

108TH CONGRESS
1ST SESSION

S. 1961

To provide for the revitalization and enhancement of the American passenger and freight rail transportation system.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 24, 2003

Mr. HOLLINGS (for himself, Ms. COLLINS, Mr. CARPER, Mr. SPECTER, Mr. JEFFORDS, Mr. LAUTENBERG, and Mr. BIDEN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To provide for the revitalization and enhancement of the American passenger and freight rail transportation system.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “American Railroad Revitalization, Investment, and En-
6 hancement Act of the 21st Century” or the “Arrive 21
7 Act”.

8 (b) TABLE OF CONTENTS.—The table of contents for
9 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Amendment of title 49, United States Code.
- Sec. 3. Purposes.

TITLE I—RAIL TRANSPORTATION SECURITY

- Sec. 101. Rail transportation security risk assessment.
- Sec. 102. Certain personnel limitations not to apply.

TITLE II—FEDERAL RAIL POLICY

- Sec. 201. Federal rail policy enhancement.
- Sec. 202. Rail cooperative research program.
- Sec. 203. State rail plans.
- Sec. 204. Interstate railroad passenger high-speed transportation policy.
- Sec. 205. High-speed rail corridor planning.
- Sec. 206. Designated high-speed rail corridors.
- Sec. 207. Rehabilitation, improvement, and security financing.
- Sec. 208. Repayment of loan to National Railroad Passenger Corporation.

TITLE III—INTERMODAL POLICY

- Sec. 301. 50-year intermodal blueprint.
- Sec. 302. Intermodal transportation policy.

TITLE IV—AMTRAK AUTHORIZATIONS

- Sec. 401. National Railroad Passenger Transportation system defined.
- Sec. 402. Restructuring of long-term debt and capital leases.
- Sec. 403. General Amtrak authorizations.
- Sec. 404. Excess railroad retirement.
- Sec. 405. Authorizations for environmental compliance and station improvements.
- Sec. 406. Tunnel life safety.
- Sec. 407. Authorization for capital and operating expenses.
- Sec. 408. Establishment of grant process.
- Sec. 409. State-supported routes.
- Sec. 410. Re-establishment of Northeast Corridor Safety Committee.
- Sec. 411. Amtrak board of directors.
- Sec. 412. Establishment of financial accounting system for Amtrak operations by independent auditor.
- Sec. 413. Development of 5-year financial plan.
- Sec. 414. Independent auditor to establish methodologies for Amtrak route and service planning decisions.
- Sec. 415. Metrics and standards.
- Sec. 416. On-time performance.

TITLE V—RAIL INFRASTRUCTURE FINANCE CORPORATION

- Sec. 501. Establishment of corporation.
- Sec. 502. Board of directors.
- Sec. 503. Officers and employees.
- Sec. 504. Nonprofit and nonpolitical nature of the corporation.
- Sec. 505. Purpose and activities of corporation.
- Sec. 506. Report to Congress.
- Sec. 507. Administrative matters.
- Sec. 508. Rail Infrastructure Finance Trust.

TITLE VI—RAIL DEVELOPMENT GRANT PROGRAMS

- Sec. 601. Intercity passenger rail development grant program.
 Sec. 602. Freight rail infrastructure development grant program.
 Sec. 603. High priority projects grant program.
 Sec. 604. Grant program requirements and limitations.
 Sec. 605. Standards and conditions.
 Sec. 606. Grant program funding.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS

- Sec. 701. Authorization of Appropriations.

1 **SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.**

2 Except as otherwise expressly provided, whenever in
 3 this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or a repeal of, a section or other
 5 provision, the reference shall be considered to be made to
 6 a section or other provision of title 49, United States
 7 Code.

8 **SEC. 3. PURPOSES.**

9 The purposes of this Act are—

10 (1) to ensure more adequate financing of infra-
 11 structure projects for the national rail transpor-
 12 tation system through—

13 (A) the establishment of the nonprofit Rail
 14 Infrastructure Finance Corporation to provide
 15 financial support for rail infrastructure im-
 16 provement projects by issuing qualified rail
 17 transportation bonds; and

18 (B) the provision of appropriate tax treat-
 19 ment of qualified rail transportation bonds so
 20 issued;

1 (2) to create a partnership between public and
2 private entities to promote freight and passenger rail
3 infrastructure development that benefits the public;

4 (3) to provide resources to States and groups of
5 States for rail capital projects that result in a safe,
6 secure, and efficient rail transportation system;

7 (4) to enhance Federal and State rail transpor-
8 tation policy and planning;

9 (5) to promote intermodal transportation in-
10 vestment, planning, and coordination; and

11 (6) to reauthorize the National Railroad Pas-
12 senger Corporation and reaffirm the Federal com-
13 mitment to a national system of intercity passenger
14 rail transportation.

15 **TITLE I—RAIL**
16 **TRANSPORTATION SECURITY**

17 **SEC. 101. RAIL TRANSPORTATION SECURITY RISK ASSESS-**
18 **MENT.**

19 (a) IN GENERAL.—

20 (1) ASSESSMENT.—The Secretary of Homeland
21 Security, in consultation with the Secretary of
22 Transportation, shall assess the security risks asso-
23 ciated with freight and intercity passenger rail
24 transportation and develop prioritized recommenda-
25 tions for—

1 (A) improving the security of rail infra-
2 structure and facilities, terminals, tunnels, rail
3 bridges, rail switching areas, and other areas
4 identified by the Secretary as posing significant
5 rail-related risks to public safety and the move-
6 ment of interstate commerce, taking into ac-
7 count the impact that any proposed security
8 measure might have on the provision of rail
9 service;

10 (B) deploying chemical and biological
11 weapon detection equipment;

12 (C) training employees in terrorism re-
13 sponse activities; and

14 (D) identifying the immediate and long-
15 term economic impact of measures that may be
16 required to address those risks.

17 (2) EXISTING PRIVATE AND PUBLIC SECTOR
18 EFFORTS.—The assessment shall include a review of
19 any actions already taken or prospective actions nec-
20 essary to address identified security issues by both
21 public and private entities.

22 (b) CONSULTATION; USE OF EXISTING RE-
23 SOURCES.—In carrying out the assessment required by
24 subsection (a), the Secretary shall consult with rail man-
25 agement, rail labor, facility owners and operators, and

1 public safety officials (including officials responsible for
2 responding to emergencies).

3 (c) REPORT.—

4 (1) CONTENTS.—Within 180 days after the
5 date of enactment of this Act, the Secretary shall
6 transmit to the Senate Committee on Commerce,
7 Science, and Transportation and the House of Rep-
8 resentatives Committee on Transportation and In-
9 frastructure a report, without compromising national
10 security, containing the assessment and prioritized
11 recommendations required by subsection (a).

12 (2) FORMAT.—The Secretary may submit the
13 report in both classified and redacted formats if the
14 Secretary determines that such action is appropriate
15 or necessary.

16 (d) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to the Secretary
18 \$515,000,000 for fiscal year 2004 to carry out this sec-
19 tion, implement the measures contained in the Secretary's
20 prioritized recommendations, and award grants for pur-
21 poses identified in the assessment in subsection (a), such
22 sums to remain available until expended.

1 **SEC. 102. CERTAIN PERSONNEL LIMITATIONS NOT TO**
2 **APPLY.**

3 Any statutory limitation on the number of employees
4 in the Transportation Security Administration of the De-
5 partment of Transportation, before or after its transfer
6 to the Department of Homeland Security, does not apply
7 to the extent that any such employees are responsible for
8 implementing the provisions of this Act.

9 **TITLE II—FEDERAL RAIL POLICY**

10 **SEC. 201. FEDERAL RAIL POLICY ENHANCEMENT.**

11 Section 103 is amended to read as follows:

12 **“§ 103. Federal Railroad Administration**

13 “(a) IN GENERAL.—The Federal Railroad Adminis-
14 tration is an administration in the Department of Trans-
15 portation.

16 “(b) ADMINISTRATOR.—The head of the Administra-
17 tion is the Administrator who is appointed by the Presi-
18 dent, by and with the advice and consent of the Senate.
19 The Administrator reports directly to the Secretary of
20 Transportation.

21 “(c) SAFETY.—To carry out all railroad safety laws
22 of the United States, the Administration is divided on a
23 geographical basis into at least 8 safety offices. The Sec-
24 retary of Transportation is responsible for all acts taken
25 under those laws and for ensuring that the laws are uni-

1 formly administered and enforced among the safety of-
2 fices.

3 “(d) POWERS AND DUTIES.—

4 “(1) IN GENERAL.—The Administrator shall
5 carry out—

6 “(A) the duties and powers related to rail-
7 road safety vested in the Secretary by section
8 20134(c) and chapters 203 through 211 of this
9 title, and chapter 213 of this title in carrying
10 out chapters 203 through 211;

11 “(B) the duties and powers related to rail-
12 road policy and development under subsection
13 (e); and

14 “(C) any additional duties and powers pre-
15 scribed by the Secretary.

16 “(2) TRANSFERS.—A duty or power specified
17 by paragraph (1)(A) of this subsection may be
18 transferred to another part of the Department only
19 when specifically provided by law or a reorganization
20 plan submitted under chapter 9 of title 5. A decision
21 of the Administrator in carrying out those duties or
22 powers and involving notice and hearing required by
23 law is administratively final.

24 “(3) CONTRACTS, GRANTS, LEASES, COOPERA-
25 TIVE AGREEMENTS, AND SIMILAR TRANSACTIONS.—

1 Subject to the provisions of subtitle I of title 40 and
2 title III of the Federal Property and Administrative
3 Services Act of 1949 (41 U.S.C. 251 et seq.), the
4 Secretary of Transportation may make, enter into,
5 and perform such contracts, grants, leases, coopera-
6 tive agreements, and other similar transactions with
7 Federal or other public agencies (including State
8 and local governments) and private organizations
9 and persons, and make such payments, by way of
10 advance or reimbursement, as the Secretary may de-
11 termine to be necessary or appropriate to carry out
12 functions of the Federal Railroad Administration.
13 The authority of the Secretary granted by this para-
14 graph shall be carried out by the Administrator.

15 “(e) ADDITIONAL DUTIES OF THE ADMINIS-
16 TRATOR.—The Administrator shall—

17 “(1) provide assistance to States in developing
18 State rail plans prepared under section 22501 and
19 review all State rail plans submitted under such sec-
20 tion 22501;

21 “(2) develop a long range national rail plan
22 that is consistent with approved State rail plans, the
23 50-year Intermodal Blueprint developed under sec-
24 tion 5503(e), and the rail needs of the Nation, as
25 determined by the Secretary in order to promote an

1 integrated, cohesive, efficient, and optimized national
2 rail system for the movement of goods and people;

3 “(3) develop a preliminary national rail plan
4 within a year after the date of enactment of the Ar-
5 rive 21 Act;

6 “(4) develop and enhance partnerships with the
7 freight and passenger railroad industry, States, and
8 the public concerning rail development;

9 “(5) support rail intermodal development and
10 high-speed rail development, including high speed
11 rail planning under section 205;

12 “(6) ensure that programs and initiatives devel-
13 oped under this section benefit the public and work
14 toward achieving regional and national transpor-
15 tation goals; and

16 “(7) facilitate and coordinate efforts to assist
17 freight and passenger rail carriers, transit agencies
18 and authorities, municipalities, and States in pas-
19 senger-freight service integration on shared rights of
20 way by providing neutral assistance at the joint re-
21 quest of affected rail service providers and infra-
22 structure owners relating to operations and capacity
23 analysis, capital requirements, operating costs, and
24 other research and planning related to corridors

1 shared by passenger or commuter rail service and
2 freight rail operations.

3 “(f) PERFORMANCE GOALS AND REPORTS.—

4 “(1) PERFORMANCE GOALS.—In conjunction
5 with the objectives established and activities under-
6 taken under section 103(e) of this title, the Adminis-
7 trator shall develop a schedule for achieving specific,
8 measurable performance goals.

9 “(2) RESOURCE NEEDS.—The strategy and an-
10 nual plans shall include estimates of the funds and
11 staff resources needed to accomplish each goal and
12 the additional duties required under section 103(e).

13 “(3) SUBMISSION WITH PRESIDENT’S BUDG-
14 ET.—Beginning with fiscal year 2005 and each fis-
15 cal year thereafter, the Secretary shall submit to
16 Congress, at the same time as the President’s budg-
17 et submission, the Administration’s performance
18 goals and schedule developed under paragraph (1),
19 including an assessment of the progress of the Ad-
20 ministration toward achieving its performance
21 goals.”.

22 **SEC. 202. RAIL COOPERATIVE RESEARCH PROGRAM.**

23 (a) REQUIREMENT FOR PROGRAM.—

24 (1) ESTABLISHMENT AND CONTENT.—Chapter
25 249 is amended by adding at the end the following:

1 **“§ 24910. Rail cooperative research program**

2 “(a) IN GENERAL.—The Secretary shall establish
3 and carry out a rail cooperative research program. The
4 program shall—

5 “(1) address, among other matters, intercity
6 rail passenger and freight rail services, including ex-
7 isting rail passenger and freight technologies and
8 speeds, incrementally enhanced rail systems and in-
9 frastructure, and new high-speed wheel-on-rail sys-
10 tems and rail security;

11 “(2) address ways to expand the transportation
12 of international trade traffic by rail, enhance the ef-
13 ficiency of intermodal interchange at ports and other
14 intermodal terminals, and increase capacity and
15 availability of rail service for seasonal freight needs;

16 “(3) consider research on the interconnected-
17 ness of commuter rail, passenger rail, freight rail,
18 and other rail networks; and

19 “(4) give consideration to regional concerns re-
20 garding rail passenger and freight transportation,
21 including meeting research needs common to des-
22 ignated high-speed corridors, long-distance rail serv-
23 ices, and regional intercity rail corridors, projects,
24 and entities.

25 “(b) CONTENT.—The program to be carried out
26 under this section shall include research designed—

1 “(1) to identify the unique aspects and at-
2 tributes of rail passenger and freight service;

3 “(2) to develop more accurate models for evalu-
4 ating the impact of rail passenger and freight serv-
5 ice, including the effects on highway and airport and
6 airway congestion, environmental quality, and energy
7 consumption;

8 “(3) to develop a better understanding of modal
9 choice as it affects rail passenger and freight trans-
10 portation, including development of better models to
11 predict utilization;

12 “(4) to recommend priorities for technology
13 demonstration and development;

14 “(5) to meet additional priorities as determined
15 by the advisory board established under subsection
16 (c), including any recommendations made by the Na-
17 tional Research Council;

18 “(6) to explore improvements in management,
19 financing, and institutional structures;

20 “(7) to address rail capacity constraints that
21 affect passenger and freight rail service through a
22 wide variety of options, ranging from operating im-
23 provements to dedicated new infrastructure, taking
24 into account the impact of such options on oper-
25 ations;

1 “(8) to improve maintenance, operations, cus-
2 tomer service, or other aspects of intercity rail pas-
3 senger and freight service;

4 “(9) to recommend objective methodologies for
5 determining intercity passenger rail routes and serv-
6 ices, including the establishment of new routes, the
7 elimination of existing routes, and the contraction or
8 expansion of services or frequencies over such
9 routes;

10 “(10) to review the impact of equipment and
11 operational safety standards on the further develop-
12 ment of high speed passenger rail operations con-
13 nected to or integrated with non-high speed freight
14 or passenger rail operations; and

15 “(11) to recommend any legislative or regu-
16 latory changes necessary to foster further develop-
17 ment and implementation of high speed passenger
18 rail operations while ensuring the safety of such op-
19 erations that are connected to or integrated with
20 non-high speed freight or passenger rail operations.

21 “(c) ADVISORY BOARD.—

22 “(1) ESTABLISHMENT.—In consultation with
23 the heads of appropriate Federal departments and
24 agencies, the Secretary shall establish an advisory
25 board to recommend research, technology, and tech-

1 nology transfer activities related to rail passenger
2 and freight transportation.

3 “(2) MEMBERSHIP.—The advisory board shall
4 include—

5 “(A) representatives of State transpor-
6 tation agencies;

7 “(B) transportation and environmental
8 economists, scientists, and engineers; and

9 “(C) representatives of Amtrak, the Alaska
10 Railroad, freight railroads, transit operating
11 agencies, intercity rail passenger agencies, rail-
12 way labor organizations, and environmental or-
13 ganizations.

14 “(d) NATIONAL ACADEMY OF SCIENCES.— The Sec-
15 retary may make grants to, and enter into cooperative
16 agreements with, the National Academy of Sciences to
17 carry out such activities relating to the research, tech-
18 nology, and technology transfer activities described in sub-
19 section (b) as the Secretary deems appropriate.”.

20 (2) CLERICAL AMENDMENT.—The chapter anal-
21 ysis for chapter 249 is amended by adding at the
22 end the following:

“24910. Rail cooperative research program”.

23 (b) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to the Secretary of
25 Transportation \$5,000,000 for each of fiscal years 2004

1 through 2009 to carry out the rail cooperative research
 2 program under section 24910 of title 49, United States
 3 Code.

4 **SEC. 203. STATE RAIL PLANS.**

5 (a) IN GENERAL.—Part B of subtitle V is amended
 6 by adding at the end the following:

7 “CHAPTER 225—STATE RAIL PLANS AND HIGH
 8 PRIORITY PROJECTS

“Sec.
 “22501. Authority
 “22502. Purposes
 “22503. Transparency; coordination; review
 “22504. Content
 “22505. Approval
 “22506. High priority projects
 “22507. Definitions

9 **“§ 22501. Authority**

10 “(a) IN GENERAL.—Each State may prepare and
 11 maintain a State rail plan in accordance with the provi-
 12 sions of this chapter.

13 “(b) REQUIREMENTS.—For the preparation and peri-
 14 odic revision of a State rail plan, a State shall—

15 “(1) establish or designate a State rail trans-
 16 portation authority to prepare, maintain, coordinate,
 17 and administer the plan;

18 “(2) establish or designate a State rail plan ap-
 19 proval authority to approve the plan;

20 “(3) submit the State’s approved plan to the
 21 Secretary of Transportation for approval; and

1 “(4) revise and resubmit a State-approved plan
2 no less frequently than once every 5 years for re-
3 approval by the Secretary.

4 **“§ 22502. Purposes**

5 “(a) PURPOSES.—The purposes of a State rail plan
6 are as follows:

7 “(1) To set forth State policy involving freight
8 and passenger rail transportation, including com-
9 muter rail operations, in the State.

10 “(2) To establish the period covered by the
11 State rail plan.

12 “(3) To present priorities and strategies to pre-
13 serve, enhance, or expand rail service in the State
14 that benefits the public.

15 “(4) To serve as the basis for Federal and
16 State rail investments within the State.

17 “(b) COORDINATION.—A State rail plan shall be co-
18 ordinated with other State transportation planning goals
19 and programs and set forth rail transportation’s role with-
20 in the State transportation system.

21 **“§ 22503. Transparency; coordination; review**

22 “(a) PREPARATION.—A State shall provide adequate
23 and reasonable notice and opportunity for comment and
24 other input to the public, rail carriers, commuter and tran-
25 sit authorities operating in, or affected by rail operations

1 within the State, units of local government, and other in-
2 terested parties in the preparation and review of its State
3 rail plan.

4 “(b) INTERGOVERNMENTAL COORDINATION.—A
5 State shall review the freight and passenger rail service
6 activities and initiatives by regional planning agencies, re-
7 gional transportation authorities, and municipalities with-
8 in the State, or in the region in which the State is located,
9 while preparing the plan, and shall include any rec-
10 ommendations made by such agencies, authorities, and
11 municipalities as deemed appropriate by the State.

12 “(c) ANNUAL REVIEWS.—Each State shall transmit
13 an annual report on its plan to the Secretary of Transpor-
14 tation. The report shall include, for the year preceding the
15 year in which submitted, the following matters:

16 “(1) A review of progress made, and actions
17 taken, under the plan during the year, including an
18 update on the budget, schedule, and financing for
19 each project on the freight or passenger rail capital
20 project list compiled under section 22504(a) of this
21 title.

22 “(2) Any modifications made in the plan after
23 approval of the plan by the Secretary or after the
24 submission of the most recent annual report on the
25 plan to the Secretary, including any modifications

1 made to the priority freight or passenger rail capital
2 list required by section 22504(b).

3 “(d) APPROVAL OF MODIFIED PLANS.—Modifica-
4 tions of a State rail plan that are determined substantive
5 by the Secretary, including any modification to a priority
6 freight or passenger rail capital project list required by
7 section 22504(b), is subject to approval (for the purposes
8 of this chapter) by the Secretary.

9 **“§ 22504. Content**

10 “(a) IN GENERAL.—Each State rail plan shall con-
11 tain the following:

12 “(1) An evaluation of the existing overall rail
13 transportation system and rail services and facilities
14 within the State, a prioritization of such services
15 and facilities in terms of their contributions to the
16 State’s rail and transportation system.

17 “(2) A comprehensive review of all rail lines
18 within the State, including proposed high speed rail
19 corridors and significant rail line segments not cur-
20 rently in service, containing an overview of the
21 transportation services provided by those lines, their
22 ownership, operating characteristics, and the general
23 state of their infrastructure.

24 “(3) A statement of the State’s freight and pas-
25 senger rail service objectives, including minimum

1 service levels, for rail transportation routes in the
2 State.

3 “(4) A general analysis of rail’s transportation,
4 economic, and environmental impacts in the State,
5 including congestion mitigation, trade and economic
6 development, air quality, land-use, energy-use, and
7 community impacts.

8 “(5) A long-range rail service and investment
9 program for current and future freight and pas-
10 senger services in the State that meets the require-
11 ments of subsection (b).

12 “(6) A statement of public financing issues for
13 rail projects and service in the State, including a list
14 of current and prospective capital and operating
15 funding resources, public subsidies, State taxation,
16 and other financial policies relating to rail service
17 and rail infrastructure development.

18 “(7) A statement of rail service issues within
19 the State, such as congestion and capacity, and cur-
20 rent system deficiencies on a regional, intrastate,
21 and interstate basis, that reflects consultation with
22 neighboring States and describes any coordination of
23 regional rail service.

24 “(8) A review of major passenger and freight
25 intermodal rail connections and facilities within the

1 State, including seaports, and prioritized options to
2 maximize service integration and efficiency between
3 rail and other modes of transportation within the
4 State.

5 “(9) A description of new technology that re-
6 lates to rail transportation within the State, includ-
7 ing logistics and process improvements.

8 “(10) A review of publicly funded projects with-
9 in the State to improve rail transportation safety
10 and security, including all major projects funded
11 under section 130 of title 23.

12 “(11) A performance evaluation of passenger
13 rail services operating in the State, including pos-
14 sible improvements in those services, and a descrip-
15 tion of strategies to achieve those improvements.

16 “(12) A compilation of studies and reports on
17 high-speed rail corridor development within the
18 State not included in a previous plan under this
19 chapter, and a plan for funding any recommended
20 development of such corridors in the State.

21 “(13) A statement that the State is in compli-
22 ance with the requirements of section 22102.

23 “(b) LONG-RANGE SERVICE AND INVESTMENT PRO-
24 GRAM.—

1 “(1) PROGRAM CONTENT.—A long-range rail
2 service and investment program included in a State
3 rail plan under subsection (a)(5) shall include the
4 following matters:

5 “(A) Two ranked lists for rail capital
6 projects, 1 for freight rail capital projects and
7 1 for intercity passenger rail capital projects.

8 “(B) A detailed funding plan for the
9 projects.

10 “(2) PROJECT LIST CONTENT.—The ranked list
11 of freight and intercity passenger rail capital
12 projects shall contain—

13 “(A) a description of the anticipated public
14 and private benefits of each such project; and

15 “(B) a statement of the correlation be-
16 tween—

17 “(i) public funding contributions for
18 the projects; and

19 “(ii) the public benefits.

20 “(3) CONSIDERATIONS FOR PROJECT LIST.—In
21 preparing the ranked list of freight and intercity
22 passenger rail capital projects, a State rail transpor-
23 tation authority shall take into consideration the fol-
24 lowing matters:

1 “(A) Contributions made by non-Federal
2 and non-State sources through user fees,
3 matching funds, or other private capital involve-
4 ment.

5 “(B) Rail capacity and congestion effects.

6 “(C) Effects to highway, aviation, and
7 maritime capacity, congestion, or safety.

8 “(D) Regional balance.

9 “(E) Environmental impact.

10 “(F) Competitive and service impacts for
11 rail carriers and shippers.

12 “(G) Preservation of rail service.

13 “(H) Economic and employment impacts.

14 “(I) Projected ridership and other service
15 measures for passenger rail projects.

16 “(c) WAIVER.—The Secretary may waive any re-
17 quirement of subsection (a) upon application under cir-
18 cumstances that the Secretary determines appropriate.

19 “§ 22505. **Approval**

20 “(a) CRITERIA.—The Secretary may approve a State
21 rail plan for the purposes of this chapter if—

22 “(1) the plan meets all of the requirements ap-
23 plicable to State plans under this chapter;

1 “(2) for each ready-to-commence project listed
2 on the ranked list of freight and intercity passenger
3 rail capital projects under the plan—

4 “(A) the project meets all safety and envi-
5 ronmental requirements including those pre-
6 scribed under the National Environmental Pol-
7 icy Act of 1969 (42 U.S.C. 4331 et seq.) that
8 are applicable to the project under law; and

9 “(B) the State has entered into an agree-
10 ment with any owner of rail infrastructure or
11 right of way directly affected by the project
12 that provides for the State to proceed with the
13 project; and

14 “(3) the content of the plan is coordinated
15 with—

16 “(A) State transportation plans developed
17 pursuant to the requirements of section 135 of
18 title 23; and

19 “(B) the national rail plan, the 50-year
20 intermodal blueprint developed under section
21 5503(e) of this title, (if either is available) and
22 any other transportation plan of the Federal
23 Government that is required by law deemed rel-
24 evant by the Secretary.

1 “(b) PROCEDURES FOR STATE RAIL PLAN SUBMIS-
2 SION AND APPROVAL.—The Secretary shall prescribe pro-
3 cedures for States to submit State rail plans for review
4 under this title, including standardized format and data
5 requirements and procedures for resubmittal if a State rail
6 plan is disapproved. The procedures shall provide for the
7 Secretary to review a State rail plan and issue a record
8 of decision of approval or disapproval, with comment, on
9 such plan within 180 days after the plan is submitted.

10 **“§ 22506. High priority projects**

11 “(a) DESIGNATION OF PROJECTS.—In reviewing
12 State rail plans, the Secretary of Transportation may des-
13 ignate as a high priority project any project submitted by
14 a State or group of States that meets both of the following
15 criteria:

16 “(1) The project focuses on key rail congestion
17 points that are—

18 “(A) selected by the Secretary on the basis
19 of national benefits to the rail transportation
20 system; and

21 “(B) coordinated with the national rail
22 plan, if that plan is available.

23 “(2) The project is on a ranked list of priority
24 freight and passenger rail capital projects that is in-
25 cluded in a State rail plan under section

1 22504(a)(5) of title 49, United States Code, unless
2 this criterion is waived by the Secretary.

3 “(b) PREFERRED PROJECTS.—The Secretary, in des-
4 ignating high priority projects, shall give preference to—

5 “(1) projects that have national significance
6 for—

7 “(A) improving the national rail network
8 and the Nation’s transportation system;

9 “(B) ensuring particularly high levels of
10 safety;

11 “(C) increasing intermodal connectivity by
12 providing or improving direct connections be-
13 tween rail facilities and other modes of trans-
14 portation;

15 “(D) significantly improving highway, avia-
16 tion, or maritime capacity, congestion, or safe-
17 ty;

18 “(E) improving intercity passenger rail
19 service by increasing ridership, reducing trip
20 time, or other significant enhancements;

21 “(F) improving both intercity passenger
22 rail and freight rail services simultaneously;

23 “(G) enhancing freight rail service for
24 shippers;

1 “(H) causing positive economic and em-
2 ployment results;

3 “(I) producing significant environmental or
4 community benefits;

5 “(J) having received financial commit-
6 ments and other support from non-Federal enti-
7 ties such as States, local governments, or pri-
8 vate entities;

9 “(K) enhancing international trade;

10 “(L) enhancing national security; or

11 “(M) employing positive train control tech-
12 nologies; and

13 “(2) projects that are at the stage of prepara-
14 tion that all pre-commencement compliance with en-
15 vironmental protection requirements has been com-
16 pleted and the projects are ready to commence.

17 “(c) REGIONAL BALANCE AND COMPATIBILITY.—

18 The Secretary, in designating high priority projects, shall
19 ensure that—

20 “(1) the geographic distribution of the des-
21 ignated high priority projects is balanced among the
22 geographic regions of the United States and a dis-
23 proportionate number of such projects is not con-
24 centrated in a single State; and

25 “(2) all projects are—

1 “(A) compatible with State transportation
2 plans developed pursuant to the requirements of
3 section 135 of title 23; and

4 “(B) carried out in conformance with the
5 national rail plan.

6 “(d) ADDITIONAL PROJECTS.—The Secretary may
7 designate projects submitted to the Office by the National
8 Railroad Passenger Corporation, either independently or
9 in conjunction with a State or group of States, as a high
10 priority project. Any such projects shall be subject to the
11 same designation and selection criteria as apply under this
12 section, except the criteria set forth in subsections (a)(2)
13 and (c)(2) of this section.

14 “§ 22507. Definitions

15 “In this chapter:

16 “(1) PRIVATE BENEFIT.—The term ‘private
17 benefit’ means a benefit accrued to a person or pri-
18 vate entity, other than the National Railroad Pas-
19 senger Corporation, that directly improves the eco-
20 nomic and competitive condition of that person or
21 entity through improved assets, cost reductions,
22 service improvements, or any other means as defined
23 by the Secretary. The Secretary may seek the advice
24 of the states and rail carriers in further defining this
25 term.

1 “(2) PUBLIC BENEFIT.—The term ‘public ben-
 2 efit’ means a benefit accrued to the public in the
 3 form of enhanced mobility of people or goods, envi-
 4 ronmental protection or enhancement, congestion
 5 mitigation, enhanced trade and economic develop-
 6 ment, improved air quality or land use, more effi-
 7 cient energy use, enhanced public safety or security,
 8 reduction of public expenditures due to improved
 9 transportation efficiency or infrastructure preserva-
 10 tion, and any other positive community effects as de-
 11 fined by the Secretary. The Secretary make seek the
 12 advice of the States and rail carriers in further de-
 13 fining this term.

14 “(3) STATE.—The term ‘State’ means any of
 15 the 50 States and the District of Columbia.

16 “(4) STATE RAIL TRANSPORTATION AUTHOR-
 17 ITY.—The term ‘State rail transportation authority’
 18 means the State agency or official responsible under
 19 the direction of the Governor of the State or a State
 20 law for preparation, maintenance, coordination, and
 21 administration of the State rail plan.”.

22 (b) CLERICAL AMENDMENT.—The table of chapters
 23 for subtitle V is amended by inserting after the item relat-
 24 ing to chapter 223 the following:

“225. STATE RAIL PLANS AND HIGH PRIORITY PROJECTS22501.”.

1 **SEC. 204. INTERSTATE RAILROAD PASSENGER HIGH-SPEED**
 2 **TRANSPORTATION POLICY.**

3 (a) IN GENERAL.—Chapter 261 is amended by in-
 4 serting before section 26101 the following:

5 **“§ 26100. Policy.**

6 “The Congress declares that it is the policy of the
 7 United States that designated high-speed railroad pas-
 8 senger transportation corridors are the building blocks of
 9 an interconnected National railroad passenger system.”.

10 (b) CONFORMING AMENDMENT.—The chapter anal-
 11 ysis for chapter 261 is amended by inserting before the
 12 item relating to section 26101 the following:

“26100. Policy”.

13 **SEC. 205. HIGH-SPEED RAIL CORRIDOR PLANNING.**

14 (a) IN GENERAL.—Section 26101(a) is amended to
 15 read as follows:

16 “(a) PLANNING.—

17 “(1) IN GENERAL.—The Secretary of Transpor-
 18 tation shall provide planning assistance to States or
 19 group of States and other public agencies promoting
 20 the development of high-speed rail corridors des-
 21 ignated by the Secretary under section 104(d) of
 22 title 23. The Secretary shall establish an application
 23 and qualification process for applicants eligible for
 24 assistance under this section.

1 “(2) SECRETARY MAY PROVIDE DIRECT OR FI-
2 NANCIAL ASSISTANCE.—The Secretary may provide
3 planning assistance under paragraph (1) directly or
4 by providing financial assistance to a public agency
5 or group of public agencies to undertake planning
6 activities approved by the Secretary. Twenty percent
7 of the publicly financed planning costs associated
8 with projects assisted under this chapter shall come
9 from non-Federal sources. State matching contribu-
10 tions may not be derived, directly or indirectly, from
11 Federal funds.

12 “(b) RECORD OF DECISION.—Upon completion of
13 planning activities funded under this section, the Sec-
14 retary shall make a recommendation on the record of
15 whether to proceed with the implementation of the cor-
16 ridor.”.

17 (b) CONFORMING AND OTHER AMENDMENTS TO
18 SECTION 26101.—Section 26101 is further amended—

19 (1) by striking subsection (c)(2) and inserting
20 the following:

21 “(2) the extent to which the proposed planning
22 focuses on high-speed rail systems, giving a priority
23 to systems which will achieve sustained speeds of
24 125 miles per hour or greater and projects involving
25 dedicated rail passenger rights-of-way;”;

1 (2) by inserting “and” after the semicolon in
2 subsection (c)(12);

3 (3) by striking “completed; and” in subsection
4 (c)(13) and inserting “completed.”; and

5 (4) by striking subsection (c)(14).

6 (c) CONFORMING AMENDMENT.—Section
7 26105(2)(A) is amended by striking “more than 125 miles
8 per hour;” and inserting “90 miles per hour or more;”.

9 (d) FINANCIAL ASSISTANCE TO INCLUDE LOANS
10 AND LOAN GUARANTEES.—Section 26105(1) is amended
11 by inserting “loans, loan guarantees,” after “contracts,”.

12 (e) SPECIAL TRANSPORTATION CIRCUMSTANCES.—
13 Section 26101 is amended by adding at the end the fol-
14 lowing:

15 “(d) SPECIAL TRANSPORTATION CIRCUMSTANCES.—
16 In carrying out this section, the Secretary shall allocate
17 an appropriate portion of the amounts available for plan-
18 ning assistance to providing appropriate transportation-re-
19 lated assistance in any State in which the rail transpor-
20 tation system—

21 “(1) is not physically connected to rail systems
22 in the continental United States; and

23 “(2) may not otherwise qualify for high speed
24 rail implementation assistance due to the constraints
25 imposed on the railway infrastructure in that State

1 due to the unique characteristics of the geography of
2 that State or other relevant considerations, as deter-
3 mined by the Secretary.”.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to the Secretary of
6 Transportation \$50,000,000 for each of fiscal years 2004
7 through 2009 to provide planning assistance under section
8 26101(a) of title 49, United States Code.

9 **SEC. 206. DESIGNATED HIGH-SPEED RAIL CORRIDORS.**

10 (a) IN GENERAL.—The Secretary of Transportation
11 shall give priority in allocating funds authorized by section
12 26104 of title 49, United States Code, to designated high-
13 speed rail corridors.

14 (b) DESIGNATED HIGH-SPEED RAIL CORRIDORS.—
15 For purposes of subsection (a), the following shall be con-
16 sidered to be designated high-speed rail corridors:

17 (1) California Corridor connecting the San
18 Francisco Bay area and Sacramento to Los Angeles
19 and San Diego.

20 (2) Chicago Hub Corridor Network with the fol-
21 lowing spokes:

22 (A) Chicago to Detroit.

23 (B) Chicago to Minneapolis/St. Paul, Min-
24 nesota, via Milwaukee, Wisconsin.

1 (C) Chicago to Kansas City, Missouri, via
2 Springfield, Illinois, and St. Louis, Missouri.

3 (D) Chicago to Louisville, Kentucky, via
4 Indianapolis, Indiana, and Cincinnati, Ohio.

5 (E) Chicago to Cleveland, Ohio, via Toledo,
6 Ohio.

7 (F) Cleveland, Ohio, to Cincinnati, Ohio,
8 via Columbus, Ohio.

9 (3) Empire State Corridor from New York City,
10 New York, through Albany, New York, to Buffalo,
11 New York.

12 (4) Florida High-Speed Rail Corridor from
13 Tampa through Orlando to Miami.

14 (5) Gulf Coast Corridor from Houston Texas,
15 through New Orleans, Louisiana, to Mobile, Ala-
16 bama, with a branch from New Orleans, through
17 Meridian, Mississippi, and Birmingham, Alabama, to
18 Atlanta, Georgia.

19 (6) Keystone Corridor from Philadelphia, Penn-
20 sylvania, through Harrisburg, Pennsylvania, to
21 Pittsburgh, Pennsylvania.

22 (7) Northeast Corridor from Washington, Dis-
23 trict of Columbia, through New York City, New
24 York, New Haven, Connecticut, and Providence,
25 Rhode Island, to Boston, Massachusetts, with a

1 branch from New Haven, Connecticut, to Spring-
2 field, Massachusetts.

3 (8) New England Corridor from Boston, Massa-
4 chusetts, to Portland and Auburn, Maine, and from
5 Boston, Massachusetts, through Concord, New
6 Hampshire, and Montpelier, Vermont, to Montreal,
7 Quebec.

8 (9) Pacific Northwest Corridor from Eugene,
9 Oregon, through Portland, Oregon, and Seattle,
10 Washington, to Vancouver, British Columbia.

11 (10) South Central Corridor from San Antonio,
12 Texas, through Dallas/Fort Worth to Little Rock,
13 Arkansas, with a branch from Dallas/Fort Worth
14 through Oklahoma City, Oklahoma, to Tulsa, Okla-
15 homa.

16 (11) Southeast Corridor from Washington, Dis-
17 trict of Columbia, through Richmond, Virginia, Ra-
18 leigh, North Carolina, Columbia, South Carolina,
19 Savannah, Georgia, and Jessup, Georgia, to Jack-
20 sonville, Florida, with—

21 (A) a branch from Raleigh, North Caro-
22 lina, through Charlotte, North Carolina, and
23 Greenville, South Carolina, to Atlanta, Georgia;
24 a branch from Richmond, to Hampton Roads/
25 Norfolk, Virginia;

1 (B) a branch from Charlotte, North Caro-
2 lina, to Columbia, South Carolina, to Charles-
3 ton, South Carolina;

4 (C) a connecting route from Atlanta, Geor-
5 gia, to Jessup, Georgia;

6 (D) a connecting route from Atlanta, Geor-
7 gia, to Charleston, South Carolina; and

8 (E) a branch from Raleigh, North Caro-
9 lina, through Florence, South Carolina, to
10 Charleston, South Carolina, and Savannah,
11 Georgia, with a connecting route from Florence,
12 South Carolina, to Myrtle Beach, South Caro-
13 lina.

14 (12) Southwest Corridor from Los Angeles,
15 California, to Las Vegas, Nevada.

16 (c) OTHER HIGH-SPEED RAIL CORRIDORS.—For
17 purposes of this section, subsection (b)—

18 (1) does not limit the term “designated high-
19 speed rail corridor” to those corridors described in
20 subsection (b); and

21 (2) does not limit the Secretary of Transpor-
22 tation’s authority—

23 (A) to designate additional high-speed rail
24 corridors; or

1 (B) to terminate the designation of any
2 high-speed rail corridor.

3 **SEC. 207. REHABILITATION, IMPROVEMENT, AND SECURITY**
4 **FINANCING.**

5 (a) DEFINITIONS.—Section 102(7) of the Railroad
6 Revitalization and Regulatory Reform Act of 1976 (45
7 U.S.C. 802(7)) is amended to read as follows:

8 “(7) ‘railroad’ has the meaning given that term
9 in section 20102 of title 49, United States Code;
10 and”.

11 (b) GENERAL AUTHORITY.—Section 502 of the Rail-
12 road Revitalization and Regulatory Reform Act of 1976
13 (45 U.S.C. 822) is amended—

14 (1) by striking “Secretary may provide direct
15 loans and loan guarantees to State and local govern-
16 ments,” in subsection (a) and inserting “Secretary
17 shall provide direct loans and loan guarantees to
18 State and local governments, interstate compacts en-
19 tered into under section 410 of the Amtrak Reform
20 and Accountability Act of 1997 (49 U.S.C 24101
21 note),”;

22 (2) by striking “or” in subsection (b)(1)(B);

23 (3) by redesignating subparagraph (C) of sub-
24 section (b)(1) as subparagraph (D); and

1 (4) by inserting after subparagraph (B) of sub-
2 section (b)(1) the following:

3 “(C) to acquire, improve, or rehabilitate
4 rail safety and security equipment and facilities;
5 or”.

6 (c) EXTENT OF AUTHORITY.—Section 502(d) of the
7 Railroad Revitalization and Regulatory Reform Act of
8 1976 (45 U.S.C. 822(d)) is amended by adding at the end
9 “The Secretary shall not establish any limit on the propor-
10 tion of the unused amount authorized under this sub-
11 section that may be used for a single loan or loan guar-
12 antee.”.

13 (d) COHORTS OF LOANS.—Section 502(f) of the Rail-
14 road Revitalization and Regulatory Reform Act of 1976
15 (45 U.S.C. 822(f)) is amended—

16 (1) in paragraph (2)—

17 (A) by striking “and” at the end of sub-
18 paragraph (D);

19 (B) by redesignating subparagraph (E) as
20 subparagraph (F); and

21 (C) by adding after subparagraph (D) the
22 following new subparagraph:

23 “(E) the size and characteristics of the co-
24 hort of which the loan or loan guarantee is a
25 member; and”;

1 (2) by adding at the end of paragraph (4) the
2 following: “A cohort may include loans and loan
3 guarantees. The Secretary shall not establish any
4 limit on the proportion of a cohort that may be used
5 for a single loan or loan guarantee.”.

6 (e) CONDITIONS OF ASSISTANCE.—Section 502 of the
7 Railroad Revitalization and Regulatory Reform Act of
8 1976 (45 U.S.C. 822) is amended—

9 (1) by striking “offered;” in subsection
10 (f)(2)(A) and inserting “offered, if any;”;

11 (2) by inserting “(1)” before “The Secretary”
12 in subsection (h) and redesignating paragraphs (1),
13 (2), and (3) of that subsection as subparagraphs
14 (A), (B), and (C); and

15 (3) by adding at the end of subsection (h) the
16 following:

17 “(2) The Secretary may not require an appli-
18 cant for a direct loan or loan guarantee under this
19 section to provide collateral.

20 “(3) The Secretary may not require that an ap-
21 plicant for a direct loan or loan guarantee under this
22 section have previously sought the financial assist-
23 ance requested from another source.

24 “(4) The Secretary shall require recipients of
25 direct loans or loan guarantees under this section to

1 apply the standards of subsections (b) and (c) of
2 section 22301 of title 49, United States Code, to
3 their projects.

4 “(5) The Secretary shall require recipients of
5 direct loans or loan guarantees under this section to
6 comply with—

7 “(A) the standards of section 24312, as in
8 effect on September 1, 2003, with respect to
9 the project in the same manner that the Na-
10 tional Railroad Passenger Corporation is re-
11 quired to comply with such standards for con-
12 struction work financed under an agreement
13 made under section 24308(a); and

14 “(B) the protective arrangements estab-
15 lished under section 504 of the Railroad Revi-
16 talization and Regulatory Reform Act of 1976
17 (45 U.S.C. 836) with respect to employees af-
18 fected by actions taken in connection with the
19 project to be financed by direct loans or loan
20 guarantees.”.

21 (f) TIME LIMIT FOR APPROVAL OR DISAPPROVAL.—
22 Section 502 of the Railroad Revitalization and Regulatory
23 Reform Act of 1976 (45 U.S.C. 822) is amended by add-
24 ing at the end the following:

1 “(i) TIME LIMIT FOR APPROVAL OR DISAPPROVAL.—
2 Not later than 180 days after receiving a complete appli-
3 cation for a direct loan or loan guarantee under this sec-
4 tion, the Secretary shall approve or disapprove the applica-
5 tion.”.

6 (g) FEES AND CHARGES.—Section 503 of the Rail-
7 road Revitalization and Regulatory Reform Act of 1976
8 (45 U.S.C. 823) is amended—

9 (1) by adding at the end of subsection (k) the
10 following: “Funds received by the Secretary under
11 the preceding sentence shall be credited to the ap-
12 propriation from which the expenses of making such
13 appraisals, determinations, and findings were in-
14 curred.”; and

15 (2) by adding at the end the following new sub-
16 section:

17 “(m) FEES AND CHARGES.—Except as provided in
18 this title, the Secretary may not assess any fees, including
19 user fees, or charges in connection with a direct loan or
20 loan guarantee provided under section 502.”.

21 (h) SUBSTANTIVE CRITERIA AND STANDARDS.—Not
22 later than 30 days after the date of the enactment of this
23 Act, the Secretary of Transportation shall publish in the
24 Federal Register and post on the Department of Trans-
25 portation website the substantive criteria and standards

1 used by the Secretary to determine whether to approve
2 or disapprove applications submitted under section 502 of
3 the Railroad Revitalization and Regulatory Reform Act of
4 1976 (45 U.S.C. 822).

5 (i) OPERATORS DEEMED RAIL CARRIERS; LOANS
6 AND LOAN GUARANTEES FOR NON-RAILROAD ENTI-
7 TIES.—Section 502 of the Railroad Revitalization and
8 Regulatory Reform Act of 1976 (45 U.S.C. 822), as
9 amended by subsection (f), is amended by adding at the
10 end the following:

11 “(j) OPERATORS DEEMED RAIL CARRIERS.—Any en-
12 tity providing railroad transportation (within the meaning
13 of section 20102) that begins operations after the date
14 of enactment of the Arrive 21 Act and that uses property
15 acquired pursuant to this section shall be considered an
16 employer for purposes of the Railroad Retirement Act of
17 1974 (45 U.S.C. 231 et seq.) and considered a carrier for
18 purposes of the Railway Labor Act (45 U.S.C. 151 et
19 seq.).

20 “(k) LOAN AND LOAN GUARANTEES FOR NON-RAIL-
21 ROAD ENTITIES.—Notwithstanding any other provision of
22 law, entities other than rail companies shall be eligible for
23 loans and loan guarantees under this section.”.

1 **SEC. 208. REPAYMENT OF LOAN TO NATIONAL RAILROAD**
2 **PASSENGER CORPORATION.**

3 The Secretary of Transportation may not collect any
4 payments of principal or interest for the direct loan made
5 to the National Railroad Passenger Corporation under
6 section 502 of the Railroad Revitalization and Regulatory
7 Reform Act of 1976 (45 U.S.C. 822). There are author-
8 ized to be appropriated to the Secretary for fiscal year
9 2004 \$100,000,000 for the purpose of repaying that loan
10 to the Secretary of the Treasury.

11 **TITLE III—INTERMODAL POLICY**

12 **SEC. 301. 50-YEAR INTERMODAL BLUEPRINT.**

13 (a) IN GENERAL.—Section 5503 is amended—

14 (1) by redesignating subsections (e) and (f) as
15 subsections (g) and (h), respectively; and

16 (2) by inserting after subsection (d) the fol-
17 lowing:

18 “(e) 50-YEAR INTERMODAL BLUEPRINT.—

19 “(1) IN GENERAL.—The Secretary, in consulta-
20 tion with the advisory board established under sec-
21 tion 24910(c) of this title, and other Federal, State,
22 local, and private concerns, shall create a document
23 to be known as the ‘50-year Intermodal Blueprint’,
24 which shall—

1 “(A) set forth a plan to develop a national
2 intermodal transportation system, including all
3 major modes of transportation;

4 “(B) describe emerging trends and oppor-
5 tunities to fulfill the future passenger and
6 freight transportation needs of the United
7 States;

8 “(C) illustrate and estimate the potential
9 results of current policies, possible policy im-
10 provements, and directives for achieving the
11 goals set forth in the document;

12 “(D) forecast the impact of current and
13 future transportation policies on mobility, safe-
14 ty, energy consumption, the environment, tech-
15 nology, international trade, economic activity,
16 and the quality of life in the United States; and

17 “(E) identify sources of funding to imple-
18 ment the plan described in subparagraph (A).

19 “(2) BIENNIAL PROGRESS REPORTS.—The Di-
20 rector, working with the Department of Transpor-
21 tation Inspector General, shall issue a 50-year Inter-
22 modal Blueprint progress report every 2 years and
23 transmit a copy to the Senate Committee on Com-
24 merce, Science, and Transportation and the House
25 of Representatives Committee on Transportation

1 and Infrastructure. In the report, the Director
2 shall—

3 “(A) disclose the results of an audit of the
4 progress made toward achieving the goals set
5 forth in the 50-year Intermodal Blueprint;

6 “(B) describe successes, challenges, and
7 obstacles with respect to the 50-year Intermodal
8 Blueprint;

9 “(C) suggest any changes to the 50-year
10 Intermodal Blueprint that the Director deems
11 necessary or appropriate to reflect changed cir-
12 cumstances or new developments;

13 “(D) make recommendations on ways to
14 increase intermodal planning and cooperation
15 throughout the national transportation system
16 and within the Department of Transportation;
17 and

18 “(E) identify successful funding mecha-
19 nisms and make recommendations for new ap-
20 proaches to funding intermodal transportation
21 facilities and services.

22 “(3) SEXENNIAL REVISIONS.—The Secretary,
23 in consultation with Federal, State, local, and pri-
24 vate concerns, shall revise and republish the 50-year
25 Intermodal Blueprint every 6 years.

1 “(f) IMPACT MEASUREMENT METHODOLOGY; IM-
 2 PACT REVIEW.—The Secretary, working with the Bureau
 3 of Transportation Statistics, and taking into account the
 4 work of the rail cooperative research program established
 5 under section 24910(a) of this title, shall—

6 “(1) formulate a methodology for measuring
 7 the impact of intermodal transportation on—

8 “(A) the environment;

9 “(B) public health and welfare;

10 “(C) energy consumption;

11 “(D) the operation and efficiency of the
 12 transportation system;

13 “(E) congestion; and

14 “(F) the economy and employment; and

15 “(2) undertake a comprehensive review of the
 16 impact of international trade on intermodal trans-
 17 portation and existing intermodal transportation in-
 18 frastructure.”.

19 (b) RETAINED FUNDS.—Section 5568 is amended—

20 (1) by redesignating subsection (b) as sub-
 21 section (c); and

22 (2) by inserting after subsection (a) the fol-
 23 lowing:

24 “(b) 50-YEAR INTERMODAL BLUEPRINT.—There are
 25 authorized to be appropriated to the Secretary \$1,000,000

1 for each of fiscal years 2004 through 2009 to carry out
2 section 5503(e).”.

3 **SEC. 302. INTERMODAL TRANSPORTATION POLICY.**

4 (a) **POLICY STANDARDS.**—Section 302(e) is amended
5 by striking “system” and inserting “system, including
6 freight and passenger rail service and maritime transpor-
7 tation, including such transportation via inland water-
8 ways,”.

9 (b) **STATE TRANSPORTATION IMPROVEMENT PRO-**
10 **GRAMS.**—Section 135(f)(4) of title 23, United States
11 Code, is amended by inserting “a State rail plan developed
12 under chapter 225 of title 49,” after “134,”.

13 **TITLE IV—AMTRAK**
14 **AUTHORIZATIONS**

15 **SEC. 401. NATIONAL RAILROAD PASSENGER TRANSPOR-**
16 **TATION SYSTEM DEFINED.**

17 (a) **IN GENERAL.**—Section 24102 is amended—

18 (1) by striking paragraph (2);

19 (2) by redesignating paragraphs (3), (4), and
20 (5) as paragraphs (2), (3), and (4), respectively; and

21 (3) by inserting after paragraph (4) as so re-
22 designated the following:

23 “(5) ‘national rail passenger transportation sys-
24 tem’ means—

1 “(A) the segment of the Northeast Cor-
2 ridor between Boston, Massachusetts and
3 Washington, D.C.;

4 “(B) rail corridors that have been des-
5 igned by the Secretary of Transportation as
6 high-speed corridors, but only after they have
7 been improved to permit operation of high-
8 speed service;

9 “(C) long-distance routes of more than
10 750 miles between endpoints operated by Am-
11 trak as of the date of enactment of the Arrive
12 21 Act; and

13 “(D) short-distance corridors or routes op-
14 erated by Amtrak.”.

15 (b) AMTRAK ROUTES WITH STATE FUNDING.—

16 (1) IN GENERAL.—Chapter 247 is amended by
17 inserting after section 24701 the following:

18 **“§ 24702. Transportation requested by States, au-**
19 **thorities, and other persons**

20 “(a) CONTRACTS FOR TRANSPORTATION.—Amtrak
21 and a State, a regional or local authority, or another per-
22 son may enter into a contract for Amtrak to operate an
23 intercity rail service or route not included in the national
24 rail passenger transportation system upon such terms as
25 the parties thereto may agree.

1 “(b) DISCONTINUANCE.—Upon termination of a con-
 2 tract entered into under this section, or the cessation of
 3 financial support under such a contract by either party,
 4 Amtrak may discontinue such service or route, notwith-
 5 standing any other provision of law.”.

6 (2) CONFORMING AMENDMENT.—The chapter
 7 analysis for chapter 247 is amended by inserting
 8 after the item relating to section 24701 the fol-
 9 lowing:

“24702. Transportation requested by States, authorities, and other persons”.

10 (c) AMTRAK TO CONTINUE TO PROVIDE NON-HIGH-
 11 SPEED SERVICES.—Nothing in this Act is intended to pre-
 12 clude Amtrak from restoring, improving, or developing
 13 non-high-speed intercity passenger rail service.

14 **SEC. 402. RESTRUCTURING OF LONG-TERM DEBT AND CAP-**
 15 **ITAL LEASES.**

16 (a) IN GENERAL.—The Secretary of the Treasury
 17 shall work with the Secretary of Transportation and Am-
 18 trak to restructure Amtrak’s indebtedness as of the date
 19 of enactment of this Act.

20 (b) NEW DEBT PROHIBITION.—Except as approved
 21 by the Secretary of Transportation, Amtrak may not enter
 22 into any obligation secured by assets of the Corporation
 23 after the date of enactment of this Act. This section does
 24 not prohibit unsecured lines of credit used by Amtrak or
 25 any subsidiary for working capital purposes.

1 (c) DEBT REDEMPTION.—The Secretary of Trans-
2 portation, in consultation with the Secretary of the Treas-
3 ury, shall enter into negotiations with the holders of Am-
4 trak debt, including leases, that is outstanding on the date
5 of enactment of this Act for the purpose of redeeming or
6 restructuring that debt. The Secretary, in consultation
7 with the Secretary of the Treasury, shall secure agree-
8 ments for repayment on such terms as the Secretary
9 deems favorable to the interests of the Government. Pay-
10 ments for such redemption may be made after October 1,
11 2004, in either a single payment or a series of payments,
12 but in no case shall the repayment period extend beyond
13 September 30, 2008.

14 (d) CRITERIA.—In redeeming or restructuring Am-
15 trak’s indebtedness, the Secretaries and Amtrak—

16 (1) shall ensure that the restructuring imposes
17 the least practicable burden on taxpayers; and

18 (2) take into consideration repayment costs, the
19 term of any loan or loans, and market conditions.

20 (e) AUTHORIZATION.—There are authorized to be ap-
21 propriated to the Secretary such sums as may be nec-
22 essary for fiscal years 2005 through 2008 to restructure
23 or redeem Amtrak’s secured debt.

24 (f) AMTRAK PRINCIPAL AND INTEREST PAY-
25 MENTS.—

1 (1) PRINCIPAL ON DEBT SERVICE.—Unless the
2 Secretary of Transportation and the Secretary of the
3 Treasury restructure or redeem the debt, there are
4 authorized to be appropriated to the Secretary of
5 Transportation for the use of Amtrak for retirement
6 of principal on loans for capital equipment, or cap-
7 ital leases, not more than the following amounts:

8 (A) For fiscal year 2004, \$116,900,000.

9 (B) For fiscal year 2005, \$109,500,000.

10 (C) For fiscal year 2006, \$114,700,000.

11 (D) For fiscal year 2007, \$202,900,000.

12 (E) For fiscal year 2008, \$164,300,000.

13 (F) For fiscal year 2009, \$155,800,000.

14 (2) INTEREST ON DEBT.—Unless the Secretary
15 of Transportation and the Secretary of the Treasury
16 restructure or redeem the debt, there are authorized
17 to be appropriated to the Secretary of Transpor-
18 tation for the use of Amtrak for the payment of in-
19 terest on loans for capital equipment, or capital
20 leases, the following amounts:

21 (A) For fiscal year 2004, \$162,600,000.

22 (B) For fiscal year 2005, \$151,300,000.

23 (C) For fiscal year 2006, \$146,300,000.

24 (D) For fiscal year 2007, \$137,500,000.

25 (E) For fiscal year 2008, \$125,300,000.

1 (F) For fiscal year 2009, \$117,100,000.

2 (3) REDUCTIONS IN AUTHORIZATION LEVELS.—

3 Whenever action taken by the Secretary of the
4 Treasury under subsection (c) results in reductions
5 in amounts of principle and interest that Amtrak
6 must service on existing debt, Amtrak shall submit
7 revised recommendations to the Senate Committee
8 on Commerce, Science, and Transportation, the
9 House of Representatives Committee on Transpor-
10 tation and Infrastructure, the Senate Committee on
11 Appropriations, and House of Representatives Com-
12 mittee on Appropriations revised requests for
13 amounts authorized by paragraphs (1) and (2) that
14 reflect the such reductions.

15 **SEC. 403. GENERAL AMTRAK AUTHORIZATIONS.**

16 (a) REPEAL OF SELF-SUFFICIENCY REQUIREMENTS.

17 (1) TITLE 49 AMENDMENTS.—Chapter 241 is
18 amended—

19 (A) by striking the last sentence of section
20 24101(d); and

21 (B) by striking the last sentence of section
22 24104(a).

23 (2) AMTRAK REFORM AND ACCOUNTABILITY
24 ACT AMENDMENTS.—Title II of the Amtrak Reform

1 and Accountability Act of 1997 (49 U.S.C. 24101
2 nt) is amended by striking sections 204 and 205.

3 (3) COMMON STOCK REDEMPTION DATE.—Sec-
4 tion 415 of the Amtrak Reform and Accountability
5 Act of 1997 (49 U.S.C. 24304 nt) is amended by
6 striking subsection (b).

7 (b) LEASE ARRANGEMENTS.—Amtrak may obtain
8 services from the Administrator of General Services, and
9 the Administrator may provide services to Amtrak, under
10 section 201(b) and 211(b) of the Federal Property and
11 Administrative Service Act of 1949 (40 U.S.C. 481(b) and
12 491(b)) for each of fiscal years 2004 through 2008.

13 (c) FINANCIAL POWERS.—Section 415(d) of the Am-
14 trak Reform and Accountability Act of 1997 by adding
15 at the end the following:

16 “(3) This section does not affect the applica-
17 bility of section 3729 of title 31, United States
18 Code, to claims made against Amtrak.”.

19 **SEC. 404. EXCESS RAILROAD RETIREMENT.**

20 Beginning in fiscal year 2004, the Secretary of the
21 Treasury each year shall pay to the Railroad Retirement
22 Account an amount equal to the amount Amtrak must pay
23 under section 3221 of the Internal Revenue Code of 1986
24 in fiscal years that is more than the amount needed for
25 benefits for individuals who retire from Amtrak and for

1 their beneficiaries. There are authorized to be appro-
2 priated such sums as may be necessary in each fiscal year
3 beginning after fiscal year 2004 for these payments.

4 **SEC. 405. AUTHORIZATIONS FOR ENVIRONMENTAL COM-**
5 **PLIANCE AND STATION IMPROVEMENTS.**

6 (a) ENVIRONMENTAL COMPLIANCE.—There are au-
7 thorized to be appropriated to the Secretary of Transpor-
8 tation for the use of Amtrak in order to comply with envi-
9 ronmental regulations the following amounts:

10 (1) For fiscal year 2004, \$18,800,000.

11 (2) For fiscal year 2005, \$21,700,000.

12 (3) For fiscal year 2006, \$22,300,000.

13 (4) For fiscal year 2007, \$15,100,000.

14 (5) For fiscal year 2008, \$15,900,000.

15 (6) For fiscal year 2009, \$16,000,000.

16 (b) CAPITAL IMPROVEMENTS TO STATIONS.—

17 (1) IN GENERAL.—There are authorized to be
18 appropriated to the Secretary of Transportation for
19 the use of Amtrak for capital improvements to sta-
20 tions, including an initial assessment of the full set
21 of accessibility needs across the national rail pas-
22 senger transportation system and improved accessi-
23 bility for the elderly and people with disabilities and
24 in Amtrak facilities and stations, the following
25 amounts:

1 (A) For fiscal year 2004, \$17,100,000.

2 (B) For fiscal year 2005, \$19,800,000.

3 (C) For fiscal year 2006, \$19,800,000.

4 (D) For fiscal year 2007, \$19,000,000.

5 (E) For fiscal year 2008, \$19,000,000.

6 (F) For fiscal year 2009, \$19,000,000.

7 (2) STUDY OF COMPLIANCE REQUIREMENTS AT
8 EXISTING INTERCITY RAIL STATIONS.—Amtrak shall
9 evaluate the improvements necessary to make all ex-
10 isting stations it serves readily accessible to and usa-
11 ble by individuals with disabilities, as required by
12 section 242(e)(2) of the Americans with Disabilities
13 Act of 1990 (42 U.S.C. 12162(e)(2)). The evalua-
14 tion shall include the estimated cost of the improve-
15 ments necessary, the identification of the responsible
16 person (as defined in section 241(5) of that Act (42
17 U.S.C. 12161(5))), and the earliest practicable date
18 when such improvements can be made. Amtrak shall
19 submit the survey to the Senate Committee on Com-
20 merce, Science, and Transportation, the House of
21 Representatives Committee on Transportation and
22 Infrastructure, and the National Council on Dis-
23 ability by September 30, 2005, along with rec-
24 ommendations for funding the necessary improve-
25 ments.

1 **SEC. 406. TUNNEL LIFE SAFETY.**

2 (a) LIFE SAFETY NEEDS.—There are authorized to
3 be appropriated to the Secretary of Transportation for the
4 use of Amtrak for fiscal year 2004:

5 (1) \$677,000,000 for the 6 New York tunnels
6 built in 1910 to provide ventilation, electrical, and
7 fire safety technology upgrades, emergency commu-
8 nication and lighting systems, and emergency access
9 and egress for passengers.

10 (2) \$57,000,000 for the Baltimore & Potomac
11 tunnel built in 1872 to provide adequate drainage,
12 ventilation, communication, lighting, and passenger
13 egress upgrades.

14 (3) \$40,000,000 for the Washington, D.C.,
15 Union Station tunnels built in 1904 under the Su-
16 preme Court and House and Senate Office Buildings
17 to improve ventilation, communication, lighting, and
18 passenger egress upgrades.

19 (b) INFRASTRUCTURE UPGRADES.—There are au-
20 thorized to be appropriated to the Secretary of Transpor-
21 tation for the use of Amtrak \$3,000,000 for fiscal year
22 2004 for the preliminary design of options for a new tun-
23 nel on a different alignment to augment the capacity of
24 the existing Baltimore tunnels.

25 (c) FINANCIAL CONTRIBUTION FROM OTHER TUN-
26 NEL USERS.—The Secretary shall, taking into account the

1 need for the timely completion of all life safety portions
2 of the tunnel projects described in subsection (a)—

3 (1) consider the extent to which rail carriers
4 other than Amtrak use the tunnels;

5 (2) consider the feasibility of seeking a financial
6 contribution from those other rail carriers toward
7 the costs of the projects; and

8 (3) obtain financial contributions or commit-
9 ments from such other rail carriers if feasible.

10 (d) AVAILABILITY OF FUNDS.—Amounts appro-
11 priated pursuant to this section shall remain available
12 until expended.

13 **SEC. 407. AUTHORIZATION FOR CAPITAL AND OPERATING**
14 **EXPENSES.**

15 (a) OPERATING EXPENSES.—There are authorized to
16 be appropriated to the Secretary of Transportation for the
17 use of Amtrak for operating costs the following amounts:

18 (1) For fiscal year 2004, \$581,000,000.

19 (2) For fiscal year 2005, \$567,000,000.

20 (3) For fiscal year 2006, \$558,000,000.

21 (4) For fiscal year 2007, \$529,000,000.

22 (5) For fiscal year 2008, \$522,000,000.

23 (6) For fiscal year 2009, \$522,000,000.

24 (b) CAPITAL BACKLOG AND UPGRADES.—There are
25 authorized to be appropriated to the Secretary of Trans-

1 portation for the use of Amtrak for capital expenses, the
2 following amounts:

3 (1) For fiscal year 2004, \$674,000,000.

4 (2) For fiscal year 2005, \$765,000,000.

5 (3) For fiscal year 2006, \$733,000,000.

6 (4) For fiscal year 2007, \$604,000,000.

7 (5) For fiscal year 2008, \$560,000,000.

8 (6) For fiscal year 2009, \$565,000,000.

9 (c) REDUCTIONS.—Amounts authorized under sub-
10 section (b) shall be reduced by amounts equal to grants
11 provided by the Rail Infrastructure Finance Corporation
12 under title VI of this Act upon receipt to Amtrak for cap-
13 ital requirements and expenditures listed in the annual
14 budget and 5 Year Financial Plan required under section
15 413.

16 **SEC. 408. ESTABLISHMENT OF GRANT PROCESS.**

17 (a) GRANT REQUESTS.—Amtrak shall submit grant
18 requests to the Secretary of Transportation for funds au-
19 thorized to be appropriated to the Secretary for the use
20 of Amtrak under sections 405, 406, and 407.

21 (b) PROCEDURES FOR GRANT REQUESTS.—The Sec-
22 retary shall establish substantive and procedural require-
23 ments, including schedules, for grant requests under this
24 section not later than 30 days after the date of enactment
25 of this Act and shall transmit copies to the Senate Com-

1 mittee on Commerce, Science, and Transportation and the
2 House of Representatives Committee on Transportation
3 and Infrastructure.

4 (c) REVIEW AND APPROVAL.—

5 (1) 30-DAY PROCESS.—The Secretary shall
6 complete the review of a grant request and approve
7 or disapprove the request within 30 days after the
8 date on which Amtrak submits the grant request.

9 (2) INCOMPLETE OR DEFICIENT REQUESTS.—If
10 the Secretary disapproves the request or determines
11 that the request is incomplete or deficient, the Sec-
12 retary shall immediately notify Amtrak of the reason
13 for disapproval or the incomplete items or defi-
14 ciencies. Within 15 days after receiving notification
15 from the Secretary under the preceding sentence,
16 Amtrak shall submit a modified request for the Sec-
17 retary's review.

18 (3) REVISED REQUESTS.—Within 15 days after
19 receiving a modified request from Amtrak, the Sec-
20 retary shall either approve the modified request, or,
21 if the Secretary finds that the request is still incom-
22 plete or deficient, the Secretary shall identify in
23 writing to the Senate Committee on Commerce,
24 Science, and Transportation and the House of Rep-
25 resentatives Committee on Transportation and In-

1 frastructure the remaining deficiencies and rec-
2 ommend a process for resolving the outstanding por-
3 tions of the request.

4 **SEC. 409. STATE-SUPPORTED ROUTES.**

5 The Board of Directors of Amtrak, in consultation
6 with the Secretary of Transportation and the chief execu-
7 tive officer of each State and the District of Columbia,
8 shall develop a formula for funding the operating costs
9 of trains operating on routes not in excess of 750 miles
10 in length that—

11 (1) is equitable and fair; and

12 (2) ensures, within 5 years after the date of en-
13 actment of this Act, equal treatment of all States
14 (and the District of Columbia) and groups of States
15 (including the District of Columbia).

16 **SEC. 410. RE-ESTABLISHMENT OF NORTHEAST CORRIDOR**
17 **SAFETY COMMITTEE.**

18 (a) RE-ESTABLISHMENT OF NORTHEAST CORRIDOR
19 SAFETY COMMITTEE.—The Secretary of Transportation
20 shall re-establish the Northeast Corridor Safety Com-
21 mittee authorized by section 24905(b) of title 49, United
22 States Code.

23 (b) TERMINATION DATE.—Section 24905(b)(4) is
24 amended by striking “January 1, 1999,” and inserting
25 “January 1, 2009,”.

1 **SEC. 411. AMTRAK BOARD OF DIRECTORS.**

2 (a) IN GENERAL.—Section 24302 is amended to read
3 as follows:

4 **“§ 24302. Board of directors**

5 “(a) COMPOSITION AND TERMS.—

6 “(1) The board of directors of Amtrak is com-
7 posed of the following 9 directors, each of whom
8 must be a citizen of the United States:

9 “(A) The President of Amtrak.

10 “(B) The Secretary of Transportation.

11 “(C) 7 individuals appointed by the Presi-
12 dent of the United States, by and with the ad-
13 vice and consent of the Senate, with experience
14 and qualifications in or directly related to rail
15 transportation, including representatives of
16 freight and passenger rail transportation, trav-
17 el, hospitality, cruise line, and passenger air
18 transportation businesses, consumers of pas-
19 senger rail transportation, and State govern-
20 ment.

21 “(2) In selecting individuals described in para-
22 graph (1) for nominations for appointments to the
23 Board, the President shall consult with the Speaker
24 of the House of Representatives, the Minority Lead-
25 er of the House of Representatives, the Majority
26 Leader of the Senate, and the Minority Leader of

1 the Senate and should ensure adequate and balanced
2 representation of the major geographic regions of
3 the United States.

4 “(3) An individual appointed under paragraph
5 (1)(C) of this subsection serves for 5 years or until
6 the individual’s successor is appointed and qualified.
7 Not more than 4 individuals appointed under para-
8 graph (1)(C) may be members of the same political
9 party.

10 “(4) The board shall elect a chairman and a
11 vice chairman from among its membership. The vice
12 chairman shall serve as chairman in the absence of
13 the chairman.

14 “(5) The Secretary may be represented at
15 board meetings by the Secretary’s designee.

16 “(b) PAY AND EXPENSES.—Each director not em-
17 ployed by the United States Government is entitled to
18 \$300 a day when performing board duties and powers.
19 Each director is entitled to reimbursement for necessary
20 travel, reasonable secretarial and professional staff sup-
21 port, and subsistence expenses incurred in attending board
22 meetings.

23 “(c) VACANCIES.—A vacancy on the board is filled
24 in the same way as the original selection, except that an
25 individual appointed by the President of the United States

1 under subsection (a)(1)(C) of this section to fill a vacancy
 2 occurring before the end of the term for which the prede-
 3 cessor of that individual was appointed is appointed for
 4 the remainder of that term. A vacancy required to be filled
 5 by appointment under subsection (a)(1)(C) must be filled
 6 not later than 120 days after the vacancy occurs.

7 “(d) BYLAWS.—The board may adopt and amend by-
 8 laws governing the operation of Amtrak. The bylaws shall
 9 be consistent with this part and the articles of incorpora-
 10 tion.”

11 (b) EFFECTIVE DATE FOR DIRECTORS’ PROVI-
 12 SION.—The amendment made by subsection (a) shall take
 13 effect on October 1, 2003. The members of the Amtrak
 14 Reform Board may continue to serve until 3 directors ap-
 15 pointed by the President under section 24302(a) of title
 16 49, United States Code, as amended by subsection (a),
 17 have qualified for office.

18 **SEC. 412. ESTABLISHMENT OF FINANCIAL ACCOUNTING**
 19 **SYSTEM FOR AMTRAK OPERATIONS BY INDE-**
 20 **PENDENT AUDITOR.**

21 (a) IN GENERAL.—The Inspector General of the De-
 22 partment of Transportation shall employ an independent
 23 financial consultant with experience in railroad account-
 24 ing—

1 (1) to assess Amtrak’s financial accounting and
2 reporting system and practices;

3 (2) to design and assist Amtrak in imple-
4 menting a modern financial accounting and report-
5 ing system, on the basis of the assessment, that will
6 produce accurate and timely financial information in
7 sufficient detail—

8 (A) to enable Amtrak to assign revenues
9 and expenses appropriately to each of its lines
10 of business and to each major activity within
11 each line of business activity, including train
12 operations, equipment maintenance, ticketing,
13 and reservations;

14 (B) to aggregate expenses and revenues re-
15 lated to infrastructure and distinguish them
16 from expenses and revenues related to rail oper-
17 ations; and

18 (C) to provide ticketing and reservation in-
19 formation on a real-time basis.

20 (b) VERIFICATION OF SYSTEM; REPORT.—The In-
21 spector General of the Department of Transportation shall
22 review the accounting system designed and implemented
23 under subsection (a) to ensure that it accomplishes the
24 purposes for which it is intended. The Inspector General
25 shall report his findings and conclusions, together with

1 any recommendations, to the Senate Committee on Com-
 2 merce, Science, and Transportation and the House of Rep-
 3 resentatives Committee on Transportation and Infrastruc-
 4 ture.

5 (c) AUTHORIZATION OF APPROPRIATIONS.—There
 6 are authorized to be appropriated to the Secretary of
 7 Transportation \$2,500,000 for fiscal year 2004 to carry
 8 out subsection (a), such sums to remain available until
 9 expended.

10 **SEC. 413. DEVELOPMENT OF 5-YEAR FINANCIAL PLAN.**

11 (a) DEVELOPMENT OF 5-YEAR FINANCIAL PLAN.—
 12 The Amtrak board of directors shall submit an annual
 13 budget for Amtrak, and a 5-year financial plan for the
 14 fiscal year to which that budget relates and the subsequent
 15 4 years, prepared in accordance with this section, to the
 16 Secretary of Transportation and the Inspector General of
 17 the Department of Transportation no later than—

18 (1) the first day of each fiscal year beginning
 19 after the date of enactment of this Act; or

20 (2) the date that is 60 days after the date of
 21 enactment of an appropriation Act for the fiscal
 22 year, if later.

23 (b) CONTENTS OF 5-YEAR FINANCIAL PLAN.—The
 24 5-year financial plan for Amtrak shall include, at a min-
 25 imum—

- 1 (1) all projected revenues and expenditures for
2 Amtrak, including governmental funding sources;
- 3 (2) projected ridership levels for all Amtrak
4 passenger operations;
- 5 (3) revenue and expenditure forecasts for non-
6 passenger operations;
- 7 (4) capital funding requirements and expendi-
8 tures necessary to maintain passenger service which
9 will accommodate predicted ridership levels and pre-
10 dicted sources of capital funding;
- 11 (5) operational funding needs, if any, to main-
12 tain current and projected levels of passenger serv-
13 ice, including state-supported routes and predicted
14 funding sources;
- 15 (6) projected capital and operating require-
16 ments, ridership, and revenue for any new passenger
17 service operations or service expansions;
- 18 (7) an assessment of the continuing financial
19 stability of Amtrak, as indicated by factors such as:
20 the ability of the federal government to adequately
21 meet capital and operating requirements, Amtrak's
22 access to long-term and short-term capital markets,
23 Amtrak's ability to efficiently manage its workforce,
24 and Amtrak's ability to effectively provide passenger
25 train service.

1 (8) lump sum expenditures of \$10,000,000 or
2 more and sources of funding.

3 (9) estimates of long-term and short-term debt
4 and associated principle and interest payments (both
5 current and anticipated);

6 (10) annual cash flow forecasts; and

7 (11) a statement describing methods of esti-
8 mation and significant assumptions.

9 (c) STANDARDS TO PROMOTE FINANCIAL STA-
10 BILITY.—In meeting the requirements of subsection (b)

11 with respect to a 5-year financial plan, Amtrak shall—

12 (1) apply sound budgetary practices, including
13 reducing costs and other expenditures, improving
14 productivity, increasing revenues, or combinations of
15 such practices; and

16 (2) use the categories specified in the financial
17 accounting and reporting system developed under
18 section 412 when preparing its 5-year financial plan.

19 (d) ASSESSMENT BY DOT INSPECTOR GENERAL.—

20 (1) IN GENERAL.—The Inspector General of
21 the Department of Transportation shall assess the
22 5-year financial plans prepared by Amtrak under
23 this section to determine whether they meet the re-
24 quirements of subsection (b), and may suggest revi-

1 sions to any components thereof that do not meet
2 those requirements.

3 (2) ASSESSMENT TO BE FURNISHED TO THE
4 CONGRESS.—The Inspector General shall furnish to
5 the House of Representatives Committee on Appro-
6 priations, the Senate Committee on Appropriations,
7 the House of Representatives Committee on Trans-
8 portation and Infrastructure, and the Senate Com-
9 mittee on Commerce, Science, and Transportation—

10 (A) an assessment of the annual budget
11 within 90 days after receiving it from Amtrak;
12 and

13 (B) an assessment of the remaining 4
14 years of the 5-year financial plan within 180
15 days after receiving it from Amtrak.

16 **SEC. 414. INDEPENDENT AUDITOR TO ESTABLISH METH-**
17 **ODOLOGIES FOR AMTRAK ROUTE AND SERV-**
18 **ICE PLANNING DECISIONS.**

19 (a) REVIEW.—The Secretary of Transportation shall,
20 in consultation with the Federal Railroad Administration,
21 execute a contract to obtain the services of an independent
22 auditor or consultant to research and define Amtrak's past
23 and current methodologies for determining intercity pas-
24 senger rail routes and services.

1 (b) RECOMMENDATIONS.—The independent auditor
2 or consultant shall recommend objective methodologies for
3 determining such routes and services, including the estab-
4 lishment of new routes, the elimination of existing routes,
5 and the contraction or expansion of services or frequencies
6 over such routes.

7 (c) SUBMITTAL TO CONGRESS.—The Secretary shall
8 submit recommendations received under subsection (b) to
9 Amtrak, the House of Representatives Committee on
10 Transportation and Infrastructure, and the Senate Com-
11 mittee on Commerce, Science, and Transportation

12 (d) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be made available to the Secretary of
14 Transportation, out of any amounts authorized by this Act
15 to be appropriated for the benefit of Amtrak and not oth-
16 erwise obligated or expended, such sums as may be nec-
17 essary to carry out this section.

18 **SEC. 415. METRICS AND STANDARDS.**

19 The Administrator of the Federal Railroad Adminis-
20 tration shall, in consultation with Amtrak and host rail-
21 roads, develop new or improve existing metrics and min-
22 imum standards for measuring the service quality of inter-
23 city train operations, including on-time performance, on-
24 board services, stations, facilities, equipment, and other
25 services.

1 **SEC. 416. ON-TIME PERFORMANCE.**

2 Section 24308 is amended by adding at the end the
3 following:

4 “(f) ON-TIME PERFORMANCE AND OTHER STAND-
5 ARDS.—If the on-time performance of any intercity pas-
6 senger train averages less than 80 percent for any con-
7 secutive 6-month period, or the service quality of intercity
8 train operations for which minimum standards are estab-
9 lished under section 415 of the Arrive 21 Act fails to meet
10 those standards, Amtrak may petition the Surface Trans-
11 portation Board to investigate whether, and to what ex-
12 tent, delays or failure to achieve minimum standards are
13 due to causes that could reasonably be addressed by a rail
14 carrier over the tracks of which the intercity passenger
15 train operates, or by a regional authority providing com-
16 muter service, if any. In carrying out such an investiga-
17 tion, the Surface Transportation Board shall obtain infor-
18 mation from all parties involved and make recommenda-
19 tions regarding reasonable measures to improve the serv-
20 ice, quality, and on-time performance of the train.”.

21 **TITLE V—RAIL INFRASTRUC-**
22 **TURE FINANCE CORPORA-**
23 **TION**

24 **SEC. 501. ESTABLISHMENT OF CORPORATION.**

25 There is established a nonprofit corporation, to be
26 known as the “Rail Infrastructure Finance Corporation”.

1 The Rail Infrastructure Finance Corporation is not an
2 agency or establishment of the United States Government.
3 The Corporation shall be subject to the provisions of this
4 title and title VI, and, to the extent consistent with this
5 section, to the laws of the State of Delaware applicable
6 to corporations not for profit.

7 **SEC. 502. BOARD OF DIRECTORS.**

8 (a) APPOINTMENT.—The Rail Infrastructure Fi-
9 nance Corporation shall have a Board of Directors con-
10 sisting of 9 members appointed by the President, by and
11 with the advice and consent of the Senate. The President
12 shall submit all nominations for the initial Board not less
13 than 180 days after the date of enactment of this Act.
14 Not more than 5 members of the Board may be members
15 of the same political party.

16 (b) MEMBERSHIP QUALIFICATIONS.—

17 (1) IN GENERAL.—The 9 members of the
18 Board shall be appointed from among citizens of the
19 United States (not regular full-time employees of the
20 United States) who are eminent in the fields of rail
21 transportation, rail financing, and intermodal trans-
22 portation planning, and the financing and manage-
23 ment of large-scale, long-term public-private cooper-
24 ative projects.

1 (2) REPRESENTATION OF SPECIFIC INTER-
2 ESTS.—Of the 9 members of the Board, 8 of the
3 members shall be selected as follows:

4 (A) 1 member from among individuals who
5 represent the interests of freight rail transpor-
6 tation.

7 (B) 1 member from among individuals who
8 represent the interests of intermodal transpor-
9 tation.

10 (C) 1 member from among individuals who
11 represent the interests of passenger rail trans-
12 portation.

13 (D) 1 member from among individuals who
14 represent the interests of the States.

15 (E) 1 member from among individuals who
16 represent the interests of intercity passenger
17 rail users.

18 (F) 1 member from among individuals who
19 represent the interests of organized rail labor.

20 (G) 2 members from among persons who
21 are involved in finance.

22 (c) INCORPORATION.—The members initially ap-
23 pointed to the Board of Directors shall serve as
24 incorporators and, upon the establishment of a quorum,

1 shall take whatever actions are necessary to establish the
2 Corporation under the laws of Delaware.

3 (d) TERMS OF OFFICE.—Members of the Board shall
4 be appointed for terms of 6 years. No member of the
5 Board shall be eligible to serve in excess of 2 consecutive
6 full terms.

7 (e) VACANCIES.—A member of the Board appointed
8 to fill a vacancy occurring prior to the expiration of the
9 term for which the member's predecessor was appointed
10 shall be appointed for the remainder of such term. Upon
11 the expiration of a member's term, the member shall con-
12 tinue to serve until a successor is appointed.

13 (f) ATTENDANCE REQUIRED.—Members of the
14 Board shall attend not less than 50 percent of all duly
15 convened meetings of the Board in any calendar year. A
16 member who fails to meet the requirement of the pre-
17 ceding sentence shall forfeit membership and the Presi-
18 dent shall appoint a new member to fill the resulting va-
19 cancy not later than 90 days after such vacancy is deter-
20 mined by the Chairman of the Board.

21 (g) ELECTION OF CHAIRMAN AND VICE CHAIR-
22 MAN.—Members of the Board shall annually elect 1 of
23 their members to be Chairman and elect 1 or more of their
24 members as a Vice Chairman or Vice Chairmen.

1 (h) COMPENSATION.—The members of the Board
2 shall not, by reason of such membership, be considered
3 to be officers or employees of the United States. They
4 shall, while attending meetings of the Board or while en-
5 gaged in duties related to such meetings or other activities
6 of the Board pursuant to this Act, be entitled to receive
7 compensation at the rate of \$300 per day, including trav-
8 eltime. No Board member shall receive compensation of
9 more than \$10,000 in any fiscal year. While away from
10 their homes or regular places of business, Board members
11 shall be allowed travel and actual, reasonable, and nec-
12 essary expenses.

13 (i) MEETINGS OPEN TO PUBLIC.—All meetings of
14 the Board of Directors of the Corporation, including any
15 committee of the Board, shall be open to the public under
16 such terms, conditions, and exceptions as the Board may
17 establish.

18 (j) QUORUM AND PROCEEDINGS.—Five members of
19 the Board shall constitute a quorum for the Board to con-
20 duct business. All decisions of the Board shall be entered
21 upon the records of the Board.

22 **SEC. 503. OFFICERS AND EMPLOYEES.**

23 (a) IN GENERAL.—The Rail Infrastructure Finance
24 Corporation shall have a President, and such other officers
25 as may be named and appointed by the Board for terms

1 and at rates of compensation fixed by the Board. No indi-
2 vidual other than a citizen of the United States may be
3 an officer of the Corporation. No officer of the Corpora-
4 tion may receive any salary or other compensation (except
5 for compensation for services on boards of directors of
6 other organizations that do not receive funds from the
7 Corporation, on committees of such boards, and in similar
8 activities for such organizations) from any sources other
9 than the Corporation for services rendered during the pe-
10 riod of his or her employment by the Corporation. Service
11 by any officer on boards of directors of other organiza-
12 tions, on committees of such boards, and in similar activi-
13 ties for such organizations shall be subject to annual ad-
14 vance approval by the Board and subject to the provisions
15 of the Corporation's Statement of Ethical Conduct. All of-
16 ficers shall serve at the pleasure of the Board. An officer
17 of the corporation shall not be considered to be an officer
18 or employee of the United States by virtue of such office.

19 (b) NONPARTISAN NATURE OF APPOINTMENTS.—No
20 political test or qualification shall be used in selecting, ap-
21 pointing, promoting, or taking other personnel actions
22 with respect to officers, agents, or employees of the Cor-
23 poration.

1 **SEC. 504. NONPROFIT AND NONPOLITICAL NATURE OF THE**
2 **CORPORATION.**

3 (a) STOCK.—The Rail Infrastructure Finance Cor-
4 poration shall have no power to issue any shares of stock,
5 or to declare or pay any dividends.

6 (b) NO PRIVATE BENEFIT.—No part of the income
7 or assets of the Corporation shall inure to the benefit of
8 any director, officer, employee, or any other individual ex-
9 cept as salary or reasonable compensation for services.

10 (c) POLITICAL ACTIVITY PROHIBITED.—The Cor-
11 poration may not contribute to or otherwise support any
12 political party or candidate for elective public office.

13 (d) CONFLICTS OF INTEREST.—No director, officer,
14 or employee of the Corporation shall in any manner, di-
15 rectly or indirectly, participate in the deliberation upon or
16 the determination of any question affecting his or her per-
17 sonal interests or the interests of any corporation, partner-
18 ship, or organization in which he or she has a direct or
19 indirect financial interest. Board members shall recuse
20 themselves from Board decisions that directly affect either
21 them or entities they represent regarding grants and other
22 financial assistance provided to States by the Board.

23 **SEC. 505. PURPOSE AND ACTIVITIES OF CORPORATION.**

24 (a) PURPOSE.—The Rail Infrastructure Finance Cor-
25 poration shall, through the issuance of qualified rail infra-
26 structure bonds in accordance with section 54 of the Inter-

1 nal Revenue Code of 1986 and this title, provide financial
2 support for rail transportation capital projects under title
3 VI of this Act.

4 (b) BOND ISSUANCE AUTHORITY.—

5 (1) IN GENERAL.—In order to carry out its
6 purposes, the Corporation is authorized to issue
7 qualified rail infrastructure bonds (as defined in sec-
8 tion 54(e) of the Internal Revenue Code of 1986)
9 during the 6-year period beginning on the day after
10 the date of enactment of this Act.

11 (2) LIMITATION.—The total face amount of the
12 bonds outstanding under paragraph (1) at any time
13 may not exceed \$30,000,000,000.

14 (3) NO FEDERAL GUARANTEE.—

15 (A) OBLIGATIONS INSURED BY THE COR-
16 PORATION.—No obligation that is insured,
17 guaranteed, or otherwise backed by the Cor-
18 poration shall be deemed to be an obligation
19 that is guaranteed by the full faith and credit
20 of the United States.

21 (B) SPECIAL RULE.—This paragraph shall
22 not affect the determination of whether such
23 obligation is guaranteed for purposes of Federal
24 income taxes.

1 (C) SECURITIES OFFERED BY THE COR-
2 PORATION.—No debt or equity securities of the
3 Corporation shall be deemed to be guaranteed
4 by the full faith and credit of the United
5 States.

6 (4) AUTHORITY.—To carry out the foregoing
7 purposes and engage in the foregoing activities, the
8 Corporation shall have the usual powers conferred
9 upon a nonprofit corporation under the laws of the
10 State of Delaware.

11 (c) FEDERAL ASSISTANCE.—The Corporation shall
12 be eligible to receive discretionary grants, contracts, gifts,
13 contributions, or technical assistance from any department
14 or agency of the Federal Government, but only to the ex-
15 tent permitted by law and to the extent necessary to carry
16 out the purpose set forth in subsection (a) and the activi-
17 ties described in subsection (b).

18 (d) STATUS UNDER FEDERAL SECURITIES LAWS.—

19 (1) IN GENERAL.—For purposes of the Securi-
20 ties Act of 1933, the Securities Exchange Act of
21 1934 or the Trust Indenture Act of 1939, the Rail
22 Infrastructure Finance Corporation shall not be con-
23 sidered an agency or instrumentality of the United
24 States or any State or Territory thereof nor an enti-
25 ty described in section 3(a)(4) of the Securities Act

1 of 1933 and shall not be entitled to rely on any ex-
2 emption from those laws. Any security offered or
3 sold or guaranteed by the Rail Infrastructure Fi-
4 nance Corporation may not be offered or sold in reli-
5 ance on any exemption from registration under the
6 Securities Act of 1933, unless exempted by rule or
7 regulation of the Securities and Exchange Commis-
8 sion. For so long as the Rail Infrastructure Finance
9 Corporation has any securities outstanding, it may
10 not rely on the rules promulgated under the Securi-
11 ties Exchange Act of 1934 to voluntarily terminate
12 or suspend the Rail Infrastructure Finance Corpora-
13 tion's obligations to comply with the reporting re-
14 quirements of the Securities Exchange Act of 1934
15 with regard to any of its outstanding securities and
16 the provisions of section 15(d)(6) of the Securities
17 Exchange Act of 1934 shall not apply to the Rail In-
18 frastructure Finance Corporation, unless exempted
19 by rule, regulation, or order of the Securities and
20 Exchange Commission.

21 (2) RELATIONSHIP TO FEDERAL SECURITIES
22 LAWS.—Except as provided in paragraph (1), no
23 provision of this section or any regulation issued by
24 any other Federal agency shall supercede or other-
25 wise affect the application of the Federal securities

1 laws (as such term is defined in section 2(a)(47) of
2 the Securities Exchange Act of 1934) or the rules,
3 regulations, or orders of the Securities and Ex-
4 change Commission promulgated under those laws.

5 **SEC. 506. REPORT TO CONGRESS.**

6 (a) IN GENERAL.—On or before May 15 of each year,
7 the Rail Infrastructure Finance Corporation shall submit
8 an annual report for the fiscal year ending on September
9 30 of the preceding year to the Senate Committee on Com-
10 merce, Science, and Transportation and the House of Rep-
11 resentatives Committee on Transportation and Infrastruc-
12 ture. The report shall include a comprehensive and de-
13 tailed report of the Corporation's operations, activities, fi-
14 nancial condition, and accomplishments under this title
15 and such recommendations as the Corporation deems ap-
16 propriate.

17 (b) AVAILABILITY FOR TESTIMONY.—The officers
18 and directors of the Corporation shall be available to tes-
19 tify before those committees with respect to such report
20 or any other matter which such committees may deter-
21 mine.

22 **SEC. 507. ADMINISTRATIVE MATTERS.**

23 (a) BUDGET.—The Rail Infrastructure Finance Cor-
24 poration shall establish an annual budget for the Corpora-

1 tion, including the Rail Infrastructure Investment Account
2 under subsection (c).

3 (b) IMPLEMENTATION PLAN.—

4 (1) REQUIREMENT FOR PLAN.—The Corpora-
5 tion shall conduct a study and prepare a plan on
6 how the Corporation can best achieve the purposes
7 and fulfill the requirements of this title.

8 (2) CONSULTATION.—In preparing the plan,
9 the Corporation may consult with representatives of
10 State and local governments, railroads, and other
11 similar entities.

12 (3) OTHER REQUIREMENTS.—The plan, which
13 shall be based on the conclusions resulting from the
14 study conducted under paragraph (1), shall be sub-
15 mitted by the Corporation to the Senate Committee
16 on Commerce, Science, and Transportation and the
17 House of Representatives Committee on Transpor-
18 tation and Infrastructure not later than 180 days
19 after the date on which the Corporation is incor-
20 porated. Unless directed otherwise by law, the Cor-
21 poration shall implement the plan during the first
22 fiscal year beginning after the fiscal year in which
23 the plan is submitted to Congress.

24 (c) RAIL INFRASTRUCTURE INVESTMENT AC-
25 COUNT.—

1 (1) ESTABLISHMENT.—The Board of Directors
2 for the Corporation shall establish an account to be
3 known as the Rail Infrastructure Investment Ac-
4 count.

5 (2) DEPOSIT OF BOND PROCEEDS.—The Cor-
6 poration shall deposit the proceeds of sales of any
7 bonds issued under section 54 of the Internal Rev-
8 enue Code of 1986 into the Account.

9 (3) DEPOSIT OF NON-FEDERAL CONTRIBU-
10 TIONS.—The Board shall deposit all non-Federal
11 contributions received into the Account.

12 (4) DISBURSEMENTS.—The Board may make
13 available and may disburse, during the first fiscal
14 year beginning after the date of enactment of this
15 Act and during each succeeding fiscal year there-
16 after, such funds as may be available for obligation
17 and expenditure from the Account.

18 (5) USE OF ACCOUNT FUNDS.—Funds in the
19 Account—

20 (A) shall be used by the Corporation for
21 investment purposes through the trust estab-
22 lished under section 508 to generate an amount
23 sufficient—

24 (i) to repay the principal of the bonds
25 at their maturity; and

1 (ii) to pay the administrative costs of
2 the Corporation and the Rail Infrastruc-
3 ture Finance Trust under section 508; and
4 (B) shall, to the extent of the net spend-
5 able proceeds in the account, be held in the Rail
6 Infrastructure Finance Trust established under
7 section 508 and be available for distribution as
8 grants of financial assistance under title VI of
9 this Act.

10 (6) NET SPENDABLE PROCEEDS DEFINED.—In
11 this subsection, the term “net spendable proceeds”,
12 with respect to the Rail Infrastructure Investment
13 Account, means the amount, determined by the
14 Board of Trustees of the Rail Infrastructure Fi-
15 nance Trust, equal to the excess of—

16 (A) the total amount in such Account, over

17 (B) the amount in such Account that is
18 needed for uses under paragraph (5)(A).

19 (d) RECORDS AND AUDIT.—

20 (1) IN GENERAL.—The account of the Corpora-
21 tion shall be audited annually in accordance with
22 generally accepted auditing standards by inde-
23 pendent certified public accountants or independent
24 licensed public accountants certified or licensed by a
25 regulatory authority of a State or other political sub-

1 division of the United States. The audits shall be
2 conducted at the place or places where the accounts
3 of the Corporation are normally kept. All books, ac-
4 counts, financial records, reports, files, and all other
5 papers, things, or property belonging to or in use by
6 the Corporation and necessary to facilitate the au-
7 dits shall be made available to the person or persons
8 conducting the audits; and full facilities for verifying
9 transactions with the balances or securities held by
10 depositories, fiscal agents and custodians shall be af-
11 farded to such person or persons.

12 (2) AUDIT REPORT.—The report of each such
13 independent audit shall be included in the annual re-
14 port required by section 506. The audit report shall
15 set forth the scope of the audit and include such
16 statements as are necessary to present fairly the
17 Corporation's assets and liabilities, surplus or def-
18 icit, with an analysis of the changes therein during
19 the year, supplemented in reasonable detail by a
20 statement of the Corporation's income and expenses
21 during the year, and a statement of the sources and
22 application of funds, together with the independent
23 auditor's opinion of those statements.

24 (3) ACCOUNTING PRINCIPLES.—Not later than
25 1 year after the date of the enactment of this Act,

1 the Corporation shall develop accounting principles
2 which shall be used uniformly by all entities receiv-
3 ing funds under this Act, taking into account orga-
4 nizational differences among various categories of
5 such entities. Such principles shall be designed to
6 account fully for all funds received and expended for
7 purposes of this Act by such entities.

8 (4) REQUIREMENTS FOR RECIPIENTS.—Each
9 entity receiving funds under this Act shall—

10 (A) keep its books, records, and accounts
11 in such form as may be required by the Cor-
12 poration;

13 (B) either—

14 (i) undergo an annual audit by inde-
15 pendent certified public accountants or
16 independent licensed public accountants
17 certified or licensed by a regulatory au-
18 thority of a State, which audit shall be in
19 accordance with auditing standards devel-
20 oped by the Corporation; or

21 (ii) submit a financial statement in
22 lieu of the audit required by subparagraph
23 (A) if the Corporation determines that the
24 cost burden of such audit on such entity

1 is excessive in light of the financial condi-
2 tion of such entity; and

3 (C) furnish biennially to the Corporation a
4 copy of the audit report required pursuant to
5 the subparagraph (B), as well as such other in-
6 formation regarding finances (including an an-
7 nual financial report) as the Corporation may
8 require.

9 (5) ADDITIONAL RECORDKEEPING.—Any recipi-
10 ent of assistance by grant or contract under this sec-
11 tion, other than a fixed price contract awarded pur-
12 suant to competitive bidding procedures, shall keep
13 such records as may be reasonably necessary to dis-
14 close fully the amount and the disposition by such
15 recipient of such assistance, that total cost of the
16 project or undertaking in connection with which
17 such assistance is given or used, and the amount
18 and nature of that portion of the cost of the projects
19 or undertaking supplied by other sources, and such
20 other records as will facilitate an effective audit.

21 (6) ACCESS TO RECORDS.—The Corporation or
22 any of its duly authorized representatives shall have
23 access to any books, documents, papers, and records
24 of any recipient of assistance for the purpose of au-

1 diting and examining all funds received from the
2 Corporation.

3 (7) PUBLIC INSPECTION.—The Corporation
4 shall maintain the information described in para-
5 graphs (4), (5), and (6) at its offices for public in-
6 spection and copying for at least 3 years, according
7 to such reasonable guidelines as the Corporation
8 may issue. This public file shall be updated regu-
9 larly.

10 **SEC. 508. RAIL INFRASTRUCTURE FINANCE TRUST.**

11 (a) ESTABLISHMENT.—The Board of Directors of the
12 Rail Infrastructure Finance Corporation shall establish
13 the Rail Infrastructure Finance Trust (hereafter in this
14 section referred to as the “Trust”) as a trust domiciled
15 in the State of Delaware before the issuance of bonds
16 under section 505(b). The Trust shall, to the extent not
17 inconsistent with this Act, be subject to the laws of the
18 State of Delaware that are applicable to trusts. The Trust
19 shall manage and invest the assets of the Rail Infrastruc-
20 ture Account described in section 507(c) that are trans-
21 ferred to it by the Board in the manner set forth in this
22 section.

23 (b) NOT A FEDERAL AGENCY OR INSTRUMEN-
24 TIALITY.—The Trust is not a department, agency, or other

1 instrumentality of the Government of the United States
2 and shall not be subject to title 31, United States Code.

3 (c) BOARD OF TRUSTEES.—

4 (1) ESTABLISHMENT.—The Trust shall have a
5 Board of Trustees.

6 (2) COMPOSITION.—

7 (A) APPOINTMENT.—The Board of Trust-
8 ees shall consist of 5 members (hereafter in this
9 title referred to as “Trustees”) 3 of whom shall
10 be appointed by a unanimous vote of the Board
11 of Directors of the Rail Infrastructure Finance
12 Corporation.

13 (B) REPRESENTATION OF PARTICULAR IN-
14 TERESTS.—The 3 members of the Board of
15 Trustees shall be selected as follows:

16 (i) 1 from among persons who rep-
17 resent the interests of the States.

18 (ii) 1 from among persons who rep-
19 resent the interests of freight and pas-
20 senger railroads.

21 (iii) 1 from among persons who rep-
22 resent the interests of holders of qualified
23 rail infrastructure bonds issued by the Rail
24 Infrastructure Corporation.

1 (C) The 2 Trustees not appointed under
2 subparagraph (A) shall be elected directly by
3 holders of qualified rail infrastructure bonds
4 issued by the Rail Infrastructure Corporation
5 through procedures established by the Board of
6 Trustees to represent the interests of such bond
7 holders. The election shall be held, and both
8 members elected under this subparagraph shall
9 take office as Trustees, within 1 year after the
10 initial issuance of bonds under section 505(b).

11 (3) MEMBERS NOT UNITED STATES OFFI-
12 CIALS.—The members of the Board of Trustees may
13 not be considered officers or employees of the Gov-
14 ernment of the United States.

15 (4) QUALIFICATIONS.—The Trustees shall be
16 appointed only from among persons who have experi-
17 ence and expertise in the management of financial
18 investments. No member of the Board of Directors
19 of the Rail Infrastructure Finance Corporation is el-
20 igible to be a Trustee.

21 (5) TERMS.—Each member of the Board of
22 Trustees shall be appointed for a 3-year term. Any
23 member whose term has expired may serve until
24 such member's successor has taken office, or until
25 the end of the calendar year in which such member's

1 term has expired, whichever is earlier. A vacancy in
2 the Board of Trustees shall not affect the powers of
3 the Board of Trustees and shall be filled in the same
4 manner as the member whose departure caused the
5 vacancy. Any member appointed to fill a vacancy oc-
6 ccurring prior to the expiration of the term for which
7 the member's predecessor was appointed shall be ap-
8 pointed for the remainder of such term.

9 (d) POWERS.—The Board of Trustees shall—

10 (1) establish investment policies, including
11 guidelines, and retain independent advisers to assist
12 in the formulation and adoption of the investment
13 guidelines;

14 (2) retain independent investment managers to
15 invest the assets of the Trust in a manner consistent
16 with such investment guidelines;

17 (3) invest assets in the Trust, pursuant to the
18 policies adopted in paragraph (1);

19 (4) pay administrative expenses of the Trust
20 from the assets in the Trust;

21 (5) transfer money to the Rail Infrastructure
22 Investment Account, upon request of the Board of
23 Directors of the Rail Infrastructure Finance Cor-
24 poration, for bond repayment and administrative ex-
25 penses;

1 (6) develop a formula, subject to approval by
 2 the Board of Directors before the issuance of bonds
 3 under section 505(b), for determining when there is
 4 a sufficient trust income stream for purposes of
 5 paragraph (7); and

6 (7) transfer net spendable proceeds to the
 7 Board of Directors to be used for grants under title
 8 VI of this Act after determining that adequate trust
 9 funds are available, or that there is a trust income
 10 stream sufficient, to allow the Board of Trustees to
 11 meet its obligations under paragraphs (4) and (5).

12 (e) REPORTING REQUIREMENTS AND FIDUCIARY
 13 STANDARDS.—The following reporting requirements and
 14 fiduciary standards shall apply with respect to the Trust:

15 (1) DUTIES OF THE BOARD OF TRUSTEES.—

16 The Trust and each member of the Board of Trust-
 17 ees shall discharge the duties of the Trust and the
 18 duties of the Trustee, respectively (including the vot-
 19 ing of proxies), with respect to the assets of the
 20 Trust solely in the interests of the Rail Infrastruc-
 21 ture Finance Corporation and the programs funded
 22 under this title—

23 (A) for the exclusive purposes of—

24 (i) providing sufficient funds to repay
 25 qualified rail infrastructure bonds issued

1 by the Rail Infrastructure Finance Cor-
2 poration,

3 (ii) funding the administrative costs of
4 the Rail Infrastructure Finance Corpora-
5 tion;

6 (iii) defraying reasonable expenses of
7 administering the Trust; and

8 (iv) providing grants for rail capital
9 projects under title VI of this Act; and

10 (B) with the care, skill, prudence, and dili-
11 gence under the circumstances then prevailing
12 that a prudent person acting in a like capacity
13 and familiar with such matters would use in the
14 conduct of an enterprise of a like character and
15 with like aims;

16 (C) by diversifying investments so as to
17 minimize the risk of large losses and to avoid
18 disproportionate influence over a particular in-
19 dustry or firm, unless under the circumstances
20 it is clearly prudent not to do so; and

21 (D) in accordance with Trust governing
22 documents and instruments insofar as such doc-
23 uments and instruments are consistent with
24 this title.

1 (2) PROHIBITIONS WITH RESPECT TO MEMBERS
2 OF THE BOARD OF TRUSTEES.—A member of the
3 Board of Trustees may not—

4 (A) deal with the assets of the Trust in the
5 Trustee's own interest or for the Trustee's own
6 account;

7 (B) act in an individual or in any other ca-
8 pacity, in any transaction involving the assets
9 of the Trust on behalf of a party (or represent
10 a party) whose interests are adverse to the in-
11 terests of the Trust and the Rail Infrastructure
12 Finance Corporation; or

13 (C) receive any consideration for the
14 Trustee's own personal account from any party
15 dealing with the assets of the Trust.

16 (3) EXCULPATORY PROVISIONS AND INSUR-
17 ANCE.—Any provision in an agreement or instru-
18 ment that purports to relieve a Trustee from respon-
19 sibility or liability for any responsibility, obligation,
20 or duty under this Act shall be void. Nothing in this
21 paragraph shall be construed to preclude—

22 (A) the Trust from purchasing insurance
23 for its Trustees or for itself to cover liability or
24 losses occurring by reason of the act or omis-
25 sion of a Trustee, if such insurance permits re-

1 course by the insurer against the Trustee in the
2 case of a breach of a fiduciary obligation by
3 such Trustee;

4 (B) a Trustee from purchasing insurance
5 to cover liability under this section from and for
6 his own account; or

7 (C) an employer or an employee organiza-
8 tion from purchasing insurance to cover poten-
9 tial liability of 1 or more Trustees with respect
10 to their fiduciary responsibilities, obligations,
11 and duties under this section.

12 (4) TRUSTEES, BONDS.—

13 (A) REQUIREMENT.—Each Trustee and
14 every person who handles funds or other prop-
15 erty of the Trust (hereafter in this section re-
16 ferred to as “Trust official”) shall be bonded.
17 The bond shall provide protection to the Trust
18 against loss by reason of acts of fraud or dis-
19 honesty on the part of any Trust official, di-
20 rectly or through the connivance of others.

21 (B) AMOUNT.—The amount of a bond for
22 a Trustee under this paragraph shall be fixed
23 at the beginning of each fiscal year of the Trust
24 by the Board of Directors of the Rail Infra-
25 structure Finance Corporation. The amount

1 may not be less than 10 percent of the amount
2 of the funds administered by the Trust.

3 (C) UNLAWFUL CONDUCT.—It shall be un-
4 lawful for—

5 (i) any Trust official to receive, han-
6 dle, disburse, or otherwise exercise custody
7 or control of any of the funds or other
8 property of the Trust without being bond-
9 ed as required by this subsection;

10 (ii) any Trust official, or any other
11 person having authority to direct the per-
12 formance of such functions, to permit such
13 functions, or any of them, to be performed
14 by any Trust official, with respect to whom
15 the requirements of this subsection have
16 not been met; and

17 (iii) any person to procure any bond
18 required by this subsection from any sur-
19 ety or other company or through any agent
20 or broker in whose business operations
21 such person has any control or significant
22 financial interest, direct or indirect.

23 (f) ADMINISTRATIVE MATTERS.—

24 (1) AUTHORITY.—The Board of Trustees shall
25 have the authority to make rules to govern its oper-

1 ations, employ professional staff, and contract with
2 outside advisors (including the Rail Infrastructure
3 Finance Corporation) to provide legal, accounting,
4 investment advisory, or other services necessary for
5 the proper administration of this section. In the case
6 of a contract for investment advisory services, com-
7 pensation for such services may be provided on a
8 fixed fee basis or on such other terms and conditions
9 as are customary for such services.

10 (2) QUORUM AND PROCEEDINGS.—Three mem-
11 bers of the Board of Trustees shall constitute a
12 quorum for the Board to conduct business. Invest-
13 ment guidelines shall be adopted by a unanimous
14 vote of the entire Board of Trustees. All other deci-
15 sions of the Board of Trustees shall be decided by
16 a majority vote of the quorum present. All decisions
17 of the Board of Trustees shall be entered upon the
18 records of the Board of Trustees.

19 (3) COMPENSATION OF TRUSTEES AND EM-
20 PLOYEES.—The salaries of the Trustees are subject
21 to the limitations in section 502(h).

22 (4) COMPENSATION ARRANGEMENTS.—The
23 Board of Trustees may compensate investment advi-
24 sory service providers and employees of the Trust on

1 a fixed contract fee basis or on such other terms and
2 conditions as are customary for such services.

3 (5) FUNDING.—The expenses of the Trust and
4 the Board of Trustees that are incurred under this
5 section shall be paid from the Trust.

6 (g) AUDIT AND REPORT.—

7 (1) REQUIREMENT FOR ANNUAL AUDIT.—The
8 Trust shall annually engage an independent qualified
9 public accountant to audit the financial statements
10 of the Trust.

11 (2) ANNUAL MANAGEMENT REPORT.—The
12 Trust shall submit an annual management report to
13 be included in the annual report of the Corporation
14 required under section 506. The management report
15 under this paragraph shall include the following
16 matters:

17 (A) A statement of financial position.

18 (B) A statement of operations.

19 (C) A statement of cash flows.

20 (D) A statement on internal accounting
21 and administrative control systems.

22 (E) The report resulting from an audit of
23 the financial statements of the Trust conducted
24 under paragraph (1).

1 (F) Any other comments and information
 2 necessary to inform Congress about the oper-
 3 ations and financial condition of the Trust.

4 (h) ENFORCEMENT.—The Rail Infrastructure Fi-
 5 nance Corporation may commence a civil action—

6 (1) to enjoin any act or practice by the Trust,
 7 its Board of Trustees, or its employees or agents
 8 that violates any provision of this title; or

9 (2) to obtain other appropriate relief to redress
 10 such violations, or to enforce any provisions of this
 11 title.

12 (i) EXEMPTION FROM TAX FOR RAIL INFRASTRUC-
 13 TURE FINANCE TRUST.—Subsection (c) of section 501 of
 14 the Internal Revenue Code of 1986 is amended by adding
 15 at the end the following new paragraph:

16 “(29) The Rail Infrastructure Finance Trust
 17 established under section 408 of the Arrive 21 Act.”.

18 **TITLE VI—RAIL DEVELOPMENT**

19 **GRANT PROGRAMS**

20 **SEC. 601. INTERCITY PASSENGER RAIL DEVELOPMENT** 21 **GRANT PROGRAM.**

22 (a) GRANTS TO STATES.—The Board of Directors of
 23 the Rail Infrastructure Finance Corporation may, by
 24 grant, provide financial assistance to a State, a group of
 25 States, or the National Railroad Passenger Corporation

1 for, or in connection with, 1 or more intercity passenger
2 rail capital projects that—

3 (1) in accordance with section 22504(a)(5) of
4 title 49, United States Code, are listed in a State
5 rail plan approved for such State under chapter 225
6 of such title; and

7 (2) as determined by the Board, would pri-
8 marily benefit intercity passenger rail infrastructure
9 or services or the development of passenger rail cor-
10 ridors (including high-speed rail corridors designated
11 by the Secretary under section 104(d) of title 23,
12 United States Code) and provide significant public
13 benefits.

14 (b) PURPOSES ELIGIBLE FOR GRANT FUNDING.—
15 The purposes for which grants may be made under sub-
16 section (a) for, or in connection with, an intercity pas-
17 senger rail capital project described in that subsection are
18 as follows:

19 (1) Planning, including activities described in
20 section 26101(b)(1) of title 49, United States Code,
21 and environmental impact studies.

22 (2) New rail line development, including right
23 of way and infrastructure acquisition and construc-
24 tion of track and facilities.

25 (3) Track upgrades and restoration.

1 (4) Highway-rail grade crossing improvement or
2 elimination.

3 (5) Track, infrastructure, and facility reloca-
4 tion.

5 (6) Acquisition, financing, or refinancing of lo-
6 comotives and rolling stock.

7 (7) Intermodal and station facilities.

8 (8) Tunnel and bridge repair or replacement.

9 (9) Communications and signaling improve-
10 ments.

11 (10) Environmental impact mitigation.

12 (11) Security improvements.

13 (12) Supplemental funding for direct loans or
14 loan guarantees made under title V of the Railroad
15 Revitalization and Regulatory Reform Act of 1976
16 (45 U.S.C. 821 et seq.).

17 (13) Payment of credit risk premiums, to lower
18 rates of interest, or to provide for a holiday on prin-
19 cipal payments on loan or financing directly associ-
20 ated with rail capital projects described in para-
21 graphs (1) through (11).

22 (c) PROJECT SELECTION CRITERIA.—The Board, in
23 selecting the recipients of financial assistance to be pro-
24 vided under subsection (a), shall—

1 (1) require that each proposed project meet all
2 safety requirements that are applicable to the
3 project under law, and give a preference to any
4 project determined by the Board as having provided
5 for particularly high levels of safety;

6 (2) give preference to projects with high levels
7 of estimated ridership, increased ontime perform-
8 ance, reduced trip time, additional service frequency,
9 or other significant service enhancements as meas-
10 ured against minimum standards developed under
11 section 415 of this Act;

12 (3) encourage intermodal connectivity through
13 projects that provide direct connections between
14 train stations, airports, bus terminals, subway sta-
15 tions, ferry ports, and other modes of transpor-
16 tation;

17 (4) ensure a general balance across geographic
18 regions of the United States in providing such as-
19 sistance and avoid a concentration of a dispropor-
20 tionate amount of such financial assistance in a sin-
21 gle project, State, or region of the country;

22 (5) encourage projects that also improve freight
23 or commuter rail operations;

24 (6) ensure that each project is compatible with,
25 and is operated in conformance with—

1 (A) plans developed pursuant to the re-
2 quirements of section 135 of title 23, United
3 States Code;

4 (B) State rail plans under chapter 225 of
5 title 49, United States Code; and

6 (C) the national rail plan (if it is avail-
7 able); and

8 (7) favor the following kinds of projects:

9 (A) Projects that are expected to have a
10 significant favorable impact on air or highway
11 traffic congestion, capacity, or safety.

12 (B) Projects that have significant environ-
13 mental benefits.

14 (C) Projects that are—

15 (i) at a stage of preparation that all
16 pre-commencement compliance with envi-
17 ronmental protection requirements has al-
18 ready been completed; and

19 (ii) ready to be commenced.

20 (D) Projects with positive economic and
21 employment impacts.

22 (E) Projects that encourage the use of
23 positive train control technologies.

24 (F) Projects that have commitments of
25 funding from non-Federal Government sources

1 in a total amount that exceeds the minimum
2 amount of the non-Federal contribution re-
3 quired for the project.

4 (G) Projects that involve donated property
5 interests or services.

6 (H) Projects that enhance national secu-
7 rity.

8 (d) AMTRAK ELIGIBILITY.—To receive a grant under
9 this section, the National Railroad Passenger Corporation
10 may enter into a cooperative agreement with 1 or more
11 States to carry out 1 or more projects on an approved
12 State rail plan's ranked list of priority freight and pas-
13 senger rail capital projects developed under section
14 22504(a)(5) of title 49, United States Code, or may sub-
15 mit an independent application for a grant for any eligible
16 project under this section. Any such independent grant re-
17 quest shall be subject to the same selection criteria as
18 apply under subsection (b) to projects of States, except
19 the criteria set forth in subsection (a)(1) and subpara-
20 graphs (A) and (B) of subsection (b)(12).

21 (e) LIMITATIONS.—

22 (1) 2-YEAR AVAILABILITY.—If any amount pro-
23 vided as a grant to a State or the National Railroad
24 Passenger Corporation under this section is not obli-
25 gated or expended for the purposes described in sub-

1 section (a) or (b) within 2 years after the date on
2 which the State or Corporation received the grant,
3 such sums shall be returned to the Board for other
4 intercity passenger rail development projects under
5 this section at the discretion of the Board.

6 (2) SINGLE PROJECT AMOUNT.—In awarding
7 grants to States or the National Railroad Passenger
8 Corporation for eligible projects under this section,
9 the Board shall limit the amount of any grant made
10 for a particular project in a fiscal year to not more
11 than 30 percent of the total amount of the funds
12 available for grants under this section for that fiscal
13 year.

14 (3) AMTRAK.—The total amount of grants
15 made under this section solely to the National Rail-
16 road Passenger Corporation in a fiscal year may not
17 exceed 50 percent of the total amount available
18 under this section for all grants in that fiscal year.

19 (f) FUNDING.—Amounts reserved for grants for a fis-
20 cal year under section 606(b)(1) shall be available for
21 grants under this section.

22 (g) PUBLIC BENEFIT.—The term “public benefit”
23 means a benefit accrued to the public in the form of en-
24 hanced mobility of people or goods, environmental protec-
25 tion or enhancement, congestion mitigation, enhanced

1 trade and economic development, improved air quality or
 2 land use, more efficient energy use, enhanced public safety
 3 or security, reduction of public expenditures due to im-
 4 proved transportation efficiency or infrastructure preser-
 5 vation, and any other positive community effects as de-
 6 fined by the Secretary.

7 **SEC. 602. FREIGHT RAIL INFRASTRUCTURE DEVELOPMENT**
 8 **GRANT PROGRAM.**

9 (a) GRANTS TO STATES.—The Board of Directors of
 10 the Rail Infrastructure Finance Corporation shall, by
 11 grant, provide financial assistance to a State or group of
 12 States—

13 (1) for, or in connection with, 1 or more freight
 14 rail capital projects that—

15 (A) in accordance with section 22504(a)(5)
 16 of title 49, United States Code, are listed in a
 17 State rail plan approved for such State under
 18 chapter 225 of such title; and

19 (B) as determined by the Board, would
 20 primarily benefit freight rail transportation in-
 21 frastructure or services, but also would provide
 22 significant public benefits; or

23 (2) for the payment of staff expenses associated
 24 with the management of State rail programs and the

1 development and updating of State rail plans under
2 chapter 225 of title 49, United States Code.

3 (b) PURPOSES ELIGIBLE FOR GRANT FUNDING.—

4 The purposes for which grants may be made under sub-
5 section (a)(1) for, or in connection with, a freight rail cap-
6 ital project are as follows:

7 (1) Planning, including activities described in
8 section 26101(b)(1) of title 49, United States Code,
9 and environmental impact studies.

10 (2) New rail line development, including infra-
11 structure acquisition and construction of track and
12 facilities.

13 (3) Track upgrades and restoration.

14 (4) Highway-rail grade crossing improvement or
15 elimination.

16 (5) Track, infrastructure, and facility reloca-
17 tion.

18 (6) Intermodal facilities.

19 (7) Tunnel and bridge repair or replacement.

20 (8) Communications and signaling improve-
21 ments.

22 (9) Environmental impact mitigation.

23 (10) Security improvements.

24 (11) Supplemental funding for direct loans or
25 loan guarantees made under title V of the Railroad

1 Revitalization and Regulatory Reform Act of 1976
2 (45 U.S.C. 821 et seq.) for projects described in the
3 last sentence of section 502(d) of that Act (45
4 U.S.C. 822(d)).

5 (12) Payment of credit risk premiums, to lower
6 rates of interest, or to provide for a holiday on prin-
7 cipal payments on loan or financing directly associ-
8 ated with capital projects described in paragraphs
9 (1) through (9).

10 (c) STATE GRANT FUNDING FORMULA.—Of the total
11 amount reserved for a grant program under section
12 606(b)(2) for a fiscal year, there shall be reserved for each
13 State (to fund grants made to such State under this sec-
14 tion) the amount determined for such State in accordance
15 with a formula prescribed by the Board to weigh equally
16 for each State—

17 (1) the number of rail miles in active use in the
18 State;

19 (2) the number of rail cars loaded in the State;

20 (3) the number of rail cars unloaded in the
21 State; and

22 (4) the number of railroad and public road
23 grade crossings in the State.

24 (d) PERIOD OF AVAILABILITY FOR GRANTS.—

1 (1) THREE-YEAR RESERVATION.—The amount
2 reserved for grant to a State under section (c) in a
3 fiscal year shall be available for grant to such State
4 in such fiscal year and the 2 successive fiscal years.

5 (2) CANCELLATION AT END OF PERIOD.—At
6 the end of the third of the 3 successive fiscal years,
7 the reservation of any part of the amount for a
8 State that has not been awarded in a grant to such
9 State shall be canceled, and the amount of the can-
10 celed reservation—

11 (A) shall be merged with the funds re-
12 served for the grant program under section
13 606(b)(2) for the next fiscal year; and

14 (B) shall be reserved for each State in ac-
15 cordance with the formula provided under this
16 section.

17 (e) TWO-YEAR AVAILABILITY.—If any amount pro-
18 vided as a grant to a State under this section is not obli-
19 gated or expended for the purposes described in subsection
20 (a) or (b) within 2 years after the date on which the State
21 received the grant, such sums shall be returned to the
22 Board for other freight rail capital projects under this sec-
23 tion at the discretion of the Board.

1 **SEC. 603. HIGH PRIORITY PROJECTS GRANT PROGRAM.**

2 (a) GRANTS TO STATES.—The Board of Directors of
3 the Rail Infrastructure Finance Corporation may, by
4 grant, provide financial assistance to a State, a group of
5 States, or the National Railroad Passenger Corporation
6 for intercity passenger rail and freight rail infrastructure
7 development projects that are designated as high priority
8 projects under section 22505 of title 49, United States
9 Code.

10 (b) PURPOSES.—The purposes for which a grant may
11 be made under this section are—

12 (1) in the case of an intercity passenger rail
13 corridor development project, the same purposes as
14 are provided under section 601; and

15 (2) in the case of a freight rail infrastructure
16 development project, the same purposes as are pro-
17 vided under section 602.

18 (c) PREFERRED PROJECTS.—In selecting the
19 projects to receive financial assistance under this section,
20 the Board shall give preference to a project that—

21 (1) provides for use of positive train control
22 technologies;

23 (2) provides for particularly high levels of safe-
24 ty;

1 (3) increases intermodal connectivity by pro-
2 viding or improving direct connections between rail
3 facilities and other modes of transportation;

4 (4) assists the Board—

5 (A) to achieve a general balance across ge-
6 ographic regions of the United States in the
7 awarding of grants under this section; and

8 (B) to avoid a concentration of a dis-
9 proportionate amount of such financial assist-
10 ance in a single project, State, or region of the
11 country;

12 (5) has a significant favorable impact on high-
13 way, aviation, or maritime capacity, congestion, or
14 safety;

15 (6) improves the national intercity passenger
16 rail system through higher levels of estimated rider-
17 ship, reduced trip time, increased ontime perform-
18 ance, additional service frequency, or other signifi-
19 cant service enhancements as measured against min-
20 imum standards developed under section 415 of this
21 Act;

22 (7) has positive economic and employment im-
23 pacts;

24 (8) has significant environmental benefits;

25 (9) is—

1 (A) at the stage of preparation that all
2 pre-commencement compliance with environ-
3 mental protection requirements has been com-
4 pleted; and

5 (B) ready to be commenced;

6 (10) has received financial commitments and
7 other support from non-Federal entities such as
8 States, local governments, and private entities;

9 (11) has commitments of funding from non-
10 Federal Government sources in a total amount that
11 exceeds the minimum amount of the non-Federal
12 contribution required; and

13 (12) involves donated property interests or serv-
14 ices.

15 (d) AMTRAK ELIGIBILITY.—To receive a grant under
16 this section, the National Railroad Passenger Corporation
17 may submit an independent application or may enter into
18 a cooperative agreement with 1 or more States to carry
19 out 1 or more high priority projects designated under sec-
20 tion 22506 of title 49, United States Code. Any such inde-
21 pendent grant request shall be subject to the same condi-
22 tions as apply under this section to projects of States.

23 (e) LIMITATIONS.—

24 (1) TWO-YEAR AVAILABILITY.—If any amount
25 provided as a grant to a State or the National Rail-

1 road Passenger Corporation under this section is not
2 obligated or expended for the purposes for which the
3 grant is made within 2 years after the date on which
4 the State or the National Railroad Passenger Cor-
5 poration received the grant, such sums shall be re-
6 turned to the Board for other high priority projects
7 under this section at the discretion of the Board.

8 (2) SINGLE PROJECT AMOUNT.—In awarding
9 grants to States for eligible projects under this sec-
10 tion, the Board shall limit the amount of any grant
11 made for a particular project in a fiscal year to not
12 more than 30 percent of the total amount of the
13 funds available for grants under this section for that
14 fiscal year.

15 (f) FUNDING.—Amounts reserved for grants for a fis-
16 cal year under section 606(b)(3) shall be available for
17 grants under this section.

18 **SEC. 604. GRANT PROGRAM REQUIREMENTS AND LIMITA-**
19 **TIONS.**

20 (a) AUTHORIZED USES.—The proceeds of a grant
21 made for a project under this title may be used to defray
22 the costs of the project or to reimburse the recipient for
23 costs of the project paid by the recipient.

24 (b) NON-FEDERAL CONTRIBUTION.—The proceeds of
25 a grant under this title may be released upon receipt by

1 the Board of Directors of the Rail Infrastructure Finance
2 Corporation of cash payment by a non-Federal Govern-
3 ment source, or 1 or more such sources jointly, in an
4 amount not less than the amount equal to 20 percent of
5 the amount of the grant disbursed. The cash payment may
6 not be derived, directly or indirectly, from Federal funds.
7 Amounts received under this subsection shall be credited
8 to the Rail Infrastructure Investment Account established
9 under section 507(c).

10 (c) PREFERENCE INVOLVING DONATED PROPERTY
11 INTERESTS AND SERVICES.—In selecting projects for
12 grant funding under this title, the Board may give pref-
13 erence to projects that involve donated right-of-way, prop-
14 erty, or in-kind services by a public sector or private sector
15 entity. The value of a donation under this subsection may
16 not be counted toward satisfaction of the requirement in
17 subsection (b).

18 (d) FLEXIBILITY.—Notwithstanding any other provi-
19 sion of this title, amounts made available under section
20 506 may be combined and used for projects that signifi-
21 cantly benefit either freight rail service, intercity pas-
22 senger rail service, or both.

23 (e) SUBALLOCATION; PUBLIC-PRIVATE PARTNER-
24 SHIPS.—

1 (1) IN GENERAL.—A metropolitan planning or-
2 ganization, State transportation department, or
3 other project sponsor may enter into an agreement
4 with any public, private, or nonprofit entity to coop-
5 eratively implement any project funded with a grant
6 under this title.

7 (2) FORMS OF PARTICIPATION.—Participation
8 by an entity under paragraph (1) may consist of—

9 (A) ownership or operation of any land, fa-
10 cility, locomotive, rail car, vehicle, or other
11 physical asset associated with the project;

12 (B) cost-sharing of any project expense;

13 (C) carrying out administration, construc-
14 tion management, project management, project
15 operation, or any other management or oper-
16 ational duty associated with the project; and

17 (D) any other form of participation ap-
18 proved by the Board.

19 (3) SUB-ALLOCATION.—A State may allocate
20 funds under this section to any entity described in
21 paragraph (1).

22 (f) SPECIAL TRANSPORTATION CIRCUMSTANCES.—In
23 carrying out this section, the Board shall allocate an ap-
24 propriate portion of the amounts available under section
25 601 or 602 to provide appropriate transportation-related

1 assistance in any State in which the rail transportation
2 system—

3 “(1) is not physically connected to rail systems
4 in the continental United States; and

5 “(2) may not otherwise qualify for assistance
6 under section 601 or 602 due to the constraints im-
7 posed on the railway infrastructure in that State due
8 to the unique characteristics of the geography of
9 that State or other relevant considerations, as deter-
10 mined by the Board.

11 (g) APPLICATIONS.—To seek a grant under this title,
12 a State or, in the case of a grant under section 601 or
13 603, the National Railroad Passenger Corporation shall
14 submit an application for the grant to the Board. The ap-
15 plication shall be submitted at such time and contain such
16 information as the Board requires.

17 (h) PROCEDURES FOR GRANT AWARD.—The Board
18 shall prescribe procedures and schedules for the awarding
19 of grants under this title, including application and quali-
20 fication procedures and a record of decision on applicant
21 eligibility. The procedures shall include the execution of
22 a grant agreement between the applicant and the Board.
23 The Board shall issue a final rule establishing the proce-
24 dures not later than 90 days after the date on which a

1 sufficient number of the members of Board to constitute
2 a quorum has taken office.

3 (i) DOMESTIC BUYING PREFERENCE.—

4 (1) REQUIREMENT.—

5 (A) IN GENERAL.—In carrying out a
6 project funded in whole or in part with a grant
7 under this title, the grant recipient shall pur-
8 chase only—

9 (i) unmanufactured articles, material,
10 and supplies mined or produced in the
11 United States; or

12 (ii) manufactured articles, material,
13 and supplies manufactured in the United
14 States substantially from articles, material,
15 and supplies mined, produced, or manufac-
16 tured in the United States.

17 (B) DE MINIMIS AMOUNT.—Subparagraph

18 (1) applies only to a purchase in an total
19 amount that is not less than \$1,000,000.

20 (2) EXEMPTIONS.—On application of a recipi-
21 ent, the Board may exempt a recipient from the re-
22 quirements of this subsection if the Board decides
23 that, for particular articles, material, or supplies—

24 (A) such requirements are inconsistent
25 with the public interest;

1 (B) the cost of imposing the requirements
2 is unreasonable; or

3 (C) the articles, material, or supplies, or
4 the articles, material, or supplies from which
5 they are manufactured, are not mined, pro-
6 duced, or manufactured in the United States in
7 sufficient and reasonably available commercial
8 quantities and are not of a satisfactory quality.

9 (3) UNITED STATES DEFINED.—In this sub-
10 section, the term “the United States” means the
11 States, territories, and possessions of the United
12 States and the District of Columbia.

13 **SEC. 605. STANDARDS AND CONDITIONS.**

14 (a) OPERATORS DEEMED RAIL CARRIERS AND EM-
15 PLOYERS FOR CERTAIN PURPOSES.—A person that con-
16 ducts rail operations over rail infrastructure constructed
17 or improved with funding provided in whole or in part in
18 a grant made under this title—

19 (1) shall be considered an employer for pur-
20 poses of the Railroad Retirement Act of 1974 (45
21 U.S.C. 231 et seq.); and

22 (2) shall be considered a carrier for purposes of
23 the Railway Labor Act (43 U.S.C. 151 et seq.).

24 (b) GRANT CONDITIONS.—The Board of Directors of
25 the Rail Infrastructure Finance Corporation shall require

1 as a condition of making any grant under this title that
2 includes the improvement or use of rights-of-way owned
3 by a railroad that—

4 (1) a written agreement exist between the appli-
5 cant and the railroad regarding such use and owner-
6 ship, including—

7 (A) any compensation for such use;

8 (B) assurances regarding the adequacy of
9 infrastructure capacity to accommodate both
10 existing and future freight and passenger oper-
11 ations; and

12 (C) an assurance by the railroad that col-
13 lective bargaining agreements with the rail-
14 road's employees (including terms regulating
15 the contracting of work) will remain in full
16 force and effect according to their terms for
17 work performed by the railroad on the railroad
18 transportation corridor; and

19 (2) the applicant agrees to comply with—

20 (A) the standards of section 24312 of title
21 49, United States Code, as such section was in
22 effect on September 1, 2003, with respect to
23 the project in the same manner that the Na-
24 tional Railroad Passenger Corporation is re-
25 quired to comply with those standards for con-

1 construction work financed under an agreement
2 made under section 24308(a) of that title; and

3 (B) the protective arrangements estab-
4 lished under section 504 of the Railroad Revi-
5 talization and Regulatory Reform Act of 1976
6 (45 U.S.C. 836) with respect to employees af-
7 fected by actions taken in connection with the
8 project to be financed in whole or in part by the
9 Rail Infrastructure Finance Corporation.

10 (c) REPLACEMENT OF EXISTING INTERCITY PAS-
11 Senger Rail Service.—

12 (1) COLLECTIVE BARGAINING AGREEMENT FOR
13 INTERCITY PASSENGER RAIL PROJECTS.—Any entity
14 providing intercity passenger railroad transportation
15 that begins operations after the date of enactment of
16 this Act on a project funded in whole or in part by
17 grants made under this title and replaces intercity
18 rail passenger service that was provided by another
19 entity as of such date shall enter into an agreement
20 with the authorized bargaining agent or agents for
21 employees of the predecessor provider that—

22 (A) gives each qualified employee of the
23 predecessor provider priority in hiring according
24 to the employee's seniority on the predecessor
25 provider for each position with the replacing en-

1 tity that is in the employee's craft or class and
2 is available within 3 years after the termination
3 of the service being replaced;

4 (B) establishes a procedure for notifying
5 such an employee of such positions;

6 (C) establishes a procedure for such an
7 employee to apply for such positions; and

8 (D) establishes rates of pay, rules, and
9 working conditions.

10 (2) IMMEDIATE REPLACEMENT SERVICE.—

11 (A) NEGOTIATIONS.—If the replacement of
12 preexisting intercity rail passenger service oc-
13 curs concurrent with or within a reasonable
14 time before the commencement of the replacing
15 entity's rail passenger service, the replacing en-
16 tity shall give written notice of its plan to re-
17 place existing rail passenger service to the au-
18 thorized collective bargaining agent or agents
19 for the employees of the predecessor provider at
20 least 90 days before the date on which it plans
21 to commence service. Within 5 days after the
22 date of receipt of such written notice, negotia-
23 tions between the replacing entity and the col-
24 lective bargaining agent or agents for the em-
25 ployees of the predecessor provider shall com-

1 mence for the purpose of reaching agreement
2 with respect to all matters set forth in subpara-
3 graphs (A) through (D) of paragraph (1). The
4 negotiations shall continue for 30 days or until
5 an agreement is reached, whichever is sooner. If
6 at the end of 30 days the parties have not en-
7 tered into an agreement with respect to all such
8 matters, the unresolved issues shall be sub-
9 mitted for arbitration in accordance with the
10 procedure set forth in subparagraph (B).

11 (B) ARBITRATION.—If an agreement has
12 not been entered into with respect to all mat-
13 ters set forth in subparagraphs (A) through (D)
14 of paragraph (1) as described in subparagraph
15 (A) of this paragraph, the parties shall select
16 an arbitrator. If the parties are unable to agree
17 upon the selection of such arbitrator within 5
18 days, either or both parties shall notify the Na-
19 tional Mediation Board, which shall provide a
20 list of seven arbitrators with experience in arbi-
21 trating rail labor protection disputes. Within 5
22 days after such notification, the parties shall al-
23 ternately strike names from the list until only
24 1 name remains, and that person shall serve as
25 the neutral arbitrator. Within 45 days after se-

1 lection of the arbitrator, the arbitrator shall
2 conduct a hearing on the dispute and shall
3 render a decision with respect to the unresolved
4 issues among the matters set forth in subpara-
5 graphs (A) through (D) of paragraph (1). This
6 decision shall be final, binding, and conclusive
7 upon the parties. The salary and expenses of
8 the arbitrator shall be borne equally by the par-
9 ties; all other expenses shall be paid by the
10 party incurring them.

11 (3) SERVICE COMMENCEMENT.—A replacing
12 entity under this subsection shall commence service
13 only after an agreement is entered into with respect
14 to the matters set forth in subparagraphs (A)
15 through (D) of paragraph (1) or the decision of the
16 arbitrator has been rendered.

17 (4) SUBSEQUENT REPLACEMENT OF SERV-
18 ICE.—If the replacement of existing rail passenger
19 service takes place within 3 years after the replacing
20 entity commences intercity passenger rail service,
21 the replacing entity and the collective bargaining
22 agent or agents for the employees of the predecessor
23 provider shall enter into an agreement with respect
24 to the matters set forth in subparagraphs (A)
25 through (D) of paragraph (1). If the parties have

1 not entered into an agreement with respect to all
2 such matters within 60 days after the date on which
3 the replacing entity replaces the predecessor pro-
4 vider, the parties shall select an arbitrator using the
5 procedures set forth in paragraph (2)(B), who shall,
6 within 20 days after the commencement of the arbi-
7 tration, conduct a hearing and decide all unresolved
8 issues. This decision shall be final, binding, and con-
9 clusive upon the parties.

10 (d) INAPPLICABILITY TO CERTAIN RAIL OPER-
11 ATIONS.—Nothing in this section applies to—

12 (1) commuter rail passenger transportation (as
13 defined in section 24102(4) of title 49, United
14 States Code) operations of a State or local govern-
15 ment authority (as those terms are defined in sec-
16 tion 5302(11) and (6), respectively, of that title) eli-
17 gible to receive financial assistance under section
18 5307 of that title, or to its contractor performing
19 services in connection with commuter rail passenger
20 operations (as so defined); or

21 (2) the Alaska Railroad or its contractors.

22 (3) The National Railroad Passenger Corpora-
23 tion's access rights to railroad rights of way and fa-
24 cilities under current law for projects funded under

1 this title where train operating speeds do not exceed
2 79 miles per hour.

3 **SEC. 606. GRANT PROGRAM FUNDING.**

4 (a) ANNUAL RESERVATION OF FUNDS.—Each fiscal
5 year, the Board of directors of the Rail Infrastructure Fi-
6 nance Corporation Board shall reserve for grants under
7 each of the grant programs authorized under sections 501,
8 502, and 503 the amount determined by multiplying the
9 percent applicable to the program under subsection (b)
10 times the amount of the net spendable proceeds (as de-
11 fined under section 507(c)(7)) that is available for such
12 fiscal year.

13 (b) APPLICABLE PERCENT.—The percent applicable
14 to a grant program under subsection (a) is as follows:

15 (1) INTERCITY PASSENGER RAIL DEVELOPMENT
16 GRANT PROGRAM.—For the intercity passenger rail
17 development grant program under section 601, 40
18 percent.

19 (2) FREIGHT INFRASTRUCTURE DEVELOPMENT
20 GRANT PROGRAM.—For the freight infrastructure
21 development grant program under section 602, 40
22 percent.

23 (4) HIGH PRIORITY PROJECTS GRANT PRO-
24 GRAM.—For the high priority projects grant pro-
25 gram under section 603, 20 percent.

1 **TITLE VII—AUTHORIZATION OF**
2 **APPROPRIATIONS**

3 **SEC. 701. AUTHORIZATION OF APPROPRIATIONS.**

4 There is authorized to be appropriated \$5,000,000
5 for fiscal year 2004 for the establishment and payment
6 of initial administrative costs of the Rail Infrastructure
7 Finance Corporation, including the Rail Infrastructure Fi-
8 nance Trust.

○