

ORGANIZING THE NATIONAL
RAILROAD PASSENGER
CORPORATION

Initial Organization Charts,
Job Descriptions and
Supporting Comments

DEPARTMENT OF TRANSPORTATION

DECEMBER 29, 1970

McKinsey & Company, Inc.

ORGANIZING THE
NATIONAL RAILROAD PASSENGER CORPORATION

The attached material has been requested by the Incorporators to provide an initial organization outline and related position descriptions for the new Corporation. It is our understanding that the Incorporators will use the material to (a) guide their thinking on the organizational shape of the new enterprise, (b) begin the process of identifying individuals who may fill the key roles, and (c) consider the initial compensation levels for each key position.

The material we have prepared is organized into seven sections - one section for each major functional group of activities we envision must be carried out by the new Corporation. These sections are:

- ¶ Executive Officers
- ¶ Vice President - Marketing
- ¶ Vice President - Operations
- ¶ Vice President and General Counsel
- ¶ Vice President - Finance
- ¶ Director - Corporate Development and Government Relations
- ¶ Director - Corporate Administrative Services

Each section contains an initial draft of an organization chart and a position description for the key position within the function. The position descriptions in turn contain: (a) a statement of responsibilities, (b) reporting relationships, (c) preliminary criteria for performance measurement, (d) qualifications we think the position requires, and (e) initial guidelines on salary.

To support each position description we have included pertinent comments on (a) the immediate problems that must be considered as (or shortly after) the position is filled and (b) a brief explanation as to why we recommend the

particular organization we have charted rather than some of the other alternatives that might be considered.

We established at the outset several guidelines which we believed important to follow in considering both organization structure and the personal qualifications of executives to fill the new positions. These guidelines were followed in developing our proposals and we believe should serve the Incorporators in their subsequent deliberations on organization and staffing questions. Each of these important guidelines is discussed in the following section.

- ¶ Streamlined organization: It is mandatory that the new Corporation be designed as a streamlined - "bare bones" type organization. There are two critical reasons for taking such a spartan approach. First is the need, particularly at the outset, to hold overhead costs within sound economic limits. Second, and perhaps most significant, is to gain the maximum possible flexibility, inherent in a simple, straightforward structure, permitting more sophisticated variations should the need become justified at a later date. Illustrative of this second point is our suggestion to adhere, at least for the short term, to a functional type organization, both centrally and in the field. This is typically the least expensive to staff and builds in the flexibility to shift in the future, for example, to a more structured regional type field organization (i. e., field general managers having both operations and marketing under their control) should that appear more appropriate to the Corporation's needs. Thus keeping the organization straightforward at the outset would enable the Corporation to most easily shift into more sophisticated variations if the need becomes clear 6-12 months down the road.
- ¶ Compatibility with rail operations. We have followed the principle of designing the proposed structure to be similar to, or compatible

with, the railroad industry. We have, however, varied from these practices where we believed it particularly important to deviate. For instance, four points of difference are particularly significant:

- . Strong emphasis on the marketing activity, which will include analytic and creative capabilities to design and sell attractive and economic service packages to the transportation public
- . Planning skills placed in key spots in the organization
- . Strong cost accounting and financial capability to support the need to determine cost/benefits of services and to plan capital structure needs of the Corporation
- . Top-level provision with appropriate staff support for carrying out the vital job of relationships with the government in its many forms.

¶ Emphasize appropriate skill. Throughout our effort we have been guided - as we believe the Incorporators should - by the need to ensure bringing outstanding talent of the appropriate type into the Corporation. To reinforce this we have for each key position spelled out the personal qualifications likely to ensure success. As the Incorporators move ahead to fill these positions we believe they should give careful thought to finalizing the specifications and important qualifications for each position and that these should be spelled out in writing. The material in this report will support the Incorporators in this task which is a prerequisite to finding the appropriate talents.

* * *

The organization structure we suggest is not set in concrete. However, it does, we believe, represent a good going-in position and as such provides an

early track to run on. Certainly as events unfold and people join the management team it will likely be necessary - and even advisable - to make revisions to this suggested organization. To that extent this organization must not be considered as a set objective, but rather provides general guidelines as a basis for going forward.

May 1, we believe, represents a severely tight deadline by which time the new Corporation must take over rail operations - certainly the full organization structure we recommended in the body of this memorandum cannot likely be completed by that date. The proposed organization rather represents an initial phase (the first 1-3 years) organization that can be fully in place we believe by the end of 1971.

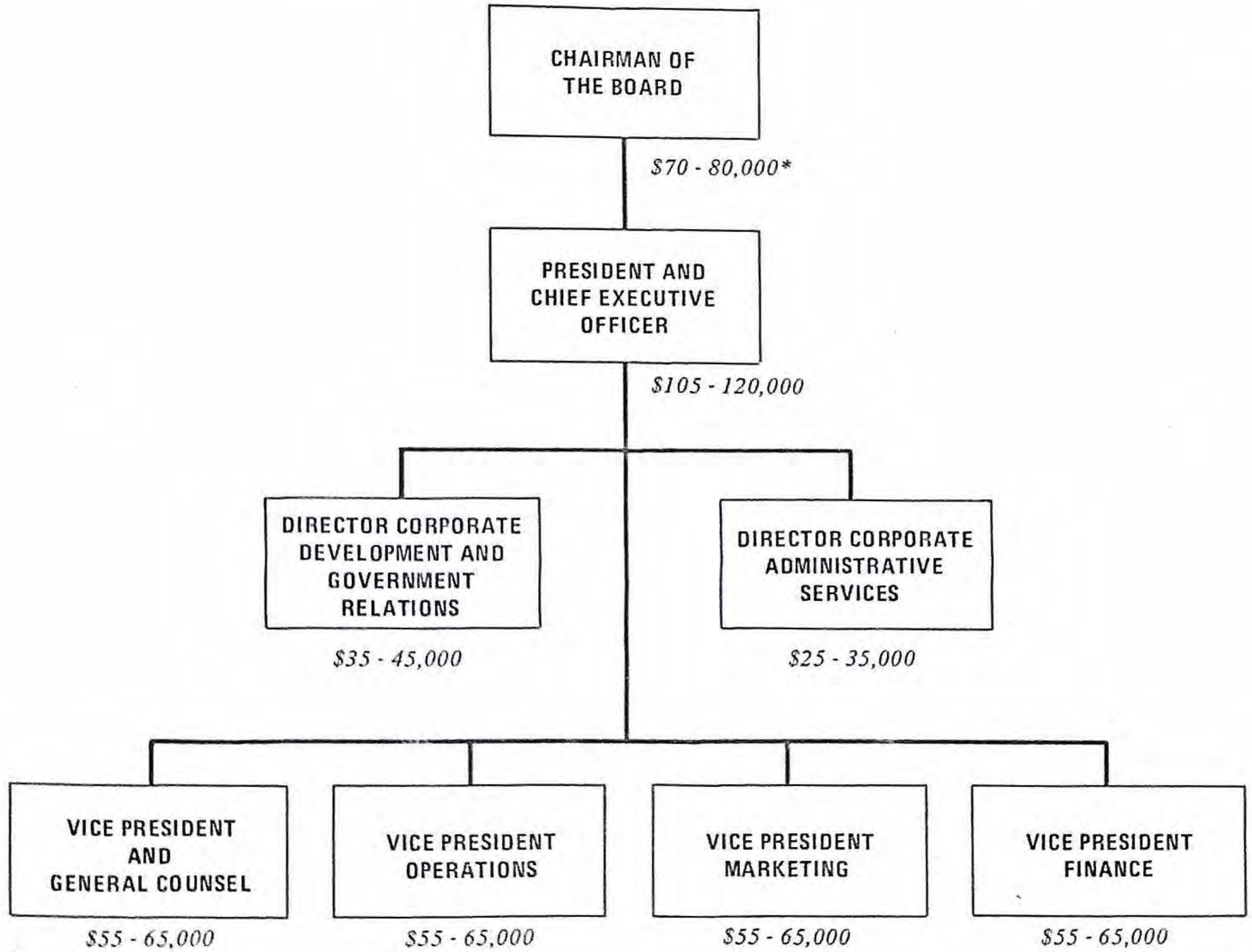
There are, however, a small number of key activities that must be in operation by May 1. Recognizing these suggests the extent of the organization and staffing that must be inaugurated immediately for operation by the kick-off date. These include:

- . Established contractual arrangements covering the operation and servicing of trains
- . Workable standards of performance to ensure that an appropriate level of service is performed and there is a basis for measuring results
- . Determination of the principal "service packages" to be offered to the transportation public
- . The key accounting and financial practices in place necessary to carrying out legal accounting functions and exerting sound fiduciary control over receipts and expenditures
- . Establishing continuing relationships with key government bodies, the rail industry, and the transportation public.

Discharging these selective activities and laying the groundwork for the subsequent full development of the organization will require having on board, as a minimum, some 8-10 key executives and a small supporting staff by the May 1 kick-off date. These positions include most importantly the President and Chairman of the Board. In addition they will also include the General Counsel, Vice President - Marketing, Vice President - Operations, Vice President - Finance, Controller, Director - Corporate Development and Government Relations, and Director - Corporate Administrative Services.

Finding and attracting just these few key executives will be a major undertaking that may require much of the upcoming four months' period. To help the Incorporators avoid compromising quality under the duress of time limitations, we have spelled out in our report in somewhat exacting terms the personal qualifications for candidates to fill these key slots and have suggested a salary level which we believe will facilitate getting the caliber of talent needed.

NATIONAL RAILROAD PASSENGER CORPORATION
TOP MANAGEMENT ORGANIZATION AND SALARY SCALES
Initial Draft



* These salary figures suggest ranges within which initial salaries should fall.

POSITION DESCRIPTION

CHAIRMAN OF THE BOARD

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The Chairman of the Board is the presiding officer of the Board of Directors and the primary point of contact between the Board and the President and Chief Executive Officer of the Corporation. He is responsible for: (a) reviewing and appraising corporate objectives, programs, and policies as recommended by the President and participating with the President in making recommendations for Board decision; (b) providing leadership to the Board; (c) representing the Board of Directors in rendering advice and counsel to the President; and (d) representing the Corporation as the top-level point of contact with external groups such as governmental bodies, the railroad industry, financial institutions, and rail passenger organizations.

REPORTING
RELATIONSHIPS

Reports to:	The Board of Directors
Directs:	President and Chief Executive Officer
Works closely with:	Vice President and General Counsel Director - Corporate Development and Government Relations

SPECIFIC
RESPONSIBILITIES

1. Presides at meetings of the Board of Directors and stockholders, and directs the scheduling and planning of these meetings

- Eno
Center for Transportation
2. Provides impetus to the Board, working with the President, in:
(a) establishing the Corporation's long-range objectives and short-range operating and public service goals and (b) promoting understanding of these objectives and goals by governmental bodies and the general public
 3. Participates with other members of the Board in approving specific strategies, budgets, and operating policies recommended by the President
 4. Provides leadership to the organization of the Corporation and effective solution of start-up problems
 5. Provides leadership to the Board in exercising its responsibilities to the stockholders and the public - importantly including appointment of the President and review of his performance and compensation
 6. In collaboration with the President, determines and oversees the administration of an executive compensation program for the Corporation*
 7. Advises the President on the selection and appointment of the principal subordinate company officials
 8. Represents the Corporation, as requested by the Board and the President, in high-level contacts, negotiations, and discussions with government, industry, financial, and rail passenger organizations and groups
 9. Advises the President on any problem of central concern to the Corporation.

* - We would assume that, eventually, the responsibility for overseeing the compensation program would be assigned to a Committee of the Board.

PERFORMANCE
MEASUREMENT CRITERIA

1. Corporation's performance in making progress toward achieving its legislative mandate
2. Corporation's success in defining, gaining agreement to, and meeting specific objectives - both public and economic - that fall within the legislative mandate and are realistically attainable
3. Effective performance of the officials selected to fill the key roles in the Corporation
4. Effectiveness of the Board of Directors in supporting the President with advice and counsel
5. Quality and timeliness of counsel he renders to the President
6. Maintenance of his stature as a "statesman" in his contacts with groups interested in the success of the Corporation.

QUALIFICATIONS

1. Proven record as Chief Executive Officer and member of the Board of Directors of one or more major railroads or airlines or the equivalent experience
2. National reputation as a capable and distinguished citizen sensitive to the needs of the public
3. In-depth knowledge of government authorization, appropriation and regulatory processes and substantial exposure to these processes
4. Sufficient exposure to and involvement in legal and financial matters to encourage effective communication with "experts" in these areas
5. Capability for directing his principal attention and most of his time to the affairs of the Corporation over at least a 3-5 year period.

COMPENSATION
RANGE

\$70-80,000 per year

mostly active to screen and select a General C.
with the President in early identification of a Director -
Corporate Development and Strategic Business Relations
with the President in filling top
administrative services

TENTATIVE SUMMARY OF START-UP TASKS

CHAIRMAN OF THE BOARD

(CHAIRMAN OF THE INCORPORATORS)

1. Provide leadership to Incorporators, and subsequently to the Board, in reaching and communicating decisions on broad Corporate objectives, specific operating and public service goals, organization, operating concept, and proposed start-up plans
2. Establish initial compensation levels for key officials
3. Ensure early selection and appointment of a President and Chief Executive Officer
4. Arrange for interim staff expertise necessary to carry out start-up activities
5. Ensure early action to screen and select a General Counsel and qualified contract counsel
6. Participate with the President in early identification of a Director - Corporate Development and Government Relations
7. Participate with the President in filling top positions in marketing, operations, finance, and corporate administrative services
8. Establish and maintain close contact with the Congress and key Congressional committees having an interest in or exercising cognizance over Corporate activities
9. Establish and maintain close contact with key executive department and regulatory agency officials whose understanding of and agreement to corporate goals, purposes, and programs are essential to effective functioning of the Corporation

10. Ensure early decision by the Board (or Incorporators) on an overall compensation and benefits package and salary administration approach to attract and motivate Corporation officers and other employees.

PURPOSE

The President is the chief executive officer of the Corporation. He is responsible for the overall management and operation of the Corporation, for the preparation and presentation of the annual budget, for the implementation of the approved budget, for the supervision of the Corporation's operations, and for the general and administrative management of the Corporation. He is also responsible for the overall financial management of the Corporation, for the supervision of the Corporation's financial affairs, and for the general and administrative management of the Corporation's financial affairs.

REPORTS TO:

Board of Directors

Reports to:

Director

Work, close

REPORTS TO:

Board of Directors

In working with the Board of Directors, the President shall have long-range objectives - balancing profit and public service responsibilities - and establish specific short-range goals, advise the Board of Directors or obtain its approval to these objectives and goals.

The President shall execute the major programs to achieve corporate objectives and goals.

POSITION DESCRIPTION

PRESIDENT AND CHIEF EXECUTIVE OFFICER

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The President is the Chief Executive Officer (CEO) of the Corporation. He is responsible for: (a) developing corporate objectives, programs, and policies for approval, as required, by the Board of Directors; (b) administering the approved programs, and policies to meet corporate objectives; and (c) monitoring and coordinating activities and results for the Corporation as a whole. He provides the overall leadership and direction needed to carry out effectively NRPC's unique public and private responsibilities.

REPORTING
RELATIONSHIPS

Reports to:	The Chairman of the Board and the Board of Directors
Directs:	The Vice Presidents of the Corporation Director - Corporate Development and Government Relations Director - Corporate Administrative Services
Works closely with:	The Chairman of the Board and the Board of Directors.

SPECIFIC
RESPONSIBILITIES

1. Working with the Chairman, determines the Corporation's long-range objectives - balancing profit and public service responsibilities - and establishes specific short-range goals; advises the Board of Directors and obtains its approval on these objectives and goals
2. Develops, gains approval for, and executes the major programs to achieve corporate objectives and goals

3. Attracts and develops an effective management team together with the necessary management processes to ensure continuing effective operation of the Corporation
4. Provides immediate impetus to the organization of the Corporation; identifies immediate issues and problems to be resolved; and takes whatever steps are necessary to resolve the problems
5. Determines, with the approval of the Chairman of the Board, the corporate organization and specifies the delegation of authority among officers
6. Oversees the development of, reviews, and approves short- and longer range department objectives, plans, programs, and budgets, and monitors progress against them
7. Appoints all executives of the Corporation except those elected by the Board of Directors
8. Recommends compensation and benefit programs
9. Establishes and maintains together with the Chairman, productive relationships with government, railroad, labor, and rail passenger organizations, as well as the private financial community
10. Resolves or recommends resolutions to the Board on important questions and issues that affect the Corporation
11. As a full member of the Board, participates in Board and Stockholders meetings and, together with the Chairman, coordinates the scheduling and planning of these meetings.

PERFORMANCE
MEASUREMENT CRITERIA

1. The Corporation's performance in reversing the trends, both physical and economic, of United States rail passenger operations and patronage
2. The quality and realism of the objectives and goals that the Corporation maps out for itself and the extent to which these are obtained
3. Quantity, quality, timeliness, and continuity of the guidance and support rendered to the various departments of the Corporation
4. Evidence of leadership and effective personal working relationships in both internal corporate management and external relationships
5. Continued high levels of personal effectiveness and performance by the corporate management team.

QUALIFICATIONS

1. Proven record of success in directing activities (overall or a major portion) of a sizable passenger-oriented transportation company or the equivalent
2. Background of involvement and experience in solving top-management problems and developing effective strategies for the marketing of transportation or consumer services
3. Demonstrated ability to perceive and set broad corporate directions and goals and to attract and continuously stimulate the high caliber executives needed to achieve them
4. Established reputation in financial and government circles for problem solving and managerial competence
5. Sound knowledge of federal legislative, budgetary, and regulatory processes

6. Sufficient understanding of and exposure to legal and financial problems to provide a working grasp of the complex problems facing the Corporation.

COMPENSATION RANGE

\$105-120,000 per year

TENTATIVE SUMMARY OF START-UP TASKS

PRESIDENT AND CHIEF EXECUTIVE OFFICER

1. Identify, decide or present to the Board (or Incorporators) for decision, as appropriate, each of the crucial operating, legal, and financial issues that will shape the Corporation (e. g. , extra sections to meet peak demands, latitude in pricing)
2. Select and recommend to the Board (or Incorporators) for approval each of the principal officers of the Corporation
3. Participate as appropriate, with the Chairman and the Incorporators, in leading the work of the interim staff in conducting start-up efforts
4. Work closely with the Vice President and General Counsel in executing contracts with the railroads and others whose services are required
5. Recommend a compensation and benefits package to the Board (or Incorporators) for decision
6. Ensure workable management processes are put in place to plan, execute, and control start-up and initial operating activities
7. Direct the activities of officers, as they are appointed, in resolving specific issues and completing tasks needed to be ready to assume railroad passenger service as required by law
8. Provide early leadership to Corporate officers in developing a strong top-management team overall and in individual departments.

SUMMARY OF KEY ORGANIZATION ISSUES

CHAIRMAN OF THE BOARD

AND

PRESIDENT AND CHIEF EXECUTIVE OFFICER

1. The designation Chief Executive Officer (CEO) can be assigned either to the Chairman or to the President. However, experience in the railroad and airline industries suggests that use of a Chairman/CEO: (a) has typically occurred to accommodate "founding fathers"; (b) will weaken President's role; and (c) can cause confusion (and even conflict) about leadership at the top. We believe the need for rapid, flexible response from management in directing and controlling establishment of the Corporation argues for a strong President/CEO who is fully empowered to make decisions as they are required - not for a Chairman/CEO who must work through a subordinate (the President) in dealing with the principal functional officers.

Moreover, in a government-sponsored, public purpose organization of this type, extraordinary demands are placed on top management to communicate beneficially with the many external parties that have a continuing interest in the enterprise. These demands are focused on those principal officers who can speak for the corporation with full authority. We believe the Chairman can undertake the bulk of this role, thereby encouraging the President as Chief Executive Officer to concentrate his attention inwardly on resolving the complex problems of ensuring a viable rail passenger service.

2. The organization of functional activities underneath the President can be arranged in a variety of ways. We limited the number of activities reporting to the President in order to: (a) focus CEO attention on only the key functional groupings essential to corporate success; (b) provide top positions in each required functional area that both demand strong managers and will

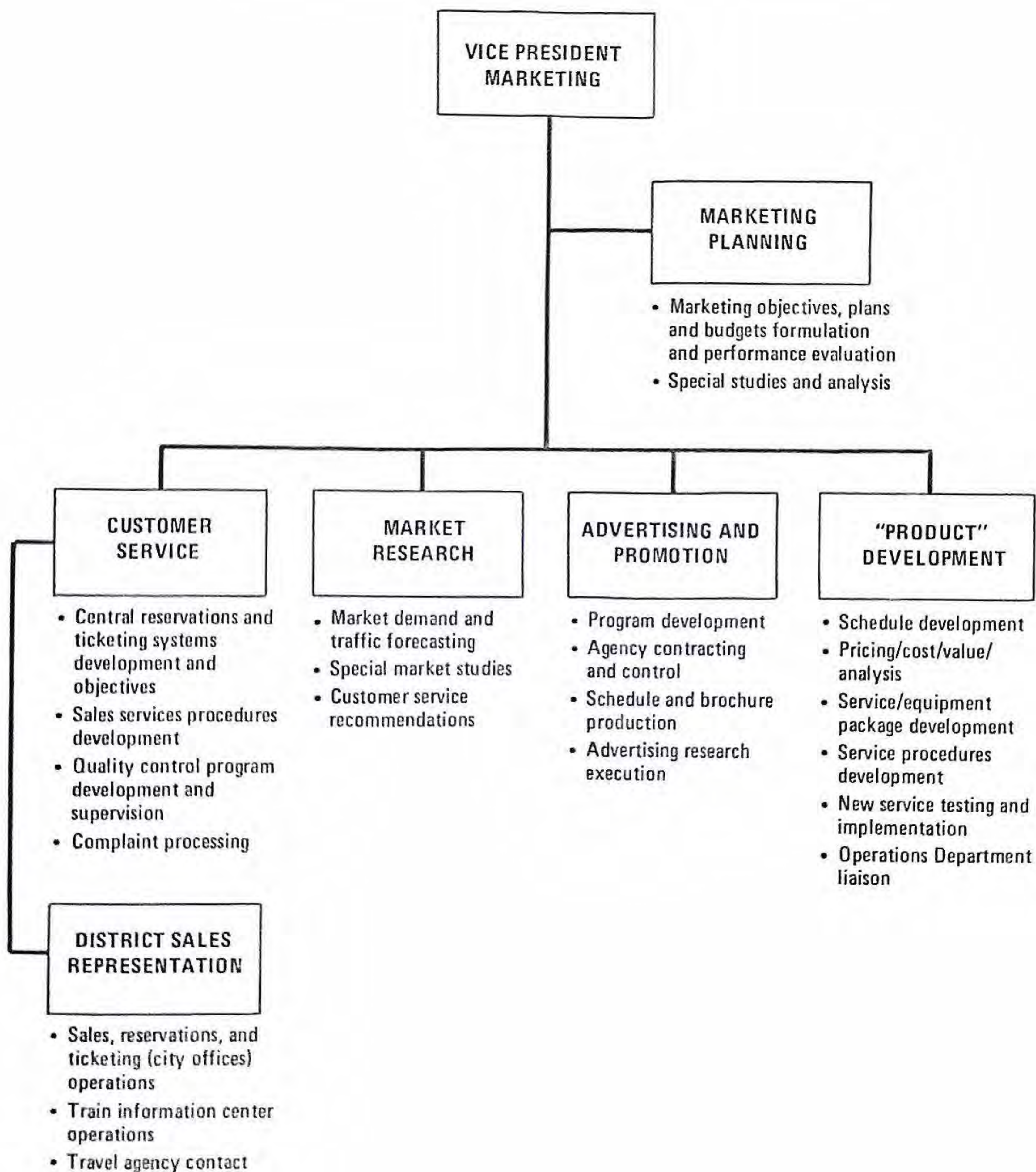
challenge the men who fill them; and (c) permit compensation levels that will attract top-notch executives at the Vice Presidential level.

3. Compensation for the CEO and key executives will be based on: (a) expected size and scope of individual and overall corporate responsibilities; (b) need to be competitive with related industries; and (c) requirements for motivation and equity of down-the-line managers.

Of course, these criteria cannot be met until the organization has been fleshed-out and agreed upon and a detailed study completed to develop a complete executive salary structure and position rankings. Nonetheless, approximate ranges for key officers (based on the experience of railroads and airlines with similar revenues - i. e., about \$200 million per year) have been provided as guides.

4. Because of severe time constraints, tentative start-up tasks for the Chairman, prior to his appointment, should be initiated by someone appropriately designated from among the Incorporators.

NATIONAL RAILROAD PASSENGER CORPORATION
MARKETING DEPARTMENT ORGANIZATION
Initial Draft



POSITION DESCRIPTION

VICE PRESIDENT - MARKETING

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The Vice President - Marketing is responsible for meeting corporate objectives by effectively carrying out such functions as: (a) developing and implementing balanced passenger service packages and standards through provision of creative consumer-oriented combinations of routes, schedules, equipment, terminal and on-train services, and fares; (b) conducting market analysis and testing necessary for developing new service packages; (c) preparing and executing advertising, promotion, and information programs to enhance the growth of market demand, maintain the image of the Corporation to its various publics, and provide basic information needed by potential passengers; (d) planning for and performing sales operations (customer service) activities, including provision of reservations, ticketing, and information services; and (e) monitoring the quality of customer services to ensure compliance with prescribed standards, practices, and procedures.

REPORTING
RELATIONSHIPS

Reports to:	President
Directs:	Manager, Product Development
	Manager, Market Research
	Manager, Customer Service
	Manager, Advertising and Promotion
	Manager, Marketing Planning

Works closely with: Vice President - Operations
Vice President - Finance
Director - Corporate Development and
Government Relations

SPECIFIC
RESPONSIBILITIES

1. Directs all passenger service design activities including schedule development, pricing, cost, and value analysis, service and equipment package development, and service standards and procedures development; works with Vice President - Operations to gain approval of and to implement service "packages"
2. Directs market research and analysis programs in support of product development and marketing planning by providing projections of market demand and traffic volume, analysis of consumer preferences, and competitive intelligence
3. Oversees the development and operation of ticketing, reservations, and information services, and the development of sales service procedures
4. Ensures that the quality of customer services meets prescribed standards by: (a) developing and executing a system for detecting service deficiencies and (b) working closely with the Vice President - Operations to call attention to and correct deficiencies
5. Directs the development and execution of advertising and promotion programs, including agency selection and supervision, review and approval of copy and media, production of schedules, brochures, and other information materials, and the conduct of advertising research

6. Acting within overall corporate objectives and strategies, participates in the Corporation's planning process by: (a) formulating and recommending to the President short- and long-range marketing goals and plans and (b) recommending annual marketing operating budgets to carry out marketing plans
7. Ensures coordination of marketing product development activities with related activities carried out in the operations and corporate development departments (e. g. , development of new equipment and service capabilities)
8. Cooperates with the Vice President - Operations to make adjustments in marketing activities caused by unplanned changes in operations or in industry/market conditions, and reports to the President any potential or actual changes that may occur in market conditions or deviations from established volume and price plans
9. Cooperates with the corporate-level officer responsible for credit policy to establish appropriate procedures for consumer credit management.

PERFORMANCE MEASUREMENT CRITERIA

1. Degree of growth in passenger volume and revenues
2. Profit results obtained from service packages designed and implemented by marketing staff
3. Success in recruiting and continuously maintaining a high caliber group of subordinate marketing executives
4. Speed of design and installation and effectiveness of operation of new approaches to ticketing and reservations

5. Effectiveness in maintaining harmonious working relationships with the Vice President - Operations (as well as other corporate officers) while ensuring high standards of customer service
6. Degree to which cost standards for marketing functions, as set down in operating budget, are met
7. Accuracy of market demand and traffic forecasts.

QUALIFICATIONS

1. Top-level experience in consumer or transportation services marketing
2. Demonstrated competence and success in the creative design of products or services which have clearly had a favorable effect on sales
3. Significant experience as a senior marketing officer in a profit-oriented corporation having revenues in excess of \$100 million per year, including supervision of consumer-oriented advertising and promotion activities
4. Flexibility to detect and transfer applicable marketing techniques from nonrailroad organizations
5. Enthusiasm for the challenge of defining and executing nationally the difficult tasks of creating a new concept of rail passenger services
6. A sufficiently analytical and quantitative turn of mind to ensure the proper collection, manipulation, and interpretation of market data and appropriate use of such data in designing new service packages
7. Effectiveness in: (a) working in harness as part of a team and (b) developing subordinates over a range of marketing activities.



Center for Transportation

COMPENSATION
RANGE

\$55-65,000 per year

TENTATIVE SUMMARY OF START-UP TASKS

VICE PRESIDENT - MARKETING

1. Participate in establishing initial service levels and standards:
 - a. Analyze pertinent market and cost data
 - b. Develop alternative service packages and determine operational and cost feasibility
 - c. Develop service standards and work with Vice President - Operations to implement them
 - d. Establish related market and advertising goals and strategy
2. Plan detailed steps to have marketing services in operation on May 1, including identification and hiring of persons to fill 4 or 5 key marketing positions
3. Determine most feasible approach for handling reservations and ticketing both by May 1, and for the longer term
4. Resolve key policy questions requiring immediate decisions (e. g., use of extra sections to meet peak demands, scope and coverage of reservations, and pricing during peak seasons)
5. Develop and begin execution of advertising, promotion, and information programs
6. Resolve specific questions on field organization structure and work out staffing requirements for all departmental units
7. Develop and communicate marketing changeover plans for participating railroads and arrange transfer of required marketing operations personnel from railroads to NRPC

8. Establish customer service quality control functions to begin operating May 1
9. Assist Vice President - Operations in evaluating equipment and stations for acquisition and service contracts
10. Begin setting up longer term market-development and product-design processes and programs.

SUMMARY OF KEY ORGANIZATION ISSUES

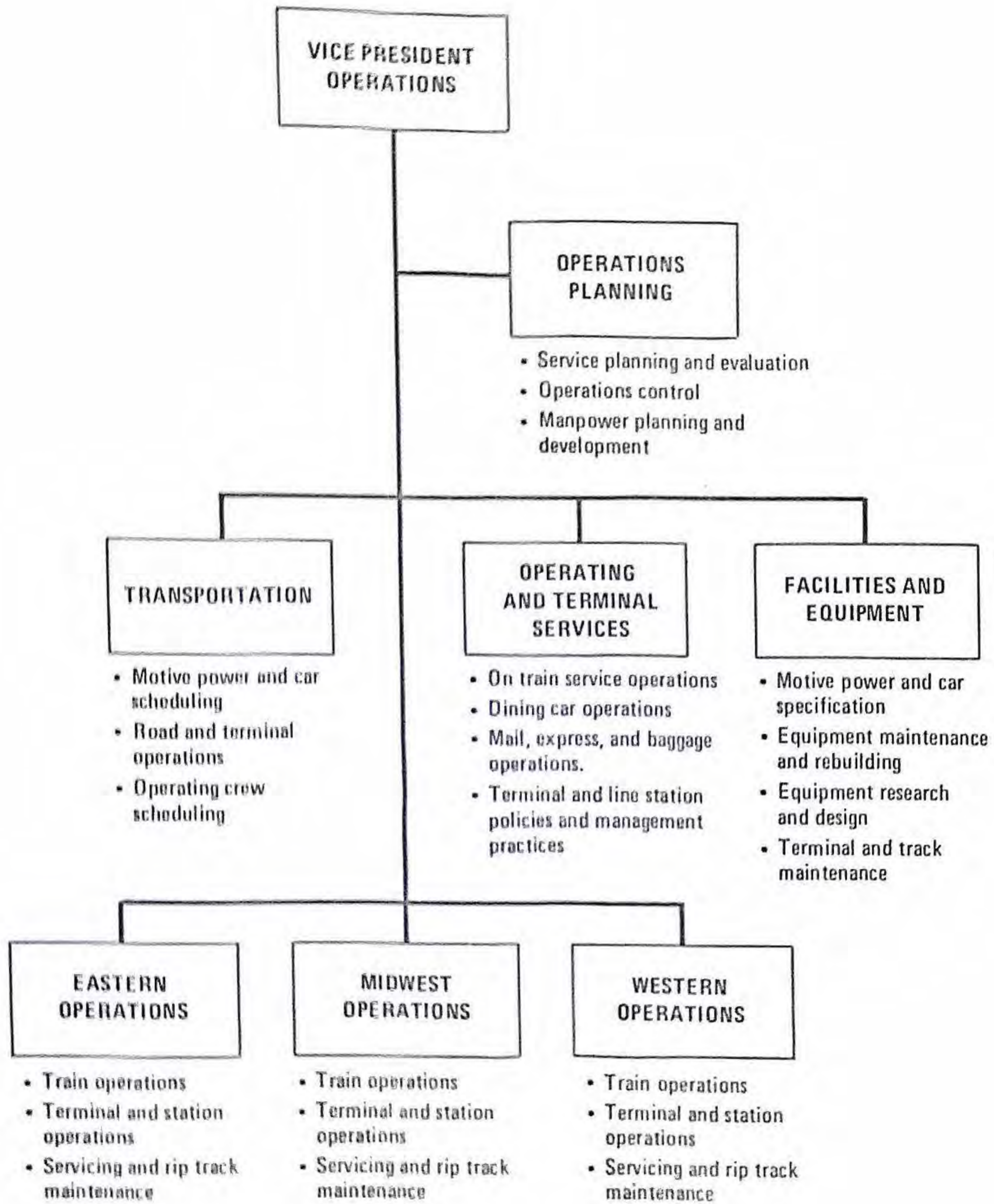
MARKETING DEPARTMENT

1. The Customer Service Division aggregates many key functions which involve direct contact with customers (e. g. , reservations, ticketing, and information services) together with a quality control activity which will monitor the customer services provided. However where customer services are provided in an operations facility (e. g. , terminals, line stations), they will be under the administrative control of the Operations Department.
 - a. The district sales representatives will be the only marketing supervisors in the field and, therefore, can provide an economical consolidation of several functions - special (e. g. , agency) sales, city ticket office management, advertising/promotional program execution, community relations, and management of some telephone information centers. We envision that the district sales organization will have little staff of its own and will draw on Operations Department personnel to the maximum extent possible.
 - b. The operation of any future automated reservations and ticketing system would be most appropriately performed by this department since the system would require highly integrated coordination of central and field elements.
2. The advertising and promotion function has been placed in the Marketing Department because of the strong relationships it must have with commercial development and sales.
3. The Marketing Department will continually perform that part of the public and community relations function concerned with developing a corporate image favorable to sales activities, but will, at the direction of the

President, assist the corporate-level government relations executive in promoting government and regulatory agency support for the Corporation through its regular advertising and promotion media.

4. *The primary distinction between the Market Research Division functions and Product Development Division functions is that Market Research will recommend service packages with only minimal consideration of feasibility, while Product Development must choose from among many recommended packages on the basis of profitability and feasibility and carry development through approval and implementation.*
5. *The Marketing Planning Division, which should amount to only 2 or 3 people, could be combined with the Product Development Division to reduce a potential overlap of activities. We kept it separate at this stage because we believe the Vice President - Marketing needs a small staff unit to handle special problems and to ensure integration of all marketing activities under his jurisdiction.*

NATIONAL RAILROAD PASSENGER CORPORATION
OPERATIONS DEPARTMENT ORGANIZATION
Initial Draft



POSITION DESCRIPTION

VICE PRESIDENT - OPERATIONS

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The Vice President - Operations is responsible for: (a) planning, conducting, and evaluating train and passenger service operations either directly or through service contracts; (b) scheduling and ensuring on-time performance of road and terminal operations, including motive power, car, and operating crew scheduling; (c) providing necessary support services including on-train crews, dining-car operations, mail, express, and baggage services, and terminal management; (d) specifying motive power and car requirements and providing proper maintenance of such equipment; (e) determining terminal and track maintenance standards and ensuring that specified standards are met; (f) providing timely and effective supervision of local train, terminal, and maintenance operations; and (g) monitoring all train operations to ensure that performance standards are met at minimum cost.

REPORTING
RELATIONSHIPS

Reports to: President

Directs: Director - Transportation
Director - Operating and Terminal Services
Director - Facilities and Equipment
Manager, Operations Planning
Managers of Eastern, Midwestern, and
Western Division Operations

Works closely with: Vice President - Marketing
Vice President - Finance
Vice President and General Counsel

SPECIAL
RESPONSIBILITIES

1. *Assists Vice President - Marketing in evaluating alternative passenger services and develops plans to operate selected passenger services*
2. *Ensures, either directly or indirectly through contracts with railroads, efficient conduct of all train operations by providing effective management of motive power, cars, operating crews, operating support services, and schedules*
3. *Manages on-train support services including porters, conductors, and food services*
4. *Provides additional support services such as baggage handling, mail and express service, and terminal and station management*
5. *Determines motive power and equipment requirements, ensures provision of required equipment, develops equipment maintenance and safety standards, and ensures that equipment is maintained to standard*
6. *Determines terminal and track maintenance and safety standards, and takes actions required to ensure that minimum performance standards are met*
7. *Provides technical advice to the President, the Director - Corporate Development and Government Relations and his research subordinate on the need for new types of operating equipment*
8. *Provides effective local management and supervision of all train, terminal, station, and maintenance personnel*

9. Monitors all train operations, analyzes and evaluates reports, and takes actions necessary to ensure that performance standards are met
10. Develops manpower recruiting and development programs within the Operations Department to ensure an adequate supply of skilled operating and management personnel
11. Develops annual departmental plans including both operating and capital budgets.

PERFORMANCE
MEASUREMENT CRITERIA

1. Effectiveness in achieving and maintaining both passenger service and operating standards including:
 - a. Train cleanliness
 - b. Baggage handling
 - c. Adherence to schedules
 - d. Maintenance of equipment in full working order
2. Development of workable standards and procedures to assist in attaining consistent control over operating and maintenance performance and costs
3. Success in meeting operating cost standards
4. Achievement of efficient equipment utilization
5. Effectiveness in developing and executing new or improved services
6. Overall effectiveness in dealing with union personnel and preventing labor problems.

QUALIFICATIONS

1. Proven record of accomplishments in railroad operations, for example:
 - a. Several years experience covering all aspects of train operations
 - b. One or more years experience in passenger operations
 - c. Two or more years experience as senior operating officer of Class I railroad
2. Capability of attracting, motivating, and managing high talent executives
3. Solid academic background including a technical degree
4. Capability to provide 10 or more years service to NRPC prior to retirement.

COMPENSATION RANGE

\$55-65,000 per year

TENTATIVE SUMMARY OF START-UP TASKSVICE PRESIDENT - OPERATIONS

1. Determine near- and longer term concepts of operations and best approach for achieving start-up by May 1, 1971 (i. e., how much service will be contracted; how much will be provided in-house)
2. Recruit key division managers required for start-up of operations
3. Work with President and Vice President - Marketing to establish start-up routes, train schedules, and services to be provided in basic system
4. Determine power, car, station, and track requirements
5. Survey railroads' existing equipment and facilities in order to identify the power, cars, and stations which best satisfy short- and long-term needs
6. Work with the Legal Department to negotiate acquisition (either purchase or lease) of equipment, stations, and track from railroads
7. Work with the Legal Department to negotiate required operating and maintenance contracts with railroads
8. Develop operating and maintenance standards
9. Establish and staff regional organization to monitor performance of railroads in fulfilling operating and maintenance contracts (assuming operations would be initially contracted rather than operated directly)
10. Develop and issue detailed start-up plans to railroads.

SUMMARY OF KEY ORGANIZATION ISSUES

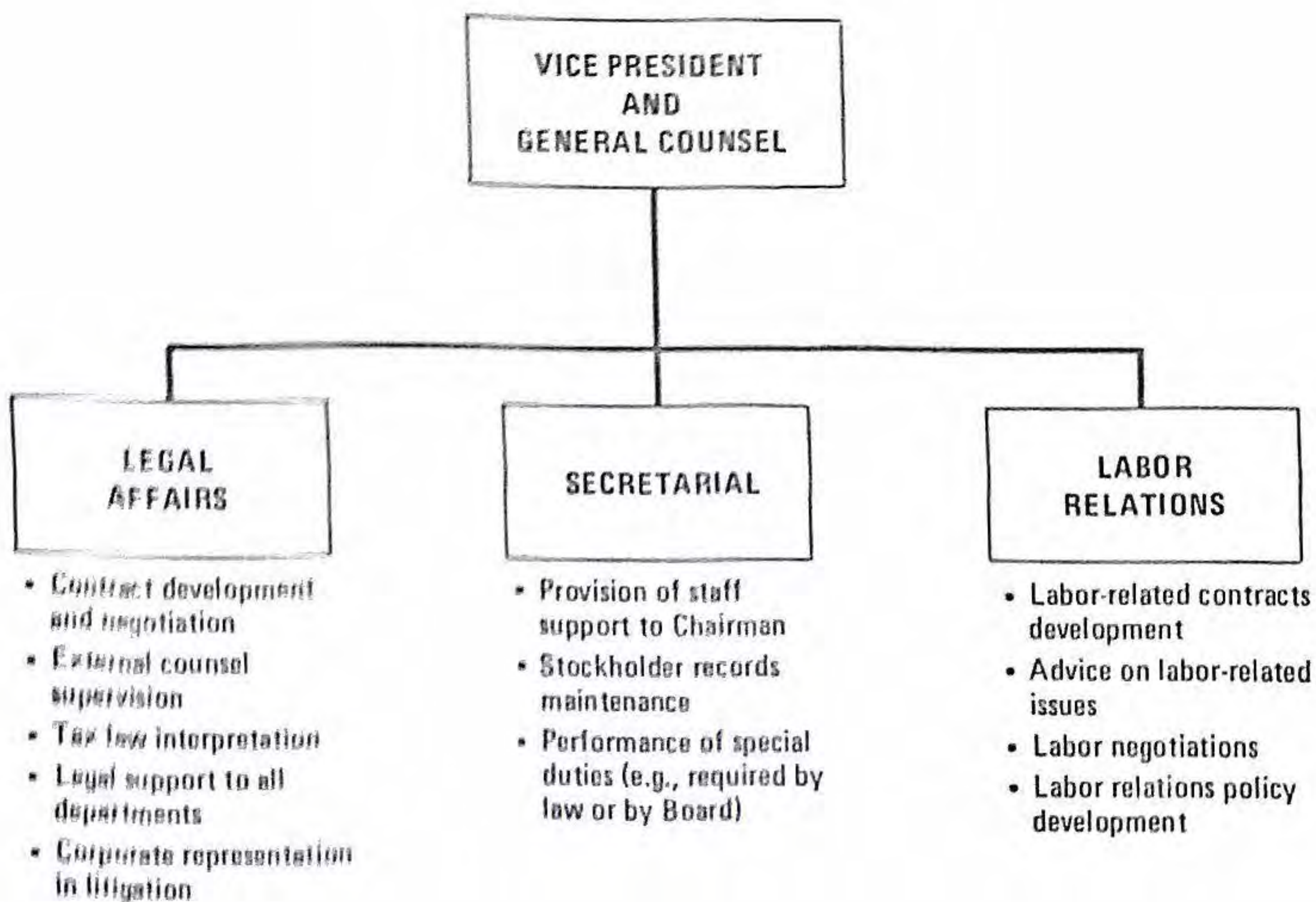
OPERATIONS DEPARTMENT

1. Two major functions clearly belong in the Operations Department and should logically be positioned as two subordinate divisions:
 - a. Management of train operations including scheduling and operating crews (Transportation)
 - b. Management of motive power and cars including selection, maintenance, and future design (Facilities and Equipment).
2. Although maintenance of way is an operating function, its limited role in NRPC does not justify a separate division (i. e., engineering). The Federal Railroad Administration suggests that it be combined with train operations (Transportation). However, it is more likely that maintenance of way will receive needed technical management in the Facilities and Equipment Division and thus it was added to the responsibilities of this group.
3. All train and terminal personnel coming into contact with the public could be under the direct control of the Marketing Department. However, we believe the relatively small number of these personnel projected for any one geographic region will not, in our view, justify the costs of a dual operations-marketing line organization. Thus, train crews (conductors, porters) and terminal personnel have been included in the Operations Department. (Ticketing personnel located at terminals and stations, although administratively reporting to the Operations Department, would functionally report to Marketing.)
4. The Operations Department will have the responsibility for carrying out the mail and express functions. However, policy recommendations dealing with the nature and extent of these services will be made by the Marketing

Department based on economic and market considerations (e.g., whether the increase in revenue is worth the added time of station stops to handle mail and express).

5. Operations Planning has been broken out into a separate staff unit within the Department to ensure both a long-range orientation and independent analysis and evaluation of operating services. This unit should be limited to two or three men.
6. Field division management activities have been assigned to the Operations Department since they will largely consist of local supervision of operating personnel. The initially reduced scale of passenger operations and lack of concentration of field personnel do not, in our view, warrant the cost of fully staffed marketing and operations regional organization of the type suggested in the initial briefing material prepared for the Incorporators.

NATIONAL RAILROAD PASSENGER CORPORATION
LEGAL DEPARTMENT ORGANIZATION
Initial Draft



POSITION DESCRIPTION

VICE PRESIDENT AND GENERAL COUNSEL

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The Vice President and General Counsel is responsible for providing legal support to the Corporation in whatever form this support is required. His overall responsibility is to ensure the fullest protection of the company's legal rights and to achieve maximum benefits to the company under existing laws. He has primary responsibility for: (a) representing the Corporation in all legal dealings with external groups; (b) ensuring performance of the corporate secretarial function; and (c) providing and carrying out labor relations support for the Corporation.

REPORTING
RELATIONSHIPS

Reports to:	President
Directs:	Secretary
	Assistant General Counsel - Labor Relations
	Assistant General Counsel - Legal Affairs
Works closely with:	President
	Vice President - Finance
	Vice President - Operations

SPECIFIC
RESPONSIBILITIES

Legal Responsibilities

1. Interprets legislation and regulations, and determines and communicates policy and directions on legal aspects of financial and operating matters to other top executives of the organization

- Eno
Center for Transportation
2. Directs on behalf of the Corporation all litigation involving the Corporation and its agents, employees, or officers
 3. Through his subordinates, drafts or approves written agreements, contracts or other obligations and reviews and approves any written material that will entail the rights or obligations of the Corporation
 4. Determines need for outside specialized counsel, selects appropriate outside counsel, and monitors the progress and quality of the external work to ensure maximum benefit to the Corporation
 5. Works closely with the Vice President - Finance to provide legal advice in corporate capitalization matters
 6. Counsels and guides the President and CEO and other members of top management concerning the legal implications of their decisions
 7. Interprets tax regulations and, working with the Vice President - Finance, recommends tax policy for the Corporation.

Secretarial Responsibilities

1. Prepares and maintains corporate records, by-laws, corporate seal, lists of stockholders, and certificates of incorporation required by law or the Corporation's by-laws
2. Performs special duties required by law or the Corporation's by-laws such as issuance of notices, obtaining proxies, determination of the form of stock certificates and other securities, and SEC registrations and reports
3. Processes and maintains stockholder records to ensure appropriate relations with stockholders
4. Assists the Chairman by developing agenda for board meetings, taking minutes at meetings, and serving as administrative staff to the Board members.

Center for Transportation
Labor Relations
Responsibilities

1. Develops labor relations policies to be applied consistently throughout the Corporation
2. Provides department executives with staff support in their dealings with unionized employees
3. Negotiates labor relations contracts with unions
4. Monitors activities of Corporation and common carriers to ensure that the intent of the Rail Passenger Service Act of 1970 is being met in dealings with union employees, and that maximum operational efficiencies are being achieved within the constraints of the Act.

PERFORMANCE
MEASUREMENT CRITERIA

1. Quality and timeliness of contracts negotiated with common carriers
2. Soundness of labor relations program and negotiations with unions
3. Quality and creativity of legal counsel provided to all top management executives - particularly CEO and Vice President - Finance
4. Smooth relationships with stockholders
5. Avoidance of litigation and successful conduct of litigation where unavoidable
6. Level of understanding of impact on corporate affairs of changes in the law

QUALIFICATIONS

1. Extensive experience administering a general counsel's office in a large profit-oriented organization or as a partner in a leading law firm

- Eno
Center for Transportation
2. Experience in labor relations law and labor negotiations
 3. Willingness to serve the new corporation for at least 5 years
 4. Outstanding personal qualifications (e. g., ability to deal with top executives)
 5. Experience in legal matters affecting the transportation industry
 6. Some experience with government authorization and appropriation processes desirable
 7. Member of Bar of the District of Columbia and knowledge of D. C. corporate law desirable.

COMPENSATION
RANGE

\$55-65,000 per year

TENTATIVE SUMMARY OF START-UP TASKS

VICE PRESIDENT AND GENERAL COUNSEL

1. Ensure that incorporation has been legally completed according to District of Columbia law
2. Define Legal Department organization - including compensation levels and responsibilities - and recruit key personnel
3. Participate in decisions on nature of and arrangements for initial service to be offered by the new Corporation
4. Work with Operations Department to draw up contracts with individual railroads
5. Provide leadership in contract negotiations with railroads
6. Provide leadership in labor negotiations
7. Handle litigation arising from organization of the NRPC
8. Ensure compliance with Labor Department requirements
9. Provide top management with legal advice required in establishing the Corporation.

SUMMARY OF KEY ORGANIZATION ISSUES

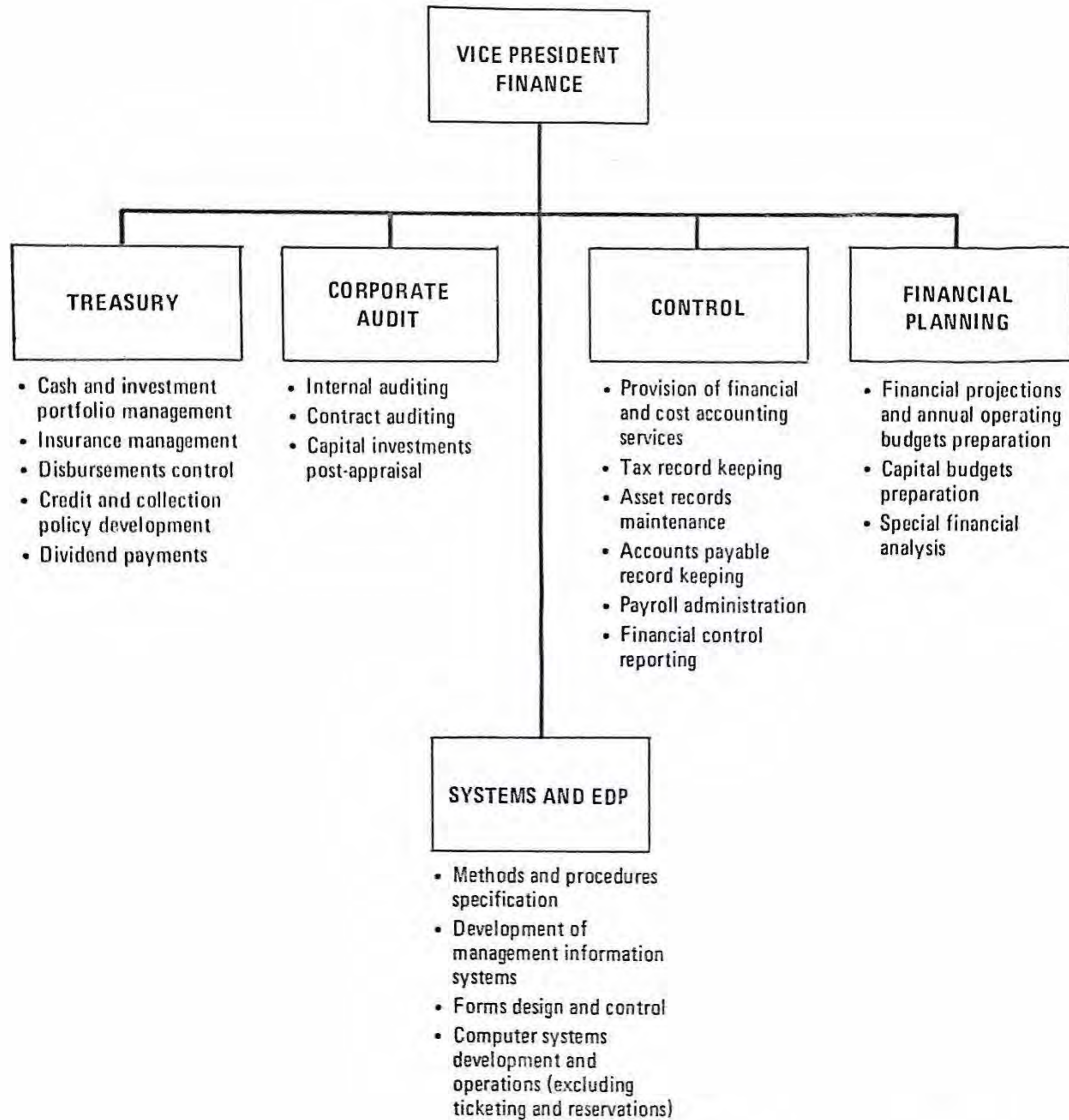
LEGAL DEPARTMENT

1. The labor relations function has been assigned to the Legal Department rather than to a separate Industrial Relations Department for three reasons:
 - a. Much of the labor support for NRPC operations will be obtained through contracts with individual railroads and many of the labor relations problems will involve dealings between NRPC and the railroads, rather than between HRPC and the union. These problems will arise as a result of requirements established by the original contracts between HRPC and the railroads, and points of disagreement that occur at a later date should be negotiated by the department that wrote the original contracts - i. e., the Legal Department.
 - b. Labor relations is included in the Legal Department because the basic charter of the Vice President and General Counsel is to provide all legal support to corporate top management - particularly the CEO. We think a sizable proportion of legal issues during the start-up period and the first year or two of operation will involve labor relations.
 - c. It is more efficient to group the Corporation's initial cadre of lawyers into a single department. This is particularly the case for NRPC, because the size of the initial staff of lawyers - labor relations specialists as well as other corporation lawyers - is undetermined.

Following completion of start-up activities, this organization arrangement should be re-examined to determine the appropriateness of establishing a separate Industrial and Labor Relations Department.

2. The function of the Corporate Secretary is included in the Legal Department because: (1) most of the duties of the Secretary are related to legal constraints and requirements, and (2) the Secretary's function in NRPC will not require a sufficiently large volume of work - at least in the first years of its operation - to justify a separate department.

NATIONAL RAILROAD PASSENGER CORPORATION
FINANCE DEPARTMENT ORGANIZATION
Initial Draft



POSITION DESCRIPTION

VICE PRESIDENT - FINANCE

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The Vice President - Finance is the corporate executive responsible for providing top management with the financial information and advice to ensure that the Corporation is: (a) capitalized in a consistently sound and prudent manner and (b) managed efficiently and on a sound fiscal basis. He carries out these responsibilities primarily through effective direction of four financial functions: (1) controllership, (2) treasury, (3) financial planning, and (4) auditing.

To direct these functions it will be necessary for the Vice President - Finance to ensure initial establishment of the various accounting and record-keeping systems, methods and procedures necessary for the continuing operation of the Corporation. With this in mind, during the start-up phase of the Corporation, the Vice President - Finance should also oversee a fifth function - methods, procedures, and Electronic Data Processing (EDP) systems development and operation.

REPORTING
RELATIONSHIPS

Reports to:	President
Directs:	Manager, Financial Planning
	Controller
	Treasurer
	Corporate Auditor
	Manager, Systems Development and EDP

Works closely with: Vice President - Marketing
Vice President - Operations
Director - Corporate Development and
Government Relations

SPECIFIC
RESPONSIBILITIES

Financial
Planning Responsibilities

1. Plans capital structure of new Corporation and provides advice to the President and the Chairman of the Board on financial needs and approaches to meeting those needs
2. Provides top executives of the Corporation with analytical support to enable them to evaluate financial impact of important decisions (e. g., price changes, new services)
3. Prepares the annual budget and analyzes level of expenses during the fiscal year
4. Prepares near- and long-term financial plans consistent with the strategic and operating plans prepared by Corporate Planning Division and assists corporate executives in implementing plans, including:
 - a. Five-year financial strategy to meet Corporation's growth and profitability objectives
 - Working capital balance
 - Debt ratio
 - Stock policy
 - b. Plans to meet longer term capital needs (sources of funds, level of capital needed)
 - c. Capital budget

5. Works with Systems and EDP Division to develop necessary analytical techniques (e. g. , financial model) to support analysis and planning of corporate financial needs.

Controllershship
Responsibilities

1. Establishes and maintains necessary financial cost accounting and other records to enable the corporation to: (a) report financial results and position to appropriate external bodies (e. g. , stockholders, financial institutions, and appropriate government bodies) and (b) control assets
2. Provides corporate executive management with the financial information and reports they require to execute their assigned responsibilities
3. Provides accounting advice and services to all departments
4. Establishes corporate-wide tax policies and prepares necessary tax records and reports
5. Conducts other controllership functions as assigned (e. g. , payroll, accounts payable).

Treasury
Responsibilities

1. Establishes cash management policies and monitors cash flow to ensure that idle cash balance is maintained at the minimum level
2. Manages investment portfolio in a manner that balances liquidity, safety, and yield
3. Works with Manager, Financial Planning, to develop most efficient cash structure for corporation and arranges for additional cash from appropriate sources (e. g. , equipment certificate, bank loan, stock issue) to support operations

4. Develops insurance policies and manages insurance operations
5. Works with Marketing Department to develop credit and collection policies.

Auditing Responsibilities

1. Establishes audit policies and procedures to ensure that all corporate assets are used efficiently and that corporate policies and procedures are followed by personnel in each department
2. Audits the performance of common carriers in meeting requirements of contracts
3. Conducts post appraisals of major capital investments (e.g., actual ROI, actual level of spending).

Systems and Data Processing Responsibilities

1. Develops and installs financial control, accounting, and other business systems and procedures as necessary - including both manual and electronic data processing systems (but excluding ticketing and reservations systems)
2. Ensures continuing efficient and effective operation of business methods and systems
3. Provides and operates corporate data processing services (excluding equipment utilized to provide ticketing and reservation operations) as needed
4. Provides forms and reports design and record retention and control services.

PERFORMANCE MEASUREMENT CRITERIA

1. Achievement of external recognition of fiscal soundness of corporation
2. Quality and timeliness of financial plans and financial control reports
3. Quality of financial advice and soundness of economic analyses provided other corporate executives
4. Ability to provide department heads with financial information they need to carry out their responsibilities
5. Effectiveness of cash management, including competitive yield on investment portfolio
6. Ability to anticipate the need for funds and to obtain adequate funds at minimum cost to the Corporation.

QUALIFICATIONS

1. Experience in raising both debt and equity capital; good working knowledge of capital markets and instruments
2. Proven record of success and progression through responsible finance and accounting positions (with strong analytical background required) in large corporation(s)
3. Experience as the principal financial officer of at least a \$75 million publicly held corporation
4. Experience in developing and installing new systems and procedures and overseeing data processing systems development and operation
5. Good understanding of the government appropriation and budgeting process

6. Reputation or demonstrated inclination for paramount sensitivity to cost/value relationships
7. Working knowledge of railroad accounting practices.

COMPENSATION
RANGE

\$55-65,000 per year

TENTATIVE SUMMARY OF START-UP TASKS

VICE PRESIDENT - FINANCE

1. Provide financial analytical support to enable the Chairman and the President to make decisions on major start-up issues (e. g. , final route selection, decision to lease or buy equipment, services to be offered)
2. Resolve how Corporation will be capitalized; make capitalization arrangements (considering findings and recommendations of the Financial Investment Advisory Panel)
3. Work with Vice President and General Counsel to advise the Chairman and the President on financial aspects of contracts for equipment and train operations services
4. Determine final organization and alignment of responsibilities within Finance Department; prepare position descriptions
5. Establish and obtain approval for level and type of compensation for each position in the department
6. Identify the most critical positions to be filled and recruit qualified men for these positions
7. Develop and install straightforward budgetary and management information systems to be used in controlling NRPC operations.

SUMMARY OF KEY ORGANIZATION ISSUES

FINANCE DEPARTMENT

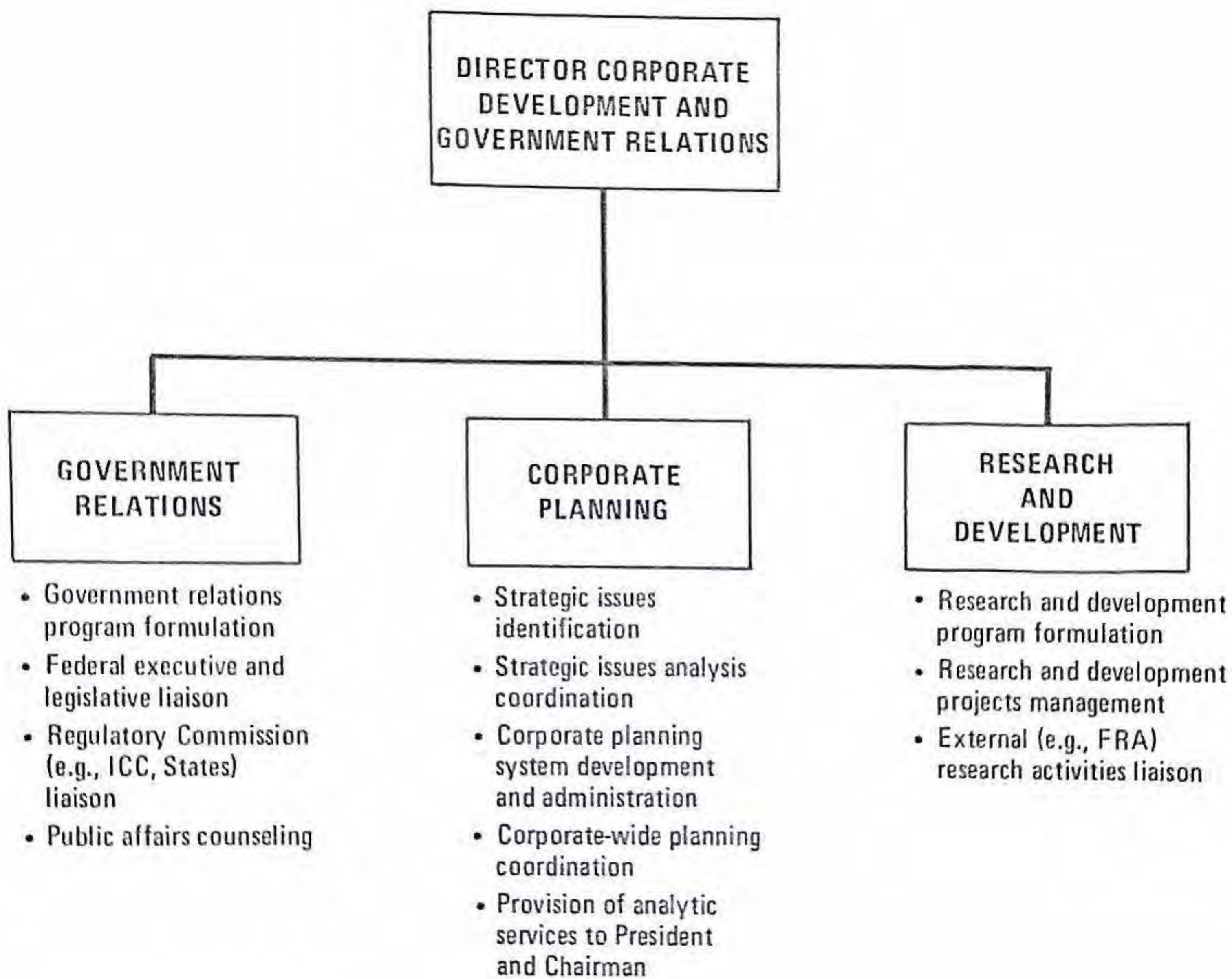
1. Within the Finance Department, the Controller has been assigned responsibility for all accounting and related activities; other financial activities have been assigned to other executives. In particular, the financial planning function, which is critical to the success of NRPC, has been assigned to a separate manager, not the Controller. We believe this is necessary because the financial planning executive must be more imaginative than is typically the case with Controllers, and in addition should have a strong background in financial analysis.
2. In our initial draft of the organization the treasury and controllership functions have been separated. The Controller in this organization is primarily the keeper of the accounting records; the Treasurer is actively involved in establishing financial policies and managing cash flow. However, in the first few years of NRPC's existence, the two functions could be combined under a single executive who has experience in both areas.
3. The corporate auditor has been established at the same level as the Controller, rather than reporting to the Controller, because of the importance of the auditing function in this Corporation. The success of NRPC in the early years will depend upon how efficiently the individual railroads comply with the provisions of their contracts with NRPC and, as we see it, the Corporate Audit Division will provide the inspection service to ensure cost compliance as well as to backup the Operations Department in checking schedule compliance.

4. Development of methods, procedures, and data processing systems (excluding ticketing and reservations systems) has been initially assigned to the Vice President - Finance for two reasons:

- a. During the early years of the Corporation, the Vice President of Finance will be the principal user of these services.
- b. It will be particularly important to maintain "tight-fisted" control of data processing systems development during the start-up phase.

After initial business systems have been developed and placed into operation, it may prove desirable to locate data processing systems development and operation elsewhere in the organization.

NATIONAL RAILROAD PASSENGER CORPORATION
CORPORATE DEVELOPMENT DEPARTMENT ORGANIZATION
Initial Draft



POSITION DESCRIPTION

DIRECTOR - CORPORATE DEVELOPMENT

AND GOVERNMENT RELATIONS

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The Director - Corporate Development and Government Relations is responsible for serving the President and Chairman as: (a) developer and administrator of a corporate planning system, and the principal coordinator and focal point of corporate analysis of issues and problems, (b) manager of day-to-day contacts with government and regulatory organizations, and (c) administrator of the corporate research and development program. In fulfilling these duties he must be particularly sensitive to the need for gathering and understanding the viewpoints of all the key functional executives. Thus, the incumbent must serve as an effective catalyst in combining the planning and development work of all key corporate officials. He also must be able to ensure harmonious communication with the government and regulatory agencies exercising oversight of the Corporation's affairs.

REPORTING
RELATIONSHIPS

Reports to:	President and Chairman of the Board
Directs:	Manager, Corporate Planning
	Manager, Government Relations
	Manager, Research and Development
Works closely with:	President and Chairman of the Board
	Vice President - Marketing
	Vice President - Operations

Vice President and General Counsel

Vice President - Finance

Director - Corporate Administrative Services

SPECIFIC
RESPONSIBILITIES

1. Establishes and coordinates the Corporation's corporate planning process by assisting the President in developing planning guidelines, providing planning and analytical assistance to key managers, and consolidating and evaluating the total plan for the President
2. Provides, under the direction of the President, a continuing corporate planning effort which includes: monitoring and evaluating external trends; identification of major issues and problems facing the corporation; and coordination of the analysis and resolution of the problems
3. Coordinates planning activities and attempts to resolve planning conflicts between departments (e. g. , between Marketing and Operations)
4. Provides analytical support to management as required, including a capability of applying advanced quantitative analytical techniques
5. Develops strong Corporation-government relations, and as directed by the Chairman and the President, acts as chief contact point between the Corporation and government bodies with which it interacts; evaluates government activities and attitudes in transportation
6. Works closely with the Vice President - Operations in administering research and experimentation programs to support the identification, development, and testing of new transportation methods and equipment

7. Works closely with the Vice President - Marketing on the strategy of corporate public relations efforts - particularly with respect to the impact of public relations programs on governmental and regulatory organizations.

PERFORMANCE
MEASUREMENT CRITERIA

1. Effectiveness of Corporation's corporate planning process in formulating challenging and practical programs
2. Effectiveness of Corporation's efforts to maintain smooth relationships with government bodies (e. g. , Congress, ICC, DoT), as gauged by ability, for example, to obtain desired legislation and funding from Congress and rulings from ICC
3. Effectiveness in carrying out analyses of problems for the President and the Board
4. Effectiveness in coordinating planning activities among departments and other organization units
5. Extent to which other managers at all levels seek out analytical support and advice in identifying and evaluating problems and opportunities
6. Degree to which corporate research and development activities are coordinated with transportation research activities of Federal Government, and other appropriate organizations.

QUALIFICATIONS

1. Previous in-depth strategic planning and economic analysis experience, particularly when obtained in an organization facing complex and time-constrained problems

2. Outstanding personal qualifications, especially evidence of proven ability to develop creative solutions to complex problems
3. Sufficient technical background to be effective in administering the corporate research and development program
4. Proven ability to work in harmony with a variety of government officials
5. Ability to attract and motivate a small, high-quality staff
6. Comprehensive understanding of passenger transportation economics.

COMPENSATION
RANGE

\$35-45,000 per year

TENTATIVE SUMMARY OF START-UP TASKS

DIRECTOR - CORPORATE DEVELOPMENT

AND GOVERNMENT RELATIONS

1. Assist the President in planning and executing the incorporation and start-up activities by:
 - a. Assisting in identifying major start-up activities and problems
 - b. Assisting in resolution of immediate start-up problems (as they are identified) by gathering needed data and performing required analyses
 - c. Setting up action programs to achieve incorporation and start-up
 - d. Monitoring performance of start-up plan to ensure that activities are begun and completed on time
 - e. Updating action-program schedules as required
2. Identify key external groups with which immediate contact is necessary (e. g., ICC, railroads, contractors, state governments) and assist the Chairman and President in initiating such contacts
3. Determine staffing and management start-up requirements for his unit and recruit management personnel
4. Provide analytical assistance to other corporate officers as needed, including:
 - a. Assisting Marketing as requested in developing pricing policies, train routes and schedules, and reservations systems guidelines
 - b. Assisting Finance as requested in determining financial impact of operations and marketing start-up programs.

SUMMARY OF KEY ORGANIZATION ISSUES

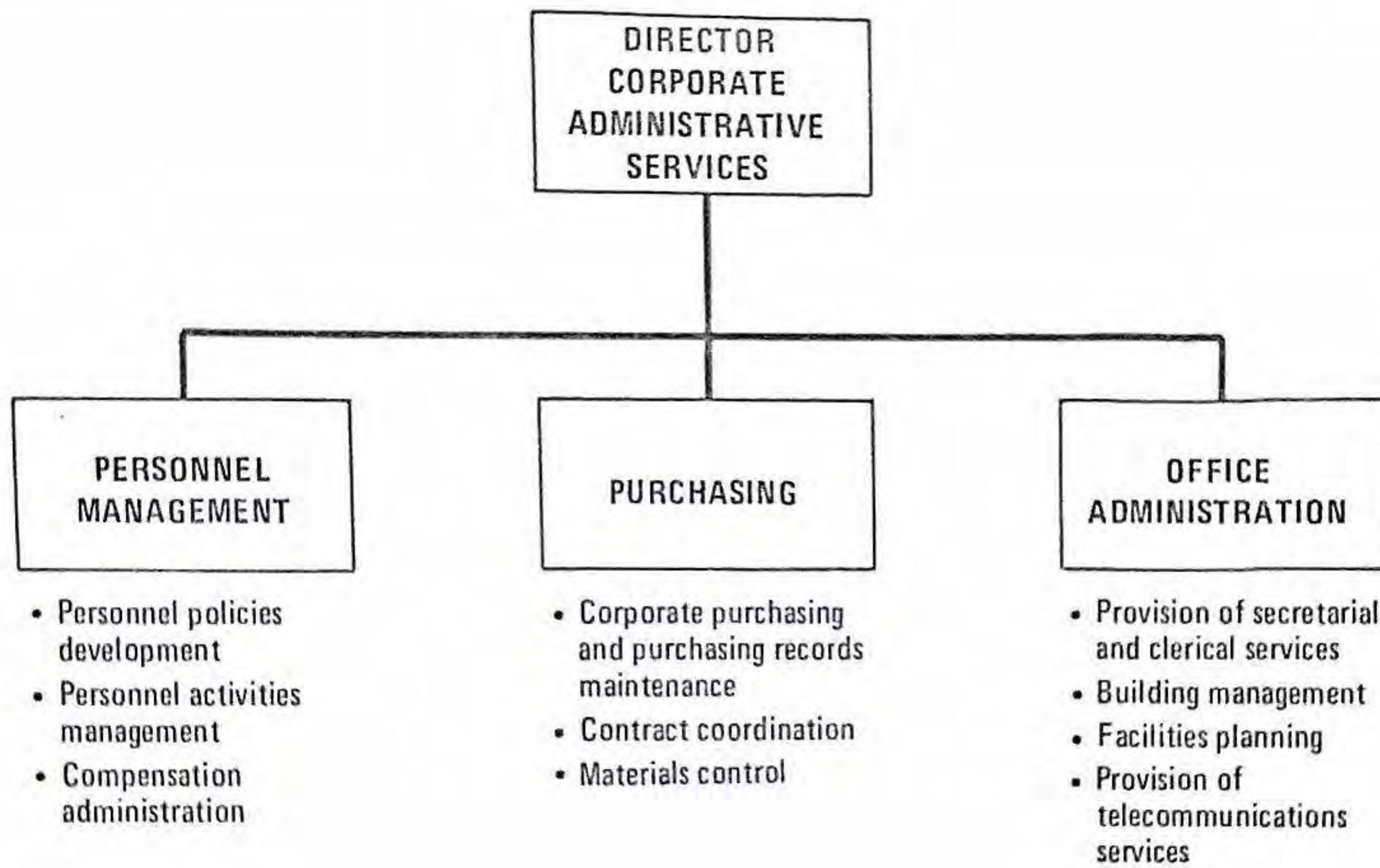
CORPORATE DEVELOPMENT AND

GOVERNMENT RELATIONS DEPARTMENT

1. An organization of this type requires, in our view, a small, highly competent group of analysts to coordinate and/or perform the staff work needed by the top leadership (i. e., the President and the Chairman). In addition, because of the quasi-governmental nature of the NRPC, with its related dependence on the Congress and executive departments for financial support and federal and state regulatory agencies for good will, the top officers will need high-caliber support in formulating and carrying out the vital communications activities necessary in these areas. We are suggesting that the Corporate Development and Government Relations Department be created to carry out these activities.
2. Although an argument can be made for combining government relations with the public relations and advertising functions located in the Marketing Department, we believe that little can be gained from such a step, since: (a) the thrust of a government relations program is vastly different from carrying out effective marketing operations and public relations activities, and (b) government relations activities are so vitally important they should be placed under the immediate control of the President and Chairman (i. e., in lieu of placing this responsibility under the Vice President - Marketing).
3. The legislation that established the NRPC specifically authorizes a research and development activity. However, we believe: (a) the bulk of long-term research and technological development of rail-oriented transportation systems will continue to be funded by direct government grants administered through the Department of Transportation (e. g., urban mass transit research) and (b) the NRPC should encourage this approach rather than

funding a substantial research and development program of its own. Thus, we think that the principal research and development role of NRPC should be to tie in its technological development interests to programs sponsored by the government. Further, we believe the formulation and overview of the NRPC research and development activity should be assigned to the corporate staff unit that acts as the principal point of contact with the federal government.

NATIONAL RAILROAD PASSENGER CORPORATION
CORPORATE ADMINISTRATIVE SERVICES DEPARTMENT ORGANIZATION
Initial Draft



POSITION DESCRIPTION

DIRECTOR - CORPORATE ADMINISTRATIVE SERVICES

NATIONAL RAILROAD PASSENGER CORPORATION

PURPOSE

The Director - Corporate Administrative Services carries out the staff administration functions that do not logically fall within the Finance or Legal Departments. To accomplish this, he provides on a centralized basis services common to several corporate departments: (a) personnel administration, (b) purchasing, and (c) office administration.

REPORTING
RELATIONSHIPS

Reports to: President

Directs: Manager, Personnel Management

Manager, Purchasing

Manager, Office Administration

Works closely with: All department heads and other departmental personnel

SPECIFIC
RESPONSIBILITIES

Personnel Administration

1. Develops and recommends corporate personnel policies
2. Develops compensation and benefit programs and administers wages and salaries to: (a) enable the company to compete effectively in the recruitment and retention of qualified employees, (b) ensure internal equity, and (c) provide financial motivation

3. Provides personnel services (e. g. , employment, job counseling, training) common to all departments.

Purchasing/Material

1. Coordinates all purchasing for Corporation and maintains necessary purchasing records
2. Establishes purchasing procedures, working with the Legal Department to develop contracts as needed
3. Manages materials inventories.

Office Administration

1. Determines and provides for office space and equipment needs
2. Provides centralized secretarial and clerical support as needed (e. g. , typing, duplicating, office supplies)
3. Manages real property assets not assigned to the Operations or Marketing Departments, including provision of office leases and maintenance services
4. Arranges for the procurement of facilities planning and design services (e. g. , design of stations and terminals)
5. Maintains control over all office equipment including business machines and furniture
6. Provides telecommunications services as needed.

PERFORMANCE
MEASUREMENT CRITERIA

1. Quality and timeliness of office administration services provided all departments
2. Maintenance of attractive headquarters appearance

3. Efficient discharge of purchasing and materials control (e. g., ability to obtain required materials at least cost through contract orders)
4. Creation of an employment atmosphere that produces low rates of turnover and absenteeism
5. Demonstrated performance in developing sound budgets and operating within them.

QUALIFICATIONS

1. Proven ability to establish an administrative function
2. Good personal qualifications, particularly ability to deal with top executives, intelligence, and judgment to balance value of services with cost
3. Direct experience in managing at least two of the functions assigned.

COMPENSATION
RANGE

\$25-35,000 per year

TENTATIVE SUMMARY OF START-UP TASKS

DIRECTOR - CORPORATE ADMINISTRATIVE SERVICES

1. Recruit key executives required to establish corporate administrative services in the department
2. Work with other departments to determine their initial administrative needs
3. Establish corporate headquarters (e. g., facilities, furniture, business machines)
4. Establish purchasing function (e. g., identify initial major purchases, supplies, records)
5. Assist all departments in initial personnel tasks (e. g., orientation, planning, compensation, and recruiting).

SUMMARY OF KEY ORGANIZATION ISSUES

CORPORATE ADMINISTRATIVE SERVICES DEPARTMENT

The alternatives for setting up a corporate administrative services unit are to either report these necessary activities (purchasing, office administration, and personnel) directly to the President or to incorporate them into one or more of the major functional departments. We elected not to follow either of these alternatives in order to permit the President and key department heads to concentrate their efforts on tasks vital to the success of their activities. Further, we believe these three service activities require a management overview to ensure their efficient execution. Thus, on balance, we believe having them report to an administrative type executive will fill such a need and will reduce to a minimum the amount of time required from the President.