

**NOMINATIONS OF THOMAS R. CARPER AND CE-
LESTE PINTO McLAIN TO BE MEMBERS OF
THE BOARD OF DIRECTORS OF THE NATIONAL
RAILROAD PASSENGER CORPORATION (AM-
TRAK)**

Y 4. C 73/7: S. HRG. 103-910

Nominations of Thomas R. Carper and...

HEARING
BEFORE THE
**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION**
UNITED STATES SENATE
ONE HUNDRED THIRD CONGRESS

SECOND SESSION

SEPTEMBER 21, 1994

Printed for the use of the Committee on Commerce, Science, and Transportation



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NOMINATIONS OF THOMAS R. CARPER AND CELESTE PINTO McLAIN TO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE NA- TIONAL RAILROAD PASSENGER CORPORA- TION (AMTRAK)

WEDNESDAY, SEPTEMBER 21, 1994

**U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
*Washington, DC.***

The committee met, pursuant to notice, at 9:45 a.m. in room SR-253, Russell Senate Office Building, Hon. J. James Exon, presiding.

Staff members assigned to this hearing: William Clyburn, Jr., staff counsel, Clyde J. Hart, Jr., senior counsel, and Rebecca A. Kojm, professional staff member; and Emily J. Gallop, minority professional staff member.

OPENING STATEMENT OF SENATOR EXON

Senator EXON. The committee please will come to order. We are delighted to have some guests with us this morning to introduce the nominees to be members of the Amtrak Board of Directors. Senator Biden, would you please come forward. Governor, we welcome you here this morning. Senator Feinstein, would you please come forward.

I apologize for my tardiness this morning. A number of things occurred that happen from time to time to all of us, and I apologize for holding you up. Let us move right along. I will save my opening statement until later and follow our usual procedure.

We are delighted to have my friend from our neighboring State, Delaware, here. Senator Biden, we are honored in this committee to have you here this morning. Please proceed in any fashion you see fit, and I assume it is to make recommendations to the committee on a nominee.

STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR FROM THE STATE OF DELAWARE

Senator BIDEN. It is. Thank you very much, Governor. I appreciate it.

I have another fellow Governor—back in your old days, in your previous incarnation as Governor—who, I am pleased to say, has been nominated to be on the board.

Let me just say, I would like to ask unanimous consent that my entire statement about Governor Carper be placed in the record.

Senator EXON. Without objection, that is so ordered.

Senator BIDEN. But let me make just a few highlights here.

First of all, thank you for expediting this hearing. As someone who holds a fair number of nomination hearings, another one beginning at 10 o'clock—and Senator Feinstein, I am delighted, is on the Judiciary Committee and she knows about these hearings—we know how hard they are to get up and running. There is so much doing. And I personally want to thank you for expediting this so that we do not end up in a situation where time elapses and these two people are not able to be on the board before we go out.

Amtrak, Senator, has a long, long, long history in the State of Delaware and it is prior to it becoming Amtrak. Railroads and Delaware have been inseparable for well over 100 years, and we have been a major link in terms of repair, construction, maintenance on the Northeast Corridor prior to it being Amtrak, when it was Pennsylvania Railroad and the B&O Railroad. We are a railroad town in many ways, Mr. Chairman.

And Governor Carper has had a vast amount of experience, as a member of Congress for over a decade, in dealing with the same issues you and I have had to deal with. Now, we do not deal with them as much as you do, having jurisdiction over this subject matter, but Governor Carper is not new to the concerns, problems, opportunities, and difficulties of running a passenger rail service which is always struggling, like every passenger rail service worldwide is, to make its operating budget and make prudent decisions relative to its capital investments.

Governor Carper I think will bring a very important insight and strength to the Amtrak board. As I indicated, as congress person, he struggled firsthand with Amtrak's perennial budget problems, and as Governor he knows how important rail transportation is to not only our State but, much more importantly, to the regional economy. So, Mr. Chairman, I think that this is an inspired choice made by the administration.

Tom, like me, Governor Carper like me, also has another advantage. He probably has ridden on Amtrak more often than 99 percent of the American population. He knows its ups, its downs, the practical application of what we do here in the Congress, and I think he will give some informed insight for a system that is desperately needed in my neck of the woods. I think it is needed nationwide, but in my neck of the woods it is critically important to our economy. And I hope that you will be as pleased as I am with his choice.

And one thing about Governor Carper that everyone on both ends of the political spectrum acknowledges: this guy is a work horse. This guy will take this job very, very, very seriously, and I believe he will be a significant addition to the board.

And I again thank you, Governor, for—I know all you Governors still like being called "Governor" sometimes. He is my senator, but I always look at him and think of him as Governor, like I look at my friend, Senator Heflin, on the Judiciary Committee and think of him as a judge.

But I want to thank you, Mr. Chairman, for expediting this. And, as I said, it is very important to my State, and I think that Governor Carper will make a significant, genuine contribution to this board.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF SENATOR BIDEN

Good Morning Senator Exon and members of the Committee.

It is a great pleasure for me to introduce to the Committee the Governor of the State of Delaware and my friend, Tom Carper.

The President has done Delaware a great honor, and the country a great service, by appointing Governor Carper to the Amtrak Board of Directors.

Delaware has played an important role in the history of rail transportation on the East Coast. The major heavy maintenance facilities for the entire Northeast Corridor are located in Wilmington and Bear, Delaware.

The Wilmington Yards have been keeping the trains running there for virtually all of this century.

And Amtrak has been important to Delaware, providing jobs for thousands of Delawareans over many generations. Today, Amtrak employs more than one thousand Delaware residents.

Governor Carper will bring important insights and strengths to the Amtrak Board. As Delaware's Congressman he struggled first hand with Amtrak's perennial budget problems. As Governor, he knows the importance of rail transportation to the state and regional economy.

Mr. Chairman, Amtrak faces many challenges as we move toward the next century. The system needs a more solid financial foundation. Every year, we seem to narrowly avoid major disruption when funds run out.

At the same time, Amtrak must devote resources to important capital investments—such as the next generation of high-speed rail for the Northeast Corridor. These investments will attract the riders needed to keep the system a vital part of our country's transportation system.

If Amtrak is to deal with these and many other pressing issues, it will need people like Tom Carper to help make the important decisions.

Mr. Chairman, and members of the Committee, I can think of no one who is better prepared or more able to make those decisions than Governor Carper. I hope the Committee will approve him quickly so that important work can begin. Thank you.

Senator EXON. Senator Biden, thank you very much. We appreciate your coming in this morning to help out. I am very much impressed with both of these nominees. I think it is nice that you and Senator Feinstein have come to help us in making this decision. I assure you we will be moving very, very rapidly.

I certainly know of the keen interest you have shown over the years, Senator Biden, in Amtrak. We are very glad to have the Governor coming onboard. This is a particularly difficult time for Amtrak with the capital needs they obviously have and the revenues still not matching what we hoped they would, but progress is being made.

Senator, you are welcome to stay as long as you wish. I know you have other appointments. I have no questions of you. If you wish to leave now, you are excused.

Senator BIDEN. Mr. Chairman, I am to chair a hearing on judicial nominations. I am not sure there are any from Nebraska, but I am going to get over there as quickly as I can.

And, as Senator Feinstein will tell you in a moment, she told Mr. Downs, when Amtrak is not on time—or put it more precisely. When I am not on time at a hearing, it is automatically assumed it is Amtrak's fault. [Laughter.]

So, I do not want to have Amtrak get the rap for my being late for a 10 o'clock judiciary hearing. Thank you for letting me present.

Senator EXON. Senator Biden, thank you very much for being here.

Senator Feinstein, welcome to you.

**STATEMENT OF HON. DIANNE FEINSTEIN, U.S. SENATOR FROM
THE STATE OF CALIFORNIA**

Senator FEINSTEIN. Thank you and good morning, Mr. Chairman. I am very pleased to be here on behalf of Celeste McLain to recommend her to you for appointment to this board.

As my colleague and friend, Joe Biden, said, Amtrak is certainly the wave of the future, and Delaware is probably a much bigger rail State than California. I wish it were the reverse, and I think the public benefit would be much greater should it become the reverse.

And so I am hopeful that this nominee will really be very diligent in the pursuit of a good Amtrak system and, where possible, of extending that system and, I must say, particularly in California where for a long time I have had a dream of a rail spine down the center of the State that could take high-speed rail and really bring it into the future.

Let me tell you a little bit about the nominee, Mr. Chairman. She is presently a trustee and audit committee member of the Pilgrim Prime Rate Trust, which is a closed-end mutual fund which invests in senior collateralized corporate loans. The fund has approximately \$800 million in assets and its shares trade on the New York Stock Exchange.

She is also a trustee of a number of other funds in the Pilgrim Group—the International Trust, the Strategic Investment Series, the Institutional Securities Trust, the Corporate Utilities Fund, the Global Investment Series, and GNMA Fund. She is a member of the American Arbitration Association, and she is also a member of the Complex Case Panel of that association.

She has served as a member, from 1985 to 1993, of the California Board of Accountancy. And, in the capacity of board member, she has received an award for exceptionally meritorious service from the California Board of Accountancy in 1994.

From 1979 to 1986, she was a member and assistant general counsel and assistant secretary of Tiger International, which was the holding company for the Flying Tigers, among other entities, which is now owned by Federal Express. She is an attorney and had been employed by O'Melveny and Meyers in Los Angeles from 1974 to 1979.

She has been a resident of California for the past 20 years since moving from New York City. And I believe that she will be a strong and forceful advocate for Amtrak on this board and am very pleased that she will be able to join the distinguished Governor of Delaware.

So, it is with great faith and confidence that I commend her nomination to you this morning, Mr. Chairman, and I thank you.

Senator EXON. Senator Feinstein, thank you, very, very much. I thank you for being here this morning. We appreciate it very much. As I said a few moments ago, I am impressed with both of these nominees. The fact that you have taken time to come over here will just further enhance our efforts to move these nominations along and get them approved. I believe consideration and approval will be in short order.

As one who has been involved in Amtrak for a long, long time, I notice you mentioned that Amtrak is probably used more along

the east coast than it is on the west coast. That also is true with regard to my middle section of the country. But, Amtrak plays a very key, important role.

I think you have recognized, Senator Feinstein, that in the years to come, I believe, with high-speed rail if it comes into play, we are going to see a highly populated State like California become more and more of a key player in the whole rail passenger service industry.

So, thank you for your help and your support. I invite you to stay as long as you can. I know you have other commitments. I have no further questions for you, and you are excused to leave at your convenience. Thanks for being here.

Senator FEINSTEIN. Thank you very much, Mr. Chairman.

Senator EXON. Without objection, at this time, I would ask that the full statement of the chairman be placed into the record at this point, along with written statements in support of the two nominees by Senator Roth of Delaware for Governor Carper, and Senator Boxer of the great state of California for Ms. Pinto McLain.

[The prepared statements of Senator Exon, Senator Hollings, Senator Burns, Senator Roth, and Senator Boxer follow:]

PREPARED STATEMENT OF SENATOR EXON

I am pleased to call the Senate Commerce Committee to order. Today the committee considers the nominations of the Honorable Thomas R. Carper, the Governor of the State of Delaware, and Celeste Pinto McLain, of the State of California, to the Amtrak Board of Directors.

In these nominees, the President has presented two individuals of distinct accomplishment and commitment to passenger rail. Governor Carper served for ten years in the U.S. House of Representatives, six years as Delaware's Treasurer and now as Governor of the State of Delaware. Like the junior Senator from Delaware, Joe Biden, I understand that Governor Carper commuted between Delaware and Washington, D.C., on Amtrak during his service in the U.S. Congress.

Celeste Pinto McLain also is a distinguished citizen and an individual very familiar with the rail industry. A graduate of the Georgetown School of Law and Trinity College, Ms. Pinto McLain has been active in public service in the State of California. Her work with the rail industry and expertise in government finance will serve Amtrak and the nation well.

I am especially pleased that both nominees have experience in fiscal matters and both have a record of fiscal discipline. With the limited number of federal dollars available to Amtrak, we must work together to make every dollar count.

As a member of the Senate Budget and Commerce Committees, during the two previous administrations, I fought a sometimes lonely battle to keep Amtrak alive. Amtrak has survived twelve years of various attempts to eliminate funding, to privatize, and to spin-off profitable lines. I like to say, we had a patient on life-support. Today, our patient is coming back to life.

With the Senate and House passage of similar high-speed rail bills, the introduction of a new Amtrak Reauthorization Act, Tom Downs at the helm of Amtrak, Congress and the Clinton administration have breathed life into the vision of a world class, American passenger rail system.

In many ways, policy makers are at a turning point for Amtrak. I strongly support a national transcontinental passenger rail system. At the same time, the need to continue to reduce the federal budget deficit continues to grow. I strongly believe that Amtrak is a good investment. If there were no Amtrak, the cost to tax payers would be enormous. America can not afford to build enough roads, or airports to accommodate Amtrak passengers via other modes of transportation. In the future, rail service will be a key to reducing air pollution and energy consumption.

In world-class rail service, the Nation has an opportunity to unite its goals for technology development, urban renewal, employment, environmental protection, and energy conservation.

I look forward to hearing from the nominees about their vision for the future of passenger rail service in the United States.

PREPARED STATEMENT OF SENATOR HOLLINGS

The Commerce Committee is holding a hearing today on the nominations of Thomas R. Carper, Governor of Delaware, and Celeste Pinto McLain, Trustee of Pilgrim Mutual Funds, to be members of the Board of Directors of the National Railroad Passenger Corporation (Amtrak). The Amtrak Board of Directors is composed of nine members, three of whom are appointed by the President with the advice and consent of the Senate.

The position for which Governor Carper has been nominated is one that, by law, is filled by a chief executive officer of a State with an interest in rail transportation. Governor Carper has been nominated to replace Governor Tommy Thompson of Wisconsin. The position for which Ms. Pinto McLain has been nominated is one that, by law, is filled by a representative of the business community with an interest in rail transportation. Ms. Pinto McLain has been nominated to replace the unexpired term of Carl W. Vogt which ends in 1995. Ms. Pinto McLain also is nominated for a subsequent full term of four years on the Amtrak Board of Directors.

Governor Carper was elected in 1993. Prior to this election, he served five terms as Delaware's Congressman in the U.S. House of Representatives and six years as Delaware's State Treasurer. Governor Carper earned a B.A. in Economics in 1968 from Ohio State University and served for five years as a Navy aviator, including a tour of duty in southeast Asia during the Vietnam War. In 1975, he earned an M.B.A. degree from the University of Delaware and won his first election to the State Treasurer's office the following year. In 1983, he won his first election as Delaware's Representative to the House. The Governor is married and has two children.

Governor Carper's government service has given him wide knowledge of the issues surrounding Amtrak. First of all, his service in the House required his participation in the debates over the role and funding of the Nation's transportation system in general and of Amtrak's place in that system in particular. Moreover, as a Congressman he commuted between Delaware and Washington, D.C., almost daily. Thus, he experienced Amtrak as a consumer, a fact that should give him valuable insights into what must be done to ensure that the Nation has first-rate rail service.

An accomplished attorney, Ms. Pinto McLain, since 1990, has been a trustee and member of the Audit Committee of the Pilgrim Group's Prime Rate Trust, which invests in senior, collateralized corporate loans. She also is a trustee and member of the Audit Committee of a number of other mutual funds for the Pilgrim Group. She has served as Assistant General Counsel and Assistant Corporate Secretary at Tiger International, Inc., a transportation holding company engaged in international and domestic railcar leasing. Ms. Pinto McLain also has served as an arbitrator for the American Arbitration Association since 1981. She was appointed to the California Board of Accountancy in 1985 by the California Speaker of the Assembly, and she recently concluded her second four-year term. This board supervises the professional activities of all certified public accountants in the State of California.

Ms. Pinto McLain, a California resident, received her J.D. from Georgetown University's Law Center in 1974. She graduated cum laude in 1971 from Trinity College with a B.A. in English. Ms. Pinto McLain's expertise in mutual funds and experience with arbitration should prove beneficial in helping to resolve funding shortages and to find alternative sources of revenue for Amtrak.

The experiences and insights of the nominees will be most helpful to Amtrak as it confronts the serious challenges it faces. I long have been committed to a safe, economically viable, and efficient national rail passenger transportation network. At the same time, however, constrained federal resources have forced careful consideration of how best to maximize public investment in this important transportation mode. If confirmed as members of the Amtrak Board, Governor Carper and Ms. Pinto McLain will have major roles in helping to resolve these concerns as Amtrak moves forward into the next century.

On behalf of the Committee, I welcome Governor Carper and Ms. Pinto McLain this morning, and I look forward to their testimony.

PREPARED STATEMENT OF SENATOR BURNS

Thank you for holding this important hearing. Since 1970, Amtrak has provided an important service to travelers across the United States by maintaining reliable passenger rail service, and I hope to see this quality of service continue through the work of the two nominees here today, Gov. Thomas R. Carper and Ms. Celeste Pinto McLain.

Through my State of Montana, Amtrak's Empire Builder follows Amtrak's northern route and connects the Midwest's largest cities: Chicago, Minneapolis, Milwaukee, and Seattle. The Empire Builder stops in many of the small rural towns along

the Hi-Line area of Montana and provides an essential service to the residents of these communities. Amtrak's service is extremely important to these remote areas as it is often the only mode of public transportation available.

Reliable passenger rail service to these areas is a necessity given the extreme living conditions of this area. Severe winter weather conditions often make highway travel extremely dangerous and air service is virtually unavailable. During these periods, the Empire Builder allows access to many of the most basic life services. Services such as access to medical facilities is particularly important to the elderly populations of this area. Residents of these rural communities are separated from even the most basic medical services taken for granted in more populated areas.

The Empire Builder also plays an important role in sustaining the economic viability of these smaller communities. Amtrak's service to these areas provides reliable transportation for commercial products—a vital link in ensuring the livelihood of many of the area's small businesses.

However, while the Empire Builder once provided the quality of service essential to this area, delays and unannounced schedule changes have become more and more frequent to this line. I would like to know if these nominees will support fundamental changes to address this situation and reinstate the "reliability" required for Amtrak's service in Montana.

In addition, new funds have been authorized for capital grants. Amtrak has studied several different options for a southern route through Montana. These lines would establish service between Seattle-Denver, via Missoula, Laurel (Billings), Thompson Falls, Paradise, Helena, Bozeman, and Livingston, or service between Seattle-Fargo-Minneapolis-Chicago, via Glendive, Billings, Helena, Missoula, Miles City, Forsyth, Livingston, Bozeman, Paradise, and Thompson Falls. These lines would improve Amtrak's transcontinental service, and provide the competing connection between Seattle and Florida. I would like to know if these nominees would support a route expansion in Montana and if increases in capital grants would be directed for funding to get these proposals off the drawing board.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF SENATOR ROTH

Mr. Chairman, it's my pleasure to endorse President Clinton's nomination of Tom Carper to the Amtrak Board of Directors. I believe his qualifications for the position are without question, and I do recommend him without any reservations.

As Delaware's Governor and former Member of Congress, Tom knows Amtrak and its operations well. But I know that he appreciates Amtrak in a way few others can. And that is because for many years, along with Joe Biden and myself, Tom helped make up the fraternity of early morning—sometimes very early morning—commuters heading to Washington from Wilmington on the Metroliner nearly every business day.

I can assure you, that on occasion we did not relish this early morning ritual—but you could always count on Tom to arrive at the station in a cheery mood and with a smile on his face. I guess it was due to his love of riding the train, his love for the railroad.

While I don't know for a fact, I would venture to say that Tom Carper may well have more firsthand experience with Amtrak than anyone else considered by the board. That is what makes his nomination particularly unique.

Unique because he will bring with him the personal knowledge of just what makes a railroad tick. The experience of someone who has spent countless hours and thousands of miles riding the rails as an Amtrak passenger should prove invaluable in considering issues affecting Amtrak and the service it provides to the public.

Tom Carper understands the importance of the railroad system and the need to improve and maintain the rail infrastructure in this country. In particular, he appreciates how an efficient, well-run rail system can and should operate and the benefits it can bring.

As a colleague in Congress, I was pleased to work with both he and Joe on Amtrak issues. As you may be aware, Amtrak employs over 900 talented, committed, and hardworking men and women in our small State of Delaware. It is these people—machinists, electricians, and craftsmen of every order—who keep Amtrak running smoothly and safely—transporting millions of passengers every year.

Indeed, the Wilmington and Bear, DE, maintenance yards have developed a reputation for excellence over the years that is not to be surpassed. In fact, just this past spring, Amtrak President Tom Downs personally came to Delaware on two separate occasions to present the President's Award for Excellence and Safety to the

men and women at our shops. These dedicated workers keep the Northeast Corridor moving at high speed.

As I mentioned, the Delaware delegation in Congress and Tom as Delaware's Governor have worked to ensure that the vital transit link that Amtrak provides is not weakened, and is never severed. Without Amtrak's Northeast Corridor, our east coast airports and highways would be absolutely unmanageable.

Tom knows that strong Amtrak operations in our State and across the Nation are of singular importance as this Nation moves forward with the development of high-speed rail and other new modes of rapid, environmentally friendly, and fuel efficient transportation.

For all these reasons, I wholeheartedly support the nomination of Gov. Tom Carper to the Amtrak Board of Directors, and encourage you to act favorably and quickly on his confirmation.

Senator EXON. With that, I would like to go to a few questions I have for both nominees. I have chaired many, many hearings with regard to Amtrak nominees. I never have chaired a hearing where I feel that the background and experience of the nominees which these two represent have ever been higher, and I am anxious to move these nominations along.

I suspect, with the backgrounds you both bring, you have had time to give some thought to some of the challenges you are going to face as part of the new Amtrak family. Let me start with you, Governor, if I may, and then Ms. Pinto McLain, please answer the same question.

What, in your view, are the biggest challenges facing Amtrak today and tomorrow, and what suggestions do you have for resolving any or all of these problems which this important rail transportation system faces in the future?

STATEMENT OF THOMAS R. CARPER, NOMINEE, MEMBER, BOARD OF DIRECTORS, AMTRAK

Governor CARPER. Senator Exon, let me try to respond to that. It is a big question; let me try to respond to that if I may.

First of all, let me just say as a prelude to responding how much I appreciate Senator Biden being here to introduce me to you and to your committee and staff, and say how much he has meant to Amtrak and certainly to our State.

If I had to list several of the top challenges that I believe we face, one of those is the condition of the rolling stock of Amtrak itself. Amtrak is having a difficult time meeting the expectations of its customers. Customers want to arrive on time. Senator Biden noted here earlier that, when he is late, Amtrak is blamed whether they are responsible or not. Ninety-six percent of the Metroliners are running on time this summer.

In the Northeast Corridor, non-Metroliner, and outside of the corridor, the on-time performance is not nearly as good. And when passengers sit for an hour or two or are late by an hour or two in getting to their destinations, they are not happy. They are not happy when the on-train service personnel are less than helpful or less than courteous.

I would say one of the major challenges that we face is upgrading the condition of the equipment, and that includes not just the rolling stock but also the track, and working with the freights who own much of the track outside of the corridor so that they will be willing to share that track in a way that will enable Amtrak to perform more nearly on time.

A second consideration that I have is the morale of the workforce. As Senator Biden said, there are a number of Amtrak employees who work throughout the corridor but who live in Delaware, and there are a number who work in the maintenance yards in northern Delaware. The morale of the workforce has not been good for some time.

I think it goes beyond the question of compensation, but a question of whether or not they believe they are listened to. We are trying to do in State government what you are trying to do in Federal Government, and that is to push the decisionmaking authority down to the lowest level of authority, to the men and women who are on the front line, the firing line, who are dealing with the customers, providing the service, whether it is on the train or in the maintenance yard, to empower them to be able to meet the needs of the day.

I think Amtrak, certainly Tom Downs, has acknowledged that Amtrak needs to do the same kind of thing and cut out, as we have tried to do in Government and as we are trying to do in the private sector, some of the levels of management that tend to make things worse, not better.

The third challenge I think we face is the question of how do we build and maintain support and service within the densely populated corridors, not just the Northeast but it could be Florida, Orlando to Tampa or Orlando to Miami; it could be California, San Diego to Los Angeles; or it could be the Midwest, Chicago to Milwaukee or Omaha, Chicago to Kansas City. Any number of them. Chicago to Detroit.

How do we improve the quality of service but, at the same time, not abandon service elsewhere and still try to reduce the operating deficit of this corporation? That is a monumental challenge. My history as a Congressman would suggest that, as soon as we begin to consolidate the operations of Amtrak just to a few densely populated corridors, the political support here in this body and in the House of Representatives begins to dry up.

Those are some of the major challenges that we face and ones which I look forward to working on.

Senator EXON. Thank you very much.

[The biographical data of Governor Carper follows:]

BIOGRAPHICAL DATA

Name: Carper, Thomas R.; address: 600 W. Matson Run Parkway, Wilmington, DE 19801; business address: Carvel State Office Building, 820 N. French St., Wilmington, DE 19801.

Position to which nominated: Director, National Railroad Passenger Corp.; date of nomination: August 1994.

Date of birth: January 23, 1947; place of birth: Beckley, WV.

Marital status: Married; full name of spouse: Martha Ann Stacy Carper; names and ages of children: Christopher Thomas, 6; and Benjamin Michael, 4.

Education: Ohio State University, 9/64-12/68, B.A., Economics; and University of Delaware, 9/73-6/75, M.B.A.

Employment: 12/68-6/73, U.S. Navy, Moffet Field, CA, Naval Flight Officer; 9/73-7/91, U.S. Navy Reserve, Willow Grove, PA, Naval Flight Officer; 12/75-7/76, State of Delaware, Dover, DE, Economic Development; 11/76-1/83, State of Delaware, Dover, DE, State Treasurer; 1/83-1/93, U.S. House of Representatives, Washington, DC; and 1/93-present, State of Delaware, Dover, DE, Governor.

Government experience: Flight Officer, U.S. Navy and Naval Reserve, 1968-91; Industrial Development Specialist, State of Delaware Economic Development Office,

1975-76; State Treasurer, State of Delaware, 1976-83; Congressman, State of Delaware, 1983-93; and Governor, State of Delaware, 1993-present.

Political affiliations: As an elected official and candidate, I have been an active participant in electoral politics for over 18 years. During that time, my political campaign committees and I have rendered contributions and support to many Democratic candidates for office. The financial disclosure reports of my State and Federal campaign committees are a matter of public record and reflect these activities.

Memberships: Cochair, Welfare Reform Task Force, National Governors' Association; member, Democratic Governors' Association; life member, NAACP, Delaware Chapter; member, Veterans of Foreign Wars; member, American Legion; member, Vietnam Veterans of America; member, Common Cause; and member, New Castle Presbyterian Church, New Castle, DE.

Honors and awards: During my career, I have been fortunate enough to receive recognitions of this kind. Some highlights of my career are included in the biography that may be found in the committee files.

Published writings: As an elected official, I have frequently provided op-ed pieces to Delaware newspapers. These are the extent of my publications and I have not kept a bibliography of such writings.

Senator EXON. Ms. Pinto McLain.

STATEMENT OF CELESTE PINTO McLAIN, NOMINEE, MEMBER, BOARD OF DIRECTORS, AMTRAK

Ms. PINTO McLAIN. Mr. Chairman, thank you for your time and also for expediting this, and it really is a pleasure and an honor to be here. And thank you for your extremely kind comments.

With respect to your question, I agree with everything that the Governor has said, and I guess I look at it from a slightly more global perspective. So, I would say that the questions about on-time performance and the condition of the equipment are probably those that I would characterize as competitive questions. And I think Amtrak's two major problems are competitive and financial. Clearly, one will not be resolved without resolving the other.

The Governor has provided much of that information. In terms of suggestions, I think that it is appropriate that Amtrak has attempted to obtain financing from private sources that, as you know, are already involved in things like high-speed rail. I think Amtrak needs to continue doing that and to continue pursuing with a great deal of imagination and creativity other forms of private financing and partnering with States like California, which has dedicated about \$200 million to passenger rail transport, and with counties, cities, and wherever it can get funding assistance.

I think it is very clear to Amtrak, from the little I know, that they do not want to and no longer can rely exclusively on the U.S. Government as a primary source of funding. And I know that we all share the goal of greater economic self-sufficiency at some point in the future. I also think it is an extremely long road to get there. I think it is a goal that is not only laudable but, to some extent and at some point, hopefully, doable at a minimum Amtrak must aggressively pursue greater competitiveness and significantly improved long-term financial stability.

Senator EXON. Thank you, Ms. Pinto McLain.

[The biographical data of Ms. Pinto McLain follow:]

BIOGRAPHICAL DATA

Name: McLain, Celeste Pinto; address: 515 North Clifford Avenue, Los Angeles, CA 90040; business address: P.O. Box 49835, Los Angeles, CA 90040.

Position to which nominated: Member of Board of Directors, National Railroad Passenger Corp. (Amtrak); date of nomination: August 22, 1994.

Date of birth: September 10, 1949; place of birth: Greenwich, CT.

Marital status: Married; full name of spouse: Thomas Elliott McLain; names and ages of children: John Thomas, 8; and Brannack Joseph, 4.

Education: Georgetown University Law Center, 1971-74, J.D.; Trinity College, 1967-71, B.A.; and Convent of Sacred Heart, 1964-67, High School Diploma.

Employment: Summer 1971, Army R&D News Magazine, Washington, DC, research writing and editing; fall 1972, LEAA, Department of Justice, Washington, DC, legal research and writing; summer 1973, Davis Polk & Wardwell, New York, NY, legal research and writing; 1974-79, O'Melveny & Myers, Los Angeles, CA, law firm associate; 1979-86, Tiger International, Inc., Los Angeles, CA, lawyer (business and transportation); 1985-93, California Board of Accountancy, Los Angeles, CA, policy and compliance and board member; 1990-present, Pilgrim Group Mutual Funds, Los Angeles, CA, board member and trustee; 1981-present, American Arbitration Association, Arbitrator; and 1988-present, Executor and Trustee under will, Financial and Fiduciary.

Government experience: Army R&D News Magazine; Law Enforcement Assistance Administration, Department of Justice; California Board of Accountancy; and Coro (nonprofit training program for Government service); and provided pro bono legal counsel while at O'Melveny & Myers.

Political affiliations: Republican National Committee; Tiger International, Inc. PAC; Senator Dianne Feinstein; Mayor Richard Riordan; Gov. Pete Wilson; Robert Moshbacher; Kathleen Brown; Speaker Willie Brown; President Clinton; John Emerson; Laura Klinger; Kathleen Townsend (cousin); and Joseph Kennedy (cousin).

Memberships: American Arbitration Association, member and arbitrator; Trinity College Alumnae Association, board member; Georgetown University National Law Alumni Board and Law Women's Forum, L.A. Chair and Steering Committee member; Phi Beta Kappa; Luminaires, Jrs (Board of Directors, 1991-92, Committee Chair, 1992-93); John Thomas Dey School Parents Club and Committee Chair; Sunshine School Room Parent; California Bar Association; and Member, Organization of Women Executives (President and Board Member, 1984-88).

Honors and awards: Award for Exceptionally Meritorious Service, from California Board of Accountancy (1994); Leadership Achievement Award in Business (1981); Steering Committee and Los Angeles Chair, Law Women's Forum, Georgetown University Law Center (1992-present); and invited to Board of Directors of Luminaires, Jrs (1994-95).

Published writings: "Fire and Ice" published in Horizons (alumnae magazine), vol. XX, No. 3, Summer, 1992.

Senator EXON. Very good. Let me talk about safety, because safety in the whole transportation area has been at the cutting edge of what we have done on this committee in various areas. When we talk about safety, naturally we think of all the modes of transportation—including the tragedies with which we wrestle from time to time in surface transportation here—to make sure that we may learn something from the mistakes of the past and correct them in the future. We are very concerned about safety today.

In your opinion, how can Amtrak continue to improve the safety of its operations, both in the Northeast Corridor and over the tracks owned by other railroads? May I start with you on that one, Ms. Pinto McLain?

Ms. PINTO McLAIN. Certainly. Thank you. It was pointed out to me this morning that, actually, Amtrak's safety record is perhaps even better than we would anticipate. I know it is a matter of tremendous concern, particularly with respect to the safety of the passengers on the trains.

I understand that there have been about 88 passenger fatalities in the history of Amtrak, which is a pretty good record. And one-half of those, most unfortunately, occurred a year ago in the accident in Mobile, AL, where the barge in the bayou hit the bridge just before the Amtrak train tried to come across.

One of the board members whom you confirmed, perhaps a year ago, Dan Collins, has been integrally involved in other safety measures such as Operation Red Block, which is addressing problems of potential alcohol and drug abuse among railroad employees. He also is involved in a safety program developing and installing cross-bars, I think you call them cross-bars, by railroad crossings. Apparently, the major safety issue for nonpassengers relates to grade crossings and track running through areas of the country, such as in California, which cannot be gated or guarded completely.

There will probably always be a concern about those folks, of whom we have an unfortunate large number in California, who want to play chicken with a locomotive. I do not think that is a winning proposition.

Setting aside that contingent, I know, overall, there is a tremendous degree of concern at Amtrak that we maintain our record as an extremely safe mode of transportation. And statistically, it appears passenger rail carriage really is an extremely safe mode.

Senator EXON. Governor.

Governor CARPER. Senator, there is little that I can add to what Ms. Pinto McLain has said. I think it is important that we keep in perspective, as she has, the actual number of lost lives. And the loss of one American life, the loss of one passenger, is too much I think for any of us, but it is important that we keep in mind that fewer than 100 people have perished in Amtrak accidents over the past 20-plus years. Just in the past month we have had more than that number of people die in a single tragic airplane accident.

I think, if Amtrak did not have bad luck, they may have no luck at all. Almost without exception, the accidents that have occurred in the last several years have occurred not because of the fault of the Amtrak crew, not because of the fault of Amtrak maintenance personnel or problems with the rolling stock. Problems have been a barge running into a bridge; the problems have been others creating and lending to these problems.

I am not sure how one at Amtrak deals with what, in some cases, is just fate, bad luck, poor luck. I think we have to do a better job perhaps at Amtrak in getting that message out as much as anything, and continue to try to focus, as Celeste has suggested, on safety issues within our own house.

Senator EXON. Well, Governor and Ms. Pinto McLain, I have no further questions at this time. We may have some additional questions for the record from either me or other members of the committee who could not make it this morning.

I certainly would like to say I am very confident that we will be able to move your nominations through very, very quickly. I also would like to recognize that the man with whom you will be working, Tom Downs, the president of Amtrak, is here today—Tom, would you stand, please? We are glad to have you.

I can assure you that I will do whatever I can to move these nominations along quickly because I think, as I said before, the nominees are particularly highly qualified by background and experience to help you tackle, Tom, the very important problems Amtrak has ahead of it.

So, with that, let me say to the two nominees if there are additional questions for the record, they will be sent to you within the

next day or so. We would appreciate your answering those as quickly as you can so we can put them into the record and expedite the matter further.

With that, I see no problems, we will work diligently to move this matter along and see that these nominations are cleared before the recess.

Thank you for offering to serve. Thank you for being here this morning. I am looking forward to working with you in the years ahead for the good of passenger service on our rails.

With that, I thank you. We are adjourned.

[Whereupon, at 10:10 a.m., the hearing was adjourned.]

APPENDIX

POSTHEARING QUESTIONS ASKED BY SENATOR HOLLINGS AND ANSWERS THERETO BY MR. CARPER

Question. What do you feel are the major issues facing Amtrak today?

Answer. The lack of adequate resources to support the services being provided; the perception that the system is unsafe; the antiquated equipment and facilities that were designed for the early to middle part of this century and not the 21st century; and inadequate customer and market focus.

Question. What does high-speed rail mean to Amtrak's future? Do you support the President's high-speed rail initiative?

Answer. High-speed rail means for Amtrak's and the country's future the opportunity to move people faster and further on our existing infrastructure and thereby ease congestion in some of our heavily used transportation corridors. For example, the I-95 corridor from Washington to Boston has three major competing modes—all paid with federal funds. The competitors are I-95, the airports and the Northeast Rail Corridor. At this time, the I-95 highway is congested and pressure is mounting to expand it. Airports such as LaGuardia in New York are at capacity and the Port Authority of New York and New Jersey is proposing a fourth jet port. The answer is to ensure federal funds support, efficient, cost effective, environmentally sensitive services. High speed rail meets these criteria.

Question. Please tell us about the potential benefits to Amtrak of the successful completion and operation of the Northeast Corridor Improvement Program.

Answer. The major benefits are:

- improves the competitiveness for passenger rail system with the auto and plane between New York and Boston;
- the improved competitiveness will result in fewer autos and thereby less congestion and cleaner air; and
- provides the infrastructure for high-speed rail.

Question. Amtrak has proposed to reorganize its structure. When will this reorganization be completed, and what benefits do you hope this reorganization will engender?

Answer. The reorganization of Amtrak is a recognition that Amtrak is a business with different products. By establishing business units devoted to the special customer products means higher service levels to the customer, greater efficiencies, and more cost effectiveness. At the same time that the individual business units are focused, headquarters can supply the support and cohesiveness needed to be an integrated company.

Question. When the reorganization is complete, how many positions do you expect will be eliminated, and what mechanisms would you recommend to effectuate these eliminations?

Answer. At this time, I am not in position to answer that question. My initial participation in the budget discussion indicates that between 500 and 600 management positions could be eliminated permanently. How many other positions is difficult to say at this time.

POSTHEARING QUESTIONS ASKED BY SENATOR EXON AND ANSWERS THERETO BY MR. CARPER

SELF-SUFFICIENCY

Question. Do you believe that Amtrak can become self-sufficient in the future?

Answer. I do not believe Amtrak can be completely self-sufficient in the future. It could foreseeably cover its operating costs, but I do not foresee it being able to cover all of its capital costs.

This situation is true for most modes of transportation even our highways need increasing levels of public revenues to remain viable.

Question. Are there any programs you recommend implementing to accomplish this goal?

Answer. I believe the management approach proposed by the President of Amtrak is correct. The approach is to understand its costs and markets and then remove lower priorities; and finally to scale back significantly the management of Amtrak. These are appropriate first steps to start achieving self-sufficiency.

Congress can help too by not demanding service where the marketplace for years has shown that there is no demand for service.

Question. Do you have any suggestions as to how Amtrak could increase its revenues without significantly increasing its fares?

Answer. Running the company as a business, as Amtrak's President is proposing, will cut significantly the cost of running Amtrak and thereby increase the existing revenue/cost ratio. Other potential revenues can come from the states benefiting from Amtrak's presence. Another source of potential revenue is the adjoining property that Amtrak owns. Unfortunately it's limited, but the development of property along major transportation hubs has always been where the return has been. This was true when the private sector ran the passenger rail system.

Question. What do you believe should be the appropriate federal role in supporting Amtrak?

Answer. The federal government should require the Amtrak Corporation to provide the country with a "vision" for passenger rail. If the federal government agrees, then it should assist in the fulfillment of that "vision." It can do so in phases that restructure the federal role.

- The federal government participates through the Amtrak Board in determining Amtrak's size, budget and vision. The government then helps to fund the services through capital and operating contributions.

- The federal role should be as a provider of capital dollars to support services. One of the key reasons for Amtrak's deficit is its severe undercapitalization. A possible way to provide support is to direct a portion of the gas tax to Amtrak. One source could be some of the 2.5 cents currently dedicated to deficit reduction.

- Third, after a predetermined set of time the federal government transitions out of operating subsidies to Amtrak, except for those lines that are directed by Congress to remain in service. For those lines, the full cost of service should be borne by the federal government.

CUSTOMER SERVICE

Question. Passengers write to the subcommittee with varied complaints about their treatment while traveling on Amtrak. Do you see improving passenger service treatment as an issue, and if so, what do you believe that Amtrak should do about it?

Answer. Providing market driven, customer focused passenger service is the fundamental purpose for Amtrak. Meeting customer expectations is therefore critical to Amtrak's success.

Amtrak has to explore several areas to improve passenger service:

- Flatten its organization structure to achieve accountability in its management;
- Set organizational and route specific passenger service performance measures;
- Develop a recapitalization plan to improve the reliability of its equipment and condition of its rights-of-way. I suspect that many of the customer complaints revolve around how untimely Amtrak is. In many cases, this is a direct result of very old equipment breaking down; and
- Improve training for those directly serving the passengers and those maintaining the equipment.

These are some of the things Amtrak could pursue.

Question. Do you have any suggestions as how to increase the quality of customer services for Amtrak passengers within the financial constraints Amtrak faces?

Answer. I believe my answer to the previous question covers this well.

HIGH-SPEED RAIL

Question. Please provide the committee your views regarding the potential and feasibility of high-speed rail corridors throughout the country and whether high-speed rail operations should be concentrated only in particular regions.

Answer. High-speed rail technology is a fact and systems are running efficiently in other countries.

High-speed rail in this country could be initially invested in only selected corridors where the density of population and the competitiveness of high-speed rail against other modes makes sense.

Congress should invest in high-speed rail based on sound market and economic rationales.

Question. What do you see as Amtrak's role in high-speed rail initiatives?

Answer. As a provider of intercity rail passenger services, Amtrak's initial role should be as the tester of the equipment and the determiner of the best type and location for high-speed rail service.

Subsequent roles can be as the sole provider of the service; joint partnerships with the private sector, possibly even a subsidiary corporation; and possibly as the landlord that allows the private sector to run the service on Amtrak property or rights-of-way and thereby collects a percentage of the revenue.

These are some of the possibilities.

POSTHEARING QUESTIONS ASKED BY SENATOR HOLLINGS AND ANSWERS THERETO BY
MS. PINTO McLAIN

Question. What do you feel are the major issues facing Amtrak today?

Answer. Amtrak faces fundamental issues in the areas of service and finance. Controlling costs and responding to the rapid deterioration of capital assets are Amtrak's primary problems. Operating with the stock, track, and fixed facilities that Amtrak currently owns, it is hard to imagine how the railroad can improve service and reduce costs to a level that would allow the railroad to thrive. Similarly, Amtrak suffers a seriously eroded cash position. Borrowing money on the open market in order to pay bills is a dangerous and expensive route. A multitude of other factors affect these issues, such as Amtrak's role in high-speed rail technology (with the release next year of a contract for trainsets), the freight railroad operating agreements which expire in 1996, and labor agreement negotiations.

Question. What does high-speed rail mean to Amtrak's future? Do you support the President's high-speed rail initiative?

Answer. Amtrak's implementation of Boston to D.C. service with new U.S.-built trainsets could have a profound impact on high-speed technology around the world. It should lead the way into technology for the next century, boost American technology and, hopefully, significantly boost Amtrak ridership and revenues. Getting people back onto trains on higher quality and faster equipment is imperative to Amtrak as a national passenger rail service.

I think the President's high-speed rail bill, recently approved by Congress, a sensible approach to high-speed rail. I support it. I would like to have seen development and construction as an eligible activity for funding, but I recognize that there are several labor and liability issues that remain unaddressed. It is still a good first step and a good boost for the high-speed rail effort.

Question. Please tell us about the potential benefits to Amtrak of the successful completion and operation of the Northeast corridor Improvement Program.

Answer. The program is designed to enable Amtrak to implement its initial high-speed rail service. As mentioned above, Amtrak is hopeful that this project will increase ridership and revenue as well as the quality of service Amtrak provides.

Question. Amtrak has proposed to reorganize its structure. When will this reorganization be completed, and what benefits do you hope this reorganization will engender?

Answer. The Northeast corridor Strategic Business Unit, known as "NEC SBU," officially began operation on October 1, 1994. The other two SBUs in development, the Intercity SBU and Western SBU, should begin operating early in 1995. In the meantime, management downsizing, voluntary and, if needed, involuntary, is taking place. The major portion of these reorganization steps should be completed by Spring of 1995.

This reorganization endeavors to make Amtrak a much leaner, more efficient and more customer-oriented organization. SBUs are designed to decentralize certain decisionmaking, by encouraging management decisions made by managers actually on or near the affected people or places.

The reorganization also should result in a far clearer picture of the revenues and costs, financial as well as otherwise, associated with each product line Amtrak offers. Each SBU is considered a "product line". In determining how to best run its business, Amtrak seeks reliable, detailed data on all aspects of each SBU. Any suggestions as to changes or improvements in an SBU must include both financial data, and an assessment of all effects a change might have. For example, a community



without other forms of public transportation could be severely impacted by a route discontinuance or station closure.

Many of these issues will be resolved by Congress. Amtrak's role is to provide accurate information and proposed solutions to assist Congress in balancing the competing interests facing both government and Amtrak. Hopefully the reorganization will allow the Board and executive staff of Amtrak to make recommendations and business decisions more rationally.

Question. When the reorganization is complete, how many positions do you expect will be eliminated, and what mechanisms would you recommend to effectuate these eliminations?

Answer. It is anticipated that management ranks will drop about 600 positions, from about 2,100 at the end of FY94 to about 1,500 by Spring of 1995. This is being effectuated, as suggested by management and with Board approval, first by voluntary separation. Amtrak has offered voluntary retirement packages to the approximately 250 eligible management employees; it is now in the process of offering voluntary separation packages to the other employees. If these two mechanisms do not result in a sufficient reduction in management forces, then involuntary separation will be considered. That unfortunate reality has been announced to all Amtrak employees. Involuntary separation decisions are intended to track the needs of the corporation as it undergoes the reorganization and SBU implementation, which will be taking place simultaneously.

POSTHEARING QUESTIONS ASKED BY SENATOR EXON AND ANSWERS THERETO BY MS. PINTO MCLAIN

Question. Do you believe that Amtrak can become self-sufficient in the future? Are there any programs you recommend implementing to accomplish this goal?

Answer. Every mode of transportation in the United States receives a subsidy and there is no passenger railroad in the world that is entirely self-sufficient. Some receive operating subsidies from the government, some receive capital assistance, some receive both. I hope Amtrak can become more efficient and perhaps cover a greater portion of its operating costs by making the right capital investments, bringing costs under control, and enhancing revenues. The current restructuring and division into "strategic business units" will provide a better picture of Amtrak costs, and of existing and potential revenues.

Question. Do you have any suggestions as to how Amtrak could increase its revenues without significantly increasing its fares?

Answer. In the passenger revenue arena, I think Amtrak can increase revenues by improving the quality of service. This includes improving train stations, information and reservations capability, on-time performance and the on-board experience. The failure of a customer to return, because of a bad experience on Amtrak has two negative effects: it is harder and more expensive to recruit new customers than to preserve current customers, and unhappy customers spread negative publicity. Hopefully, the opposite is also true when the customer has a positive experience.

Perhaps Amtrak also should focus some effort in identifying and then developing those areas that have greatest moneymaking potential, possibly including Auto train or postal service contracts. It should also consider other initiatives, consistent with good business development, that maximize revenues, such as selling advertising space on board trains.

Question. What should be the appropriate federal role in supporting Amtrak?

Answer. Logic suggests that, at a minimum, Amtrak should receive the same type and level of federal support other transportation modes receive. This includes significant capital investment. Automobiles and buses benefit from massive highway spending, in and outside of the highway trust fund. Airlines benefit from federal and state investments in airports, including tax exempt bond financing and by having their dispatching operations performed for free by the Federal Aviation Administration. These are the transportation modes with which Amtrak competes. Therefore, Amtrak should receive similar capital and/or operating assistance. If the National Transportation Policy is to have a rail passenger service, then we need to be prepared to invest in it.

Question. Passengers write to the Subcommittee with varied complaints about their treatment while traveling on Amtrak. Do you see improving passenger service treatment as an issue, and if so, what do you believe Amtrak should do about it?

Answer. It is a critical issue. It is a Board priority and absolutely essential to any improvement at Amtrak. Without satisfied, repeat passengers, a national passenger railroad has no business.

Question. Do you have any suggestions as how to increase the quality of customer services for Amtrak passengers within the financial constraints Amtrak faces?

Answer. The current management reorganization and breakdown of Amtrak structurally into strategic business units was designed with that in mind. The SBUs are intended to bring management decisionmaking and responsibility as close as possible to the customer, thus making Amtrak through each of its employees more responsive to customers. Amtrak has commissioned both passenger and employee surveys. The results are being incorporated into Amtrak's business, in an effort to be as customer service oriented as possible.

Question. Please provide the Committee your views regarding the potential and feasibility of high-speed rail corridors throughout the country, and whether high-speed rail operations should be concentrated only in particular regions.

Answer. I understand that there are currently several high-speed rail corridors in this country, which have been identified as holding great potential for service. It seems an undertaking that should be entirely feasible, particularly in certain corridors and if done in a partnership among the federal government, states or regional authorities, and other entities such as Amtrak. The participation of states and localities is crucial, for a number of reasons. Recent laws such as ISTEA establish these entities as the primary decisionmakers in allocating public resources among transportation modes. These also are the entities most responsive to local transportation needs.

Addressing the second part of your question, the FRA has designated certain corridors as likely to support high-speed service, and these are in various geographic regions of the United States. The assumption is that market forces will dictate that high-speed rail be concentrated in particular regions with the population density and inter-city travel demand to warrant such an investment. This does not mean that high-speed rail will only be concentrated in one geographic area of the country, but suggests that high-speed rail will be most in demand to connect metropolitan areas that are generally under 200 miles apart.

Question. What do you see as Amtrak's role in high-speed rail initiatives?

Answer. Amtrak is positioned to be a leader in high-speed rail technology. Amtrak is about to put high-speed rail on the Northeast corridor, the most heavily traveled corridor in America. This is a tremendous opportunity to showcase cutting edge technology, to invest in American technology, and to highlight the benefits of high-speed rail over competing modes of transportation. The trainsets for the Northeast Corridor will likely be the high-speed technology into the next century.

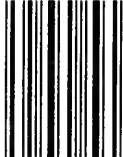
The Northeast corridor initiative is an Amtrak/federal partnership. I would like to see Amtrak build on this experience and its increasing expertise to develop an array of partnerships, with governmental and business entities, to promote high-speed rail transportation. Perhaps Amtrak can perform a range of services in the high-speed rail area, from managing to operating, to respond to all its varied customers.



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