



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 25, 2007
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 294 – Passenger Rail Investment and Improvement Act of 2007

(Sen. Lautenberg (D) New Jersey; Sen. Lott (R) Mississippi and 40 cosponsors)

The Administration believes that a significantly reformed intercity passenger rail system has the potential to play a role of growing importance in providing transportation options in the United States, including helping to reduce congestion along heavily traveled intercity corridors. The Administration appreciates some of the reforms in this bill, including the provisions to establish performance metrics, require more financial accountability, and grant States some more responsibility. However, the Administration opposes Senate passage of S. 294 in its current form. The bill would authorize almost \$12 billion over six years for the National Railroad Passenger Corporation (Amtrak) without requiring many of the key reforms in Amtrak's governance or operations that are necessary and without allocating resources based on the demand for passenger rail service. The Administration will not fund Amtrak at the levels authorized in this legislation and would oppose any attempt to provide it with bonding authority or a similar financing mechanism. The Administration looks forward to working with Congress to address these concerns as the legislative process moves forward.

The Administration urges Congress to pass Amtrak reform legislation that reflects the following core reform principles consistently articulated by this Administration: (1) create a system driven by sound economics where services are provided based primarily on consumer demand; (2) promote competition; (3) focus Amtrak on core operating competencies; (4) establish funding partnerships with States; and (5) improve the investment in and management of the Northeast Corridor.

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