

they were sold. I look forward to continuing to work on this issue so that we can find a way to reach that goal that is fair to States, consumers, Internet companies and traditional retailers.

AMTRAK REFORM COUNCIL FINDING

Mr. McCAIN. Mr. President, I want to explain for the benefit of my colleagues some recent actions that involve Amtrak. I will begin, however, by briefly describing Amtrak's history.

Amtrak was created in 1971 by the Rail Passenger Service Act which was enacted in 1970. The law established Amtrak in order to relieve the freight railroad industry from the burden of providing ongoing passenger service. With capital acquired from participating railroads and the Federal Government providing \$40 million in direct grants and another \$100 million in loan guarantees, the corporation was to become self-sustaining within 2 years. Since 1971, however, Amtrak has received nearly \$24 billion in taxpayer assistance to help cover its operating and capital costs.

Today, much like when Amtrak started, Amtrak serves approximately 500 locations. It carried 22.5 million passengers in fiscal year 2000. By contrast, the intercity bus industry carries 744 million passengers annually and serves over 4,000 locations. The aviation industry carries more than 600 million passengers annually. I mention this comparison because I believe we must consider Amtrak in the context of other passenger carrying transportation services.

Amtrak was most recently authorized during the 105th Congress, after several years without an authorization. The Amtrak Reform and Accountability Act, Public Law 105-134, was bipartisan compromise legislation and enacted, in part, due to the very critical reports of Amtrak's financial situation at that time. During the act's development, the General Accounting Office, Amtrak, and others estimated that the rail system was on the brink of bankruptcy.

Taking into account the very serious financial situation facing Amtrak, the reform law provided the statutory operational, procurement, labor and liability reforms that Amtrak requested so it could operate more like a private business. It reauthorized Amtrak for 5 years, through fiscal year 2002, releasing the approximately \$2.2 billion to Amtrak that was provided in the form of a tax "refund" in the Taxpayer Relief Act of 1997, TRA, even though Amtrak has never earned a profit, let alone paid income tax. It also required Amtrak to operate free of taxpayer assistance 5 years after the date of enactment of the law, which is December 2, 2002.

The law established an 11-member Amtrak Reform Council, ARC, appointed by the President and leader-

ship in both the House and the Senate, to oversee Amtrak and make recommendations for improvements. The law provided that if at any time following 2 years after the date of enactment the ARC finds that Amtrak is not meeting its financial goals, the Council is directed to develop and submit within 90 days to Congress an action plan for a restructured and rationalized intercity rail passenger system. Within that same time period, the law directs Amtrak to prepare a plan for its complete liquidation. The law provides for an expedited procedure during which Congress would vote, simple majority, on a resolution to disapprove an Amtrak liquidation.

What has Amtrak accomplished since the reform bill's enactment? Amtrak's press releases often boast about increased ridership and revenues. Unfortunately, those press releases never quite tell the full story. According to the General Accounting Office, any increase in ridership and revenues has resulted in an even greater increase in expenses.

Moreover, Amtrak's debt load has tripled since the reform bill's enactment to over \$3.3 billion and it has spent more than \$4.4 billion in taxpayers dollars during that same period. And, despite repeated testimony by Amtrak officials this year about being on a "glidepath to operational self-sufficiency," Amtrak entered into a creative agreement in June to mortgage a portion of Penn Station to obtain cash to allow Amtrak to continue operating past the summer. Clearly, our expectation for a new and improved Amtrak when we passed the reform bill in 1997 has not been realized.

The Department of Transportation Inspector General and the General Accounting Office have testified repeatedly before Congress that Amtrak is in a very precarious financial situation. Moreover, last Friday, November 9, 2001, the ARC officially issued a finding that Amtrak will not be operationally self-sufficient by December 2, 2002, as required by law. The ARC has found there are major inherent flaws and weaknesses in Amtrak's institutional design and it must be restructured. As a result of this finding, the ARC will submit a restructuring plan and Amtrak will submit a liquidation plan to the Congress in early February. In addition, the administration, according to testimony from the Federal Railroad Administrator, is also preparing to submit a proposal to restructure our Nation's passenger rail system as part of its fiscal year 2003 budget request.

I understand Amtrak and others have made some very critical comments about the ARC's decision. Clearly, it was a decision not taken lightly by the ARC members. I, for one, commend the ARC members for abiding by the law and making the tough decision that they felt needed to be made. I only question what took them so long.

I look forward to a robust debate on the future of intercity rail passenger

service in this country. I believe that passenger rail can and should be a part of our Nation's transportation system, but I continue to question how it should be structured and managed, knowing that Amtrak has failed to meet even the lowest of expectations for 30 years.

I find it indefensible that despite the findings of the ARC, the IG and the GAO, this week we were considering legislation that would have given another \$9 billion to Amtrak by authorizing Amtrak to issue bonds. I imagine proponents of that provision will continue to seek enactment of their proposal prior to adjournment. I vow to do everything in my power to prevent such efforts from succeeding, as I strongly question the logic of throwing billions of additional dollars at Amtrak when nearly every expert that knows anything about Amtrak and finances knows, and has told Congress, that Amtrak cannot live up to the promises it makes.

Before moving forward with any additional funding for Amtrak we need to address a number of tough questions: What is the future for intercity rail passenger transportation? Where does it attract passengers and where doesn't it? Does rail passenger service have to equate to "Amtrak" or should we finally accept the fact that after 30 years, it is time to find a new approach? Where might high-speed rail service actually attract enough passengers to be economically viable? How does it fit into our national transportation system? What is the financial obligation we will be imposing on the American taxpayers and what can they realistically expect as a result of their expenditures?

It is simply time to have an open and honest debate on this issue. We need to hear from the administration and the American public. I hope my colleagues will agree that we need to allow the debate on Amtrak's future to move forward and stop the hemorrhaging of taxpayers' dollars by this entity. I certainly intend to do all I can to ensure the Senate Commerce Committee, which has jurisdiction over Amtrak, steps up to the plate and does its part on this subject.

BIOTERRORISM PREPAREDNESS ACT OF 2001

Mr. WELLSTONE. Mr. President, I rise today to support the Bioterrorism Preparedness Act of 2001. This act represents a critically important turning point in the readiness of our public health system to respond to the challenge of bioterrorism. In many places in our Nation the public health infrastructure has been underfunded and understaffed. Many of our public health workers have been working day and night since September 11. The anthrax attack has demonstrated that our system can be overwhelmed by a bioterrorist attack. This bill provides essential assistance to our network of local