

107TH CONGRESS  
1ST SESSION

# S. 1220

To authorize the Secretary of Transportation to establish a grant program for the rehabilitation, preservation, or improvement of railroad track.

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## IN THE SENATE OF THE UNITED STATES

JULY 23, 2001

Mr. BREAU (for himself, Mr. SMITH of Oregon, Mr. SCHUMER, Mr. SPECTER, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To authorize the Secretary of Transportation to establish a grant program for the rehabilitation, preservation, or improvement of railroad track.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION. 1. SHORT TITLE.**

4       This Act may be cited as the “Railroad Track Mod-  
5       ernization Act of 2001”.

6       **SEC. 2. CAPITAL GRANTS FOR RAILROAD TRACK.**

7       (a) AMENDMENT.—Chapter 223 of title 49, United  
8       States Code, is amended to read as follows:

1     **“CHAPTER 223—CAPITAL GRANTS FOR**  
 2                     **RAILROAD TRACK**

“Sec.

“22301. Capital grants for railroad track.

3     **“§ 22301. Capital grants for railroad track**

4             “(a) ESTABLISHMENT OF PROGRAM.—

5                     “(1) ESTABLISHMENT.—The Secretary of  
 6             Transportation shall establish a program of capital  
 7             grants for the rehabilitation, preservation, or im-  
 8             provement of railroad track (including roadbed,  
 9             bridges, and related track structures) of class II and  
 10            class III railroads. Such grants shall be for rehabili-  
 11           tating, preserving, or improving track used primarily  
 12           for freight transportation to a standard ensuring  
 13           that the track can be operated safely and efficiently,  
 14           including grants for rehabilitating, preserving, or im-  
 15           proving track to handle 286,000 pound rail cars.  
 16           Grants may be provided under this chapter—

17                   “(A) directly to the class II or class III  
 18           railroad; or

19                   “(B) with the concurrence of the class II  
 20           or class III railroad, to a State or local govern-  
 21           ment.

22                   “(2) STATE COOPERATION.—Class II and class  
 23           III railroad applicants for a grant under this chap-  
 24           ter are encouraged to utilize the expertise and assist-

1       ance of State transportation agencies in applying for  
2       and administering such grants. State transportation  
3       agencies are encouraged to provide such expertise  
4       and assistance to such railroads.

5           “(3) INTERIM REGULATIONS.—Not later than  
6       December 31, 2001, the Secretary shall issue tem-  
7       porary regulations to implement the program under  
8       this section. Subchapter II of chapter 5 of title 5  
9       does not apply to a temporary regulation issued  
10      under this paragraph or to an amendment to such  
11      a temporary regulation.

12          “(4) FINAL REGULATIONS.—Not later than Oc-  
13      tober 1, 2002, the Secretary shall issue final regula-  
14      tions to implement the program under this section.

15          “(b) MAXIMUM FEDERAL SHARE.—The maximum  
16      Federal share for carrying out a project under this section  
17      shall be 80 percent of the project cost. The non-Federal  
18      share may be provided by any non-Federal source in cash,  
19      equipment, or supplies. Other in-kind contributions may  
20      be approved by the Secretary on a case by case basis con-  
21      sistent with this chapter.

22          “(c) PROJECT ELIGIBILITY.—For a project to be eli-  
23      gible for assistance under this section the track must have  
24      been operated or owned by a class II or class III railroad

1 as of the date of the enactment of the Railroad Track  
2 Modernization Act of 2001.

3 “(d) USE OF FUNDS.—Grants provided under this  
4 section shall be used to implement track capital projects  
5 as soon as possible. In no event shall grant funds be con-  
6 tractually obligated for a project later than the end of the  
7 third Federal fiscal year following the year in which the  
8 grant was awarded. Any funds not so obligated by the end  
9 of such fiscal year shall be returned to the Secretary for  
10 reallocation.

11 “(e) ADDITIONAL PURPOSE.—In addition to making  
12 grants for projects as provided in subsection (a), the Sec-  
13 retary may also make grants to supplement direct loans  
14 or loan guarantees made under title V of the Railroad Re-  
15 vitalization and Regulatory Reform Act of 1976 (45  
16 U.S.C. 822(d)), for projects described in the last sentence  
17 of section 502(d) of such title. Grants made under this  
18 subsection may be used, in whole or in part, for paying  
19 credit risk premiums, lowering rates of interest, or pro-  
20 viding for a holiday on principal payments.

21 “(f) EMPLOYEE PROTECTION.—The Secretary shall  
22 require as a condition of any grant made under this sec-  
23 tion that the recipient railroad provide a fair arrangement  
24 at least as protective of the interests of employees who  
25 are affected by the project to be funded with the grant

1 as the terms imposed under section 11326(a), as in effect  
2 on the date of the enactment of the Railroad Track Mod-  
3 ernization Act of 2001.

4 “(g) LABOR STANDARDS.—

5 “(1) PREVAILING WAGES.—The Secretary shall  
6 ensure that laborers and mechanics employed by  
7 contractors and subcontractors in construction work  
8 financed by a grant made under this section will be  
9 paid wages not less than those prevailing on similar  
10 construction in the locality, as determined by the  
11 Secretary of Labor under the Act of March 3, 1931  
12 (known as the Davis-Bacon Act; 40 U.S.C. 276a et  
13 seq.). The Secretary shall make a grant under this  
14 section only after being assured that required labor  
15 standards will be maintained on the construction  
16 work.

17 “(2) WAGE RATES.—Wage rates in a collective  
18 bargaining agreement negotiated under the Railway  
19 Labor Act (45 U.S.C. 151 et seq.) are deemed for  
20 purposes of this subsection to comply with the Act  
21 of March 3, 1931 (known as the Davis-Bacon Act;  
22 40 U.S.C. 276a et seq.).

23 “(h) STUDY.—The Secretary shall conduct a study  
24 of the projects carried out with grant assistance under this  
25 section to determine the public interest benefits associated

1 with the light density railroad networks in the States and  
 2 their contribution to a multimodal transportation system.  
 3 Not later than March 31, 2003, the Secretary shall report  
 4 to Congress any recommendations the Secretary considers  
 5 appropriate regarding the eligibility of light density rail  
 6 networks for Federal infrastructure financing.

7 “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
 8 are authorized to be appropriated to the Secretary of  
 9 Transportation \$350,000,000 for each of the fiscal years  
 10 2002 through 2004 for carrying out this section.”.

11 (b) CONFORMING AMENDMENT.—The item relating  
 12 to chapter 223 in the table of chapters of subtitle V of  
 13 title 49, United States Code, is amended to read as fol-  
 14 lows:

“223. CAPITAL GRANTS FOR RAILROAD TRACK ..... 22301”.

