible that one or a few states which perceive special benefits from an Amtrak route might make a contribution on behalf of that route.

Under S 1199, such contribution would count as if it was passenger revenue; and there is no mandate to discontinue a train before such a package could be assembled. Under HR 3568 in the cases of the four named routes, the contribution would have no effect unless it was the full amount required under 403(b). NARP would like to thank the many dedicated members who are volunteering in the leaflet campaign, including:

Arizona: George Loulan. Arkansas: Bill Pollard*. California: Dan Lovegren*, Harry Marnell, Thomas Payne, Byron Nordberg, Bill Rice, Roger Hooson, Ron Kilcoyne, Bob Hackley, Carter Roberts. Colorado: Carl Fowler, Jay Aldinger*, Bob Brown, G.W. Pool, Ben English, Walker Edwards, Ann Bingham, Hugh Wilson, Scott Guthrie, Katherine Compton, Robert White, Everett Rohrer. District of Columbia: Barry Williams, Jim Churchill, Matt Curran, Anthony Perl*, Harry Sanders. Florida: Charlie Dunn*, Jim Herron*, Andy Healy, Mel Hazen. Georgia: Jack Martin*, Larry Dyer, Ross Goddard. Illinois: Mike Morrison*, Bob Strempel, Carla Schmakel, Bill & Jeff Francik, Ron Boardman*, Ron Vanderkooi, George Strombeck, Bill Matusinec, Mike Reichenbach, Art Evans, Mike Cramer, Steve Hastalis, Bill Post, Tom Worms. Indiana: Nick Noe. Kansas: Mark Bucol, Bradley Kramer. Kentucky: Don Maxwell*. Louisiana: Zane Katsikis*, John Sita Sr. & Jr. Massachusetts: Gene Skoropowski*, Hugh Jones, Rusty Kendrigan, Kevin Gregoire*. Michigan: Nancy Ross*, Lori Sweetland*, John Delora*, Clark Charnetski, Norma Ward*. Minnesota: Jim Otto, Douglas Johnson, Richard Ponthan, Thomas Beaumont, Robert Gulla. Missouri: Travers Burgess*, Pat Mehlick, Tom Schramel, Steve Berra, Pete Van Zanten, John Wegner, Wayne Copple. Nebraska: Launce Erickson*. New Jersey: David Ross, Jim Ciacciarelli. New Mexico: Jon Messier, Jim Todd, Maureen Ikle, Jack Tabor, Chub Dicksen. New York: Ted Scull*, Lew Hoppe, Jim Kerner, Steve Linde*, Chuck Treuhold, Mary Ellen Kelly, Jeff English*, Charles Poltensen, Bill Thomson*, Andy Jones. Ohio: Willard Edson, Bill Herndon, Mike Weber, John Wilson, Howard Harding*, Al Mladineo. Oregon: Ken McFarling*, Bill Parish, Tim Wilson. Pennsylvania: Andrea Banks*, Art Malestein, Larry Joyce*, Bill Staiger, Dave Reel, Walter Schmalz, Rick Hannegan*. Texas: Tom Matney*, Phil Whitley, John Mann Gardner, Simeon Burtner. Utah: Dutch Tubman, Murl Rawlins Jr. Virginia: John Czyzewski, Washington: Al Runte, Rocky Shay, Steve Spear, Paul Phillips*. Wisconsin: Bob Ballou. Wyoming: Adrian Herzog.

*NARP Director (We'll update this in the future.)

Because millions of Americans unaware of Amtrak's plight will be riding the rails this summer, NARP plans to continue the leaflet distribution. Additional volunteers ("leafletteers") are going to be needed in many locations. If you are interested in helping in this critical effort, please contact Barry Williams at the NARP office.

In addition, it is possible that a train with lower-than-average costs could make a positive contribution to the all-important systemwide revenues:costs ratio even while slipping under the PMTM threshold, and that management would therefore elect to retain it even without any special aid package.

Amtrak Commuter Trains . . .

. . . would continue under present funding arrangements according to HR 3568; S1199 would end them except where Amtrak is fully reimbursed for their costs. Since Rep. Florio is the Democratic nominee for governor of New Jersey, which has a vital interest in this provision, the House probably will "hang tough" on this provision.

Board of Directors

Current law shows 17 board members but four slots, reserved for holders of preferred stock, have never been filled because such stock has never been issued. S 1199 would require Amtrak to issue preferred stock to the Federal Government "to better protect the Government's interest and investment in Amtrak in the event of liquidation," so the Secretary of Transportation in effect would gain four new votes on the Amtrak board.

HR 3568 would reduce the board to 11 members, including two representatives of commuter agencies, and seven Presidential appointees (advice and consent of the Senate), one to be selected from a list submitted by each of the following groups: AFL-CIO; National Governors' Association; "the business community"; "the National Association of Railroad Passengers or its successor;" organizations representing users of commuter services operated by Amtrak; organizations representing the elderly; and the Association of American Railroads. The Secretary of Transportation and the President of Amtrak would continue to serve.