

109TH CONGRESS
1ST SESSION

H. R. 2992

To provide for the continued operation of Amtrak, to establish a program for support of certain rail infrastructure projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2005

Mr. MENENDEZ (for himself, Mr. NADLER, and Ms. SCHWARTZ of Pennsylvania) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the continued operation of Amtrak, to establish a program for support of certain rail infrastructure projects, and for other purposes.

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 “True Reinvestment for Amtrak Infrastructure in the
6 21st Century Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—AMTRAK

Sec. 101. Findings amendments.
 Sec. 102. Authorization of appropriations.
 Sec. 103. Labor standards.
 Sec. 104. Board of Directors.
 Sec. 105. Redemption of common stock.
 Sec. 106. Repeal of Amtrak Reform Council.
 Sec. 107. Revolving credit.

TITLE II—RAIL SERVICE CORRIDORS

Sec. 201. Enhanced Rail Service Corridor Pilot Program.
 Sec. 202. Additional projects.
 Sec. 203. State rail plans.
 Sec. 204. Additional high-speed rail corridors.
 Sec. 205. High-speed rail corridor development.

TITLE III—RAIL INFRASTRUCTURE FINANCE CORPORATION

Sec. 301. Establishment of Corporation.
 Sec. 302. Board of Directors.
 Sec. 303. Officers and employees.
 Sec. 304. Nonprofit and nonpolitical nature of the Corporation.
 Sec. 305. Purpose and activities of Corporation.
 Sec. 306. Report to Congress.
 Sec. 307. Administrative matters.
 Sec. 308. Rail Infrastructure Finance Trust.

TITLE IV—RAIL INFRASTRUCTURE TAX CREDIT BONDS

Sec. 401. Credit to holders of qualified rail infrastructure bonds.
 Sec. 402. Issuance of regulations.
 Sec. 403. Effective date.

1 **TITLE I—AMTRAK**

2 **SEC. 101. FINDINGS AMENDMENTS.**

3 Section 24101(a) of title 49, United States Code, is
 4 amended—

5 (1) by redesignating paragraph (8) as para-
 6 graph (10); and

7 (2) by inserting after paragraph (7) the fol-
 8 lowing new paragraphs:

1 “(8) Where Amtrak currently owns the rights-of-way
 2 over which it operates, the cost complexities and risk in-
 3 herent in separating operations from infrastructure out-
 4 weigh the benefits.

5 “(9) The Federal Government, through Amtrak, is
 6 responsible for providing funding for capital and mainte-
 7 nance support for the valuable interstate transportation
 8 asset that the Northeast Corridor represents.”.

9 **SEC. 102. AUTHORIZATION OF APPROPRIATIONS.**

10 Section 24104 of title 49, United States Code, is
 11 amended to read as follows:

12 **“§ 24104. Authorization of appropriations**

13 “(a) IN GENERAL.—There are authorized to be ap-
 14 propriated to the Secretary of Transportation
 15 \$2,000,000,000 for each of the fiscal years 2006 through
 16 2011, for the benefit of Amtrak for capital expenditures
 17 under chapters 243, 247, and 249 of this title, operating
 18 expenses, and payments described in subsection (b).

19 “(b) MANDATORY PAYMENTS.—

20 “(1) IN GENERAL.—Funds authorized under
 21 subsection (a) shall include—

22 “(A) an amount equal to the amount Am-
 23 trak is required to pay under section 3221 of
 24 the Internal Revenue Code of 1986 (26 U.S.C.
 25 3221) that is more than the amount needed for

1 anticipated benefits for individuals who retire
2 from Amtrak and for their beneficiaries; and

3 “(B) amounts necessary to pay—

4 “(i) obligations of Amtrak under sec-
5 tion 8(a) of the Railroad Unemployment
6 Insurance Act (45 U.S.C. 358(a)) due in
7 those fiscal years that are more than obli-
8 gations of Amtrak calculated on an experi-
9 ence-related basis; and

10 “(ii) obligations of Amtrak due under
11 section 3321 of the Internal Revenue Code
12 of 1986 (26 U.S.C. 3321).

13 “(2) REQUEST FOR TRANSFER OF FUNDS.—

14 The Secretary shall make payments to the Treasury
15 of amounts authorized under paragraph (1) only
16 after the Secretary has received from Amtrak a re-
17 quest for the transfer of such funds, which shall in-
18 clude materials supporting, to the satisfaction of the
19 Secretary, the amount of the request.

20 “(c) CONTRACTUAL OBLIGATIONS.—From amounts
21 appropriated pursuant to this section, the Secretary and
22 the Amtrak Board of Directors shall ensure that sufficient
23 funds are reserved to satisfy Amtrak’s contractual obliga-
24 tions for commuter and State-supported passenger rail
25 service.

1 “(d) ANNUAL BUSINESS PLAN AND SUPPLEMENTAL
2 REPORTS.—

3 “(1) BUSINESS PLAN.—Not later than Sep-
4 tember 15 of each of 2005, 2006, 2007, 2008, 2009,
5 and 2010, Amtrak shall transmit to the Secretary
6 and the Congress a comprehensive business plan for
7 the subsequent fiscal year, including, as applicable,
8 targets for ridership, revenues, and capital and oper-
9 ating expenses. The plan shall include the following:

10 “(A) A separate accounting of such targets
11 for each of the following:

12 “(i) Northeast Corridor.

13 “(ii) Commuter service.

14 “(iii) Long-distance Amtrak service.

15 “(iv) State-supported service.

16 “(v) Commercial activities (including
17 contract operations and mail and express).

18 The plan shall also include targets for each
19 intercity train route, including Autotrain.

20 “(B) With respect to capital projects, a de-
21 scription of the work to be funded, a work time-
22 table, cost estimates, and a list of other funding
23 sources if the project is not entirely funded by
24 the Federal Government.

1 “(2) SUPPLEMENTAL REPORTS.—Not later
2 than October 1, 2005, and once each alternate
3 month thereafter, Amtrak shall transmit to the Sec-
4 retary and the Congress a supplemental report re-
5 garding the business plan transmitted under para-
6 graph (1), which shall describe the work completed
7 to date, any changes to the business plan, and the
8 reasons for such changes.

9 “(e) AVAILABILITY OF AMOUNTS AND EARLY APPRO-
10 PRIATIONS.—(1) Amounts appropriated under this section
11 remain available until expended.

12 “(2) Amounts for capital acquisitions and improve-
13 ments may be appropriated in a fiscal year before the fis-
14 cal year in which the amounts will be obligated.

15 “(f) LIMITATIONS ON USE.—Amounts appropriated
16 under this section may not be used to subsidize operating
17 losses of commuter rail passenger or rail freight transpor-
18 tation.”.

19 **SEC. 103. LABOR STANDARDS.**

20 (a) CURRENT EMPLOYEE PROTECTIONS.—Nothing
21 in this Act, or in any amendment made by this Act, shall
22 affect the level of protection provided to freight railroad
23 employees, employees of the National Passenger Railroad
24 Corporation, and mass transportation employees as it ex-
25 isted on the day before the date of enactment of this Act.

1 (b) LABOR STANDARDS.—

2 (1) PREVAILING WAGES.—The Secretary of
3 Transportation—

4 (A) shall ensure that laborers and mechan-
5 ics employed by contractors and subcontractors
6 in construction work financed in whole or in
7 part by funds authorized by this Act or by any
8 amendment made by this Act will be paid wages
9 not less than those prevailing on similar con-
10 struction in the locality, as determined by the
11 Secretary of Labor under the Act of March 3,
12 1931 (known as the Davis-Bacon Act; 40
13 U.S.C. 276a et seq.); and

14 (B) may make such funds available with
15 respect to construction work only after being
16 assured that required labor standards will be
17 maintained on the construction work.

18 (2) WAGE RATES.—Wage rates in a collective
19 bargaining agreement negotiated under the Railway
20 Labor Act (45 U.S.C. 151 et seq.) are deemed for
21 purposes of this subsection to comply with the Act
22 of March 3, 1931 (known as the Davis-Bacon Act;
23 40 U.S.C. 276a et seq.).

24 (3) EMPLOYEE PROTECTION.—The Secretary of
25 Transportation shall require as a condition of any

1 project financed in whole or in part by funds author-
2 ized by this Act that the project be conducted in a
3 manner that provides a fair arrangement at least as
4 protective of the interests of employees who are af-
5 fected by the project so funded as the terms imposed
6 under arrangements reached under section 141 of
7 the Amtrak Reform and Accountability Act of 1997
8 (49 U.S.C. 24706 note).

9 **SEC. 104. BOARD OF DIRECTORS.**

10 Section 24302 of title 49, United States Code, is
11 amended—

12 (1) in subsection (a)(2)(A)—

13 (A) by striking “(A)(i)” and inserting
14 “(A)”;

15 (B) by inserting “, 6 of whom shall be”
16 after “7 voting members”;

17 (C) by inserting “or until their successors
18 are appointed, and the President of Amtrak, ex
19 officio” after “term of 5 years”; and

20 (D) by striking clause (ii);

21 (2) in subsection (a)(2)(C)(iii), by striking “6
22 of the 7” and inserting “5 of the 6”; and

23 (3) by amending subparagraph (D) of sub-
24 section (a)(2) to read as follows:

1 “(D) The President of Amtrak may appoint 2
2 additional nonvoting members who are not current
3 employees of Amtrak.”.

4 **SEC. 105. REDEMPTION OF COMMON STOCK.**

5 (a) GENERAL AUTHORITY.—Section 24311(a)(1) of
6 title 49, United States Code, is amended—

7 (1) by striking “or” at the end of subparagraph
8 (A);

9 (2) by striking the period at the end of sub-
10 paragraph (B) and inserting “; or”; and

11 (3) by adding at the end the following new sub-
12 paragraph:

13 “(C) necessary to redeem its common stock out-
14 standing as of the date of enactment of this sub-
15 paragraph.”.

16 (b) EMPLOYEE STOCK OPTION PLANS.—Section
17 24304 of title 49, United States Code, is amended by add-
18 ing at the end the following: “Amtrak may transfer to any
19 such plan the stock redeemed from its common stock-
20 holders. Employees participating in such plans may elect
21 one nonvoting member to Amtrak’s Board of Directors.”.

22 **SEC. 106. REPEAL OF AMTRAK REFORM COUNCIL.**

23 Sections 203, 204, and 205 of the Amtrak Reform
24 and Accountability Act of 1997 (42 U.S.C. 24101 note),

1 and the items relating thereto in the table of contents of
 2 that Act, are repealed.

3 **SEC. 107. REVOLVING CREDIT.**

4 Amtrak is authorized to issue and sell up to
 5 \$250,000,000 of obligations in the form of revolving loans
 6 and letters of credit to the Federal Financing Bank. The
 7 Secretary of Transportation shall guarantee 100 percent
 8 of the principal and interest of such obligations. Such obli-
 9 gations shall—

10 (1) have a final maturity date no later than 10
 11 years after the date of commitment;

12 (2) with respect to revolving loans, shall be re-
 13 paid by Amtrak on an annual basis; and

14 (3) with respect to letters of credit, shall be re-
 15 paid on commercially reasonable terms that are ac-
 16 ceptable to the Secretary of Transportation.

17 **TITLE II—RAIL SERVICE**
 18 **CORRIDORS**

19 **SEC. 201. ENHANCED RAIL SERVICE CORRIDOR PILOT PRO-**
 20 **GRAM.**

21 (a) ESTABLISHMENT.—The Secretary of Transpor-
 22 tation shall establish an Enhanced Rail Service Corridor
 23 Pilot Program to support rail infrastructure projects un-
 24 dertaken by States or multi-State compacts, using funding

1 provided through the Rail Infrastructure Finance Cor-
2 poration under title III.

3 (b) PURPOSES.—The program established under sub-
4 section (a) shall be for the purpose of improving rail serv-
5 ice along the rail corridors described in subsection (c),
6 with respect to the following performance metrics:

7 (1) Increasing the frequency of trains along a
8 corridor.

9 (2) Decreasing the travel time along a corridor.

10 (3) Increasing overall ridership.

11 (4) Increasing the overall amount of passenger-
12 miles.

13 (5) Increasing the ratio of operating revenue to
14 operating expenses.

15 (c) ELIGIBLE CORRIDORS.—Projects on the following
16 4 corridors are eligible under the pilot program established
17 under this section:

18 (1) Southeast Corridor—From the District of
19 Columbia to Jacksonville, Florida, via Richmond,
20 Virginia, Raleigh, North Carolina, Columbia, South
21 Carolina, and Savannah, Georgia, with branches
22 from Raleigh, North Carolina, to Atlanta, Georgia,
23 via Charlotte, North Carolina, and Greenville, South
24 Carolina, and from Charlotte, North Carolina, to

1 Charleston, South Carolina, via Columbia, South
2 Carolina.

3 (2) Midwest Corridor—From Chicago, Illinois,
4 to Detroit, Michigan; Chicago, Illinois, to Min-
5 neapolis/St. Paul, Minnesota, via Milwaukee, Wis-
6 consin, and Madison, Wisconsin; and Chicago, Illi-
7 nois, to Kansas City, Missouri, via St. Louis, Mis-
8 souri.

9 (3) California Corridor—From the San Fran-
10 cisco Bay Area to San Diego via Santa Barbara and
11 Los Angeles; from San Jose to Auburn via Oakland
12 and Sacramento; and from Oakland to Bakersfield
13 via Stockton.

14 (4) Pacific Northwest Corridor—From Eugene,
15 Oregon, to Vancouver, British Columbia, via Port-
16 land, Oregon, and Seattle, Washington.

17 (d) ELIGIBLE PROJECTS.—Only the following
18 projects are eligible under the pilot program established
19 under this section:

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

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

1 (3) Track upgrades and restoration.

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

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

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

8 (7) Intermodal and station facilities.

9 (8) Tunnel and bridge repair or replacement.

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

12 (10) Environmental impact mitigation.

13 (11) Security improvements.

14 (e) APPROVED PROJECTS.—A project described in
15 this section may receive assistance from the Rail Infra-
16 structure Finance Corporation under title III only if the
17 Secretary of Transportation has approved it under this
18 subsection. The Secretary shall approve projects under
19 this subsection only if all of the following conditions are
20 met:

21 (1) The Secretary has approved under section
22 22505 of title 49, United States Code, a State rail
23 plan for the corridor.

1 (2) A near-term (6-year) service plan is pro-
2 vided that includes both a market/revenue forecast
3 and an operating expense forecast.

4 (3) A near-term (6-year) investment plan is
5 provided for both infrastructure and equipment.

6 (4) A signed agreement, with any owner of rail
7 infrastructure or right of way over which service
8 under the project will be operated, is provided that
9 authorizes the State or multi-State compact to pro-
10 ceed with the project.

11 (5) Existence is established of firm funding
12 commitments to provide the 20 percent match for
13 the Federal grant required under section 305(a)(4).

14 (6) The project meets all safety and environ-
15 mental requirements, including applicable require-
16 ments under the National Environmental Policy Act
17 of 1969.

18 (7) Amtrak will be the sole operator of intercity
19 passenger rail service on the corridor.

20 **SEC. 202. ADDITIONAL PROJECTS.**

21 (a) **AUTHORITY.**—The Secretary of Transportation,
22 using funding provided through the Rail Infrastructure
23 Finance Corporation under title III, shall, pursuant to the
24 allocation percentages under section 305(a)(5)(A), sup-
25 port additional rail infrastructure improvement projects—

1 (1) on high-speed corridors identified under sec-
2 tion 104(d) of title 23, United States Code;

3 (2) sponsored by States or multi-State com-
4 pacts not at the time of the award of assistance
5 served by Amtrak;

6 (3) sponsored by States or multi-State com-
7 pacts served by Amtrak but not eligible for assist-
8 ance under section 201 of this Act; and

9 (4) on the Alaska Railroad.

10 (b) ELIGIBLE PROJECTS.—Only projects that are de-
11 scribed in section 201(d)(1) through (11) are eligible to
12 receive support under this section.

13 (c) APPROVED PROJECTS.—A project described in
14 this section may receive assistance from the Rail Infra-
15 structure Finance Corporation under title III only if the
16 Secretary of Transportation has approved it under this
17 subsection. The Secretary shall approve projects under
18 this subsection only if all of the following conditions are
19 met:

20 (1) With respect to projects under subsection

21 (a)(1) or (3)—

22 (A) a signed agreement, with any owner of
23 rail infrastructure or right of way over which
24 service under the project will be operated, is

1 provided that authorizes the State or multi-
2 State compact to proceed with the project;

3 (B) existence is established of firm funding
4 commitments to provide the 20 percent match
5 for the Federal grant required under section
6 305(a)(4);

7 (C) the project meets all safety and envi-
8 ronmental requirements, including applicable
9 requirements under the National Environmental
10 Policy Act of 1969; and

11 (D) Amtrak will be the sole operator of
12 intercity passenger rail service on the corridor.

13 (2) With respect to projects under subsection
14 (a)(2) or (4)—

15 (A) a signed agreement, with any owner of
16 rail infrastructure or right of way over which
17 service under the project will be operated, is
18 provided that authorizes the State or multi-
19 State compact to proceed with the project;

20 (B) existence is established of firm funding
21 commitments to provide the 20 percent match
22 for the Federal grant required under section
23 305(a)(4); and

24 (C) the project meets all safety and envi-
25 ronmental requirements, including applicable

1 requirements under the National Environmental
2 Policy Act of 1969.

3 **SEC. 203. STATE RAIL PLANS.**

4 (a) IN GENERAL.—Part B of subtitle V of title 49,
5 United States Code, is amended by adding at the end the
6 following:

7 **“CHAPTER 225—STATE RAIL PLANS**

“Sec.

“22501. Authority.

“22502. Purposes.

“22503. Transparency; coordination; review.

“22504. Content.

“22505. Approval.

“22506. Definitions.

8 **“§ 22501. Authority**

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

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

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

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

19 “(3) submit the State’s approved plan to the
20 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).

21 “(2) Any modifications made in the plan after
22 approval of the plan by the Secretary or after the
23 submission of the most recent annual report on the
24 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 over which service under the
12 project will be operated that authorizes the
13 State to proceed with the project; and

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

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

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

24 “(b) PROCEDURES FOR STATE RAIL PLAN SUBMIS-
25 SION AND APPROVAL.—The Secretary shall prescribe pro-

cedures for States to submit State rail plans for review under this chapter, including standardized format and data requirements and procedures for resubmittal if a State rail plan is disapproved. The procedures shall provide for the Secretary to review a State rail plan and issue a record of decision of approval or disapproval, with comment, on such plan within 180 days after the plan is submitted.

§ 22506. Definitions

“In this chapter:

“(1) PRIVATE BENEFIT.—The term ‘private benefit’ means a benefit accrued to a person or private entity, other than Amtrak, that directly improves the economic and competitive condition of that person or entity through improved assets, cost reductions, service improvements, or any other means as defined by the Secretary of Transportation. The Secretary may seek the advice of the States and rail carriers in further defining this term.

“(2) PUBLIC BENEFIT.—The term ‘public benefit’ means a benefit accrued to the public in the form of enhanced mobility of people or goods, environmental protection or enhancement, congestion mitigation, enhanced trade and economic development, improved air quality or land use, more effi-

1 cient energy use, enhanced public safety or security,
 2 reduction of public expenditures due to improved
 3 transportation efficiency or infrastructure preserva-
 4 tion, and any other positive community effects as de-
 5 fined by the Secretary. The Secretary make seek the
 6 advice of the States and rail carriers in further de-
 7 fining this term.

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

10 “(4) STATE RAIL TRANSPORTATION AUTHOR-
 11 ITY.—The term ‘State rail transportation authority’
 12 means the State agency or official responsible under
 13 the direction of the Governor of the State or a State
 14 law for preparation, maintenance, coordination, and
 15 administration of the State rail plan.”.

16 (b) CLERICAL AMENDMENT.—The table of chapters
 17 for subtitle V of title 49, United States Code, is amended
 18 by inserting after the item relating to chapter 223 the fol-
 19 lowing:

“225. STATE RAIL PLANS22501”.

20 **SEC. 204. ADDITIONAL HIGH-SPEED RAIL CORRIDORS.**

21 Section 104(d)(2)(B) of title 23, United States Code,
 22 is amended—

23 (1) by striking “and” at the end of clause (iv);

24 (2) by striking the period at the end of clause

25 (v) and inserting a semicolon; and

1 (3) by adding at the end the following new
2 clauses:

3 “(vi) a Gulf of Mexico high-speed cor-
4 ridor from Mobile, Alabama, to San Anto-
5 nio, Texas, via New Orleans, Louisiana,
6 and Houston, Texas;

7 “(vii) a Mississippi River high-speed
8 corridor from New Orleans, Louisiana, to
9 Memphis, Tennessee, via Jackson, Mis-
10 sissippi; and

11 “(viii) a Las Vegas high-speed cor-
12 ridor from Los Angeles, California, to Las
13 Vegas, Nevada.”.

14 **SEC. 205. HIGH-SPEED RAIL CORRIDOR DEVELOPMENT.**

15 (a) CORRIDOR DEVELOPMENT.—

16 (1) AMENDMENTS.—Section 26101 of title 49,
17 United States Code, is amended—

18 (A) in the section heading, by striking
19 “**planning**” and inserting “**development**”;

20 (B) in the heading of subsection (a), by
21 striking “PLANNING” and inserting “DEVELOP-
22 MENT”;

23 (C) by striking “corridor planning” each
24 place it appears and inserting “corridor devel-
25 opment”;

1 (D) in subsection (b)(1)—

2 (i) by inserting “, or if it is an activity
3 described in subparagraph (M)” after
4 “high-speed rail improvements”;

5 (ii) by striking “and” at the end of
6 subparagraph (K);

7 (iii) by striking the period at the end
8 of subparagraph (L) and inserting “; and”;
9 and

10 (iv) by adding at the end the following
11 new subparagraph:

12 “(M) the acquisition of locomotives, rolling
13 stock, track, and signal equipment.”; and

14 (E) in subsection (c)(2), by striking “plan-
15 ning” and inserting “development”.

16 (2) CONFORMING AMENDMENT.—The item re-
17 lating to section 26101 in the table of sections of
18 chapter 261 of title 49, United States Code, is
19 amended by striking “planning” and inserting “de-
20 velopment”.

21 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
22 26104 of title 49, United States Code, is amended to read
23 as follows:

1 **“§ 26104. Authorization of appropriations**

2 “(a) FISCAL YEARS 2006 THROUGH 2013.—There
3 are authorized to be appropriated to the Secretary—

4 “(1) \$70,000,000 for carrying out section
5 26101; and

6 “(2) \$30,000,000 for carrying out section
7 26102,

8 for each of the fiscal years 2006 through 2013.

9 “(b) FUNDS TO REMAIN AVAILABLE.—Funds made
10 available under this section shall remain available until ex-
11 pended.”.

12 **TITLE III—RAIL INFRASTRUC-**
13 **TURE FINANCE CORPORA-**
14 **TION**

15 **SEC. 301. ESTABLISHMENT OF CORPORATION.**

16 There is established a nonprofit corporation, to be
17 known as the “Rail Infrastructure Finance Corporation”.
18 The Rail Infrastructure Finance Corporation is not an
19 agency or establishment of the United States Government
20 for purposes of any Federal law, including the Securities
21 Act of 1933, the Securities Exchange Act of 1934, and
22 the Trust Indenture Act of 1939. The Corporation shall
23 be subject to the provisions of this title and, to the extent
24 consistent with this section, to the laws of the State of
25 Delaware applicable to corporations not for profit.

1 **SEC. 302. BOARD OF DIRECTORS.**

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

10 (b) MEMBERSHIP QUALIFICATIONS.—

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

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

22 (A) 1 member from among individuals who
23 represent the interests of freight rail transpor-
24 tation.

1 (B) 1 member from among individuals who
2 represent the interests of intermodal transpor-
3 tation.

4 (C) 1 member from among individuals who
5 represent the interests of passenger rail trans-
6 portation.

7 (D) 1 member from among individuals who
8 represent the interests of the States.

9 (E) 1 member from among individuals who
10 represent the interests of intercity passenger
11 rail users.

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

14 (G) 2 members from among persons who
15 are involved in finance.

16 (c) INCORPORATION.—The voting members initially
17 appointed to the Board of Directors shall serve as
18 incorporators and, upon the establishment of a quorum,
19 shall take whatever actions are necessary to establish the
20 Corporation under the laws of Delaware.

21 (d) TERMS OF OFFICE.—Voting members of the
22 Board shall be appointed for terms of 6 years. No voting
23 member of the Board shall be eligible to serve in excess
24 of 2 consecutive full terms.

1 (e) VACANCIES.—A voting member of the Board ap-
2 pointed to fill a vacancy occurring prior to the expiration
3 of the term for which the member's predecessor was ap-
4 pointed shall be appointed for the remainder of such term.
5 Except as provided in subsection (f), upon the expiration
6 of a voting member's term, the member shall continue to
7 serve until a successor is appointed.

8 (f) ATTENDANCE REQUIRED.—Voting members of
9 the Board shall attend not less than 50 percent of all duly
10 convened meetings of the Board in any calendar year. A
11 voting member who fails to meet the requirement of the
12 preceding sentence shall forfeit membership and the Presi-
13 dent shall appoint a new member to fill the resulting va-
14 cancy not later than 90 days after such vacancy is deter-
15 mined by the Chairman of the Board.

16 (g) PRESIDENT OF AMTRAK.—The President of Am-
17 trak shall serve as an ex officio, nonvoting member of the
18 Board of Directors.

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

24 (i) COMPENSATION.—The voting members of the
25 Board shall not, by reason of such membership, be consid-

1 ered to be officers or employees of the United States.
2 Those voting members shall, while attending meetings of
3 the Board or while engaged in duties related to such meet-
4 ings or other activities of the Board pursuant to this Act,
5 be entitled to receive compensation at the rate of \$300
6 per day, including traveltime. No Board voting member
7 shall receive compensation for service on the Board of
8 more than \$10,000 in any fiscal year. While away from
9 their homes or regular places of business, all Board mem-
10 bers shall be allowed travel and actual, reasonable, and
11 necessary expenses.

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

17 (k) QUORUM AND PROCEEDINGS.—Five voting mem-
18 bers of the Board shall constitute a quorum for the Board
19 to conduct business. All decisions of the Board shall be
20 entered upon the records of the Board.

21 **SEC. 303. OFFICERS AND EMPLOYEES.**

22 (a) IN GENERAL.—The Rail Infrastructure Finance
23 Corporation shall have a President, and such other officers
24 as may be named and appointed by the Board for terms
25 and at rates of compensation fixed by the Board. No indi-

1 vidual other than a citizen of the United States may be
2 an officer of the Corporation. No officer of the Corpora-
3 tion may receive any salary or other compensation (except
4 for compensation for services on boards of directors of
5 other organizations that do not receive funds from the
6 Corporation, on committees of such boards, and in similar
7 activities for such organizations) from any sources other
8 than the Corporation for services rendered during the pe-
9 riod of his or her employment by the Corporation. Service
10 by any officer on boards of directors of other organiza-
11 tions, on committees of such boards, and in similar activi-
12 ties for such organizations shall be subject to annual ad-
13 vance approval by the Board and subject to the provisions
14 of a Statement of Ethical Conduct adopted by the Cor-
15 poration. All officers shall serve at the pleasure of the
16 Board. An officer of the corporation shall not be consid-
17 ered to be an officer or employee of the United States by
18 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. 304. 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 any company or organization that they represent
22 or in which they have a financial interest regarding grants
23 and other financial assistance provided to States by the
24 Board.

25 **SEC. 305. PURPOSE AND ACTIVITIES OF CORPORATION.**

26 (a) PURPOSE.—

1 (1) IN GENERAL.—The Rail Infrastructure Fi-
2 nance Corporation shall, through the issuance of
3 qualified rail infrastructure bonds in accordance
4 with section 54 of the Internal Revenue Code of
5 1986 and this title, provide financial support for
6 projects approved under sections 201 and 202.

7 (2) SELECTION OF PROJECTS.—The Board of
8 Directors may award grants for projects that have
9 been approved by the Secretary of Transportation
10 under sections 201 and 202. In selecting projects for
11 such awards, the Board shall—

12 (A) give preference to projects with high
13 levels of estimated ridership, increased on-time
14 performance, reduced trip time, and additional
15 service frequency;

16 (B) give preference to projects that encour-
17 age intermodal connectivity through direct con-
18 nections between train stations, airports, bus
19 terminals, subway stations, ferry ports, and
20 other modes of transportation;

21 (C) ensure a general balance of grant
22 funding across geographic regions of the United
23 States, and avoid a disproportionate concentra-
24 tion of funding in any single Corridor;

1 (D) favor projects that also improve
2 freight or commuter rail operations;

3 (E) favor projects that are expected to
4 have a significant favorable impact on air or
5 highway traffic congestion, capacity, or safety;

6 (F) favor projects that have significant en-
7 vironmental benefits;

8 (G) favor projects that have positive eco-
9 nomic and employment impacts;

10 (H) favor projects that encourage the use
11 of positive train control technology;

12 (I) favor projects that enhance national se-
13 curity; and

14 (J) favor projects that have commitments
15 of non-Federal funding in a total amount that
16 exceeds the minimum amount required.

17 (3) CONTRACT AUTHORITY.—The Board shall
18 not award contract authority under this title in an
19 aggregate amount greater than \$500,000,000 for
20 any fiscal year. Awards shall be available for expend-
21 iture over a 6-year period.

22 (4) NON-FEDERAL MATCHING REQUIREMENT.—
23 Recipients of awards under this title shall provide
24 from non-Federal sources at least 20 percent of the
25 costs of the project for which the award is made.

1 (5) DISTRIBUTION OF AWARDS.—

2 (A) IN GENERAL.—Of the amounts award-
3 ed under this title for any fiscal year—

4 (i) 75 percent shall be for projects de-
5 scribed in section 201;

6 (ii) 10 percent shall be for projects
7 described in section 202(a)(1);

8 (iii) 5 percent shall be for projects de-
9 scribed in section 202(a)(2);

10 (iv) 5 percent shall be for projects de-
11 scribed in section 202(a)(3); and

12 (v) 5 percent shall be for projects de-
13 scribed in section 202(a)(4).

14 (B) CARRYOVER.—If sufficient viable ap-
15 plications are not available to distribute the en-
16 tire amount under subparagraph (A)(i), (ii),
17 (iii), (iv), or (v) for a fiscal year, the remainder
18 of amounts unspent shall be available for addi-
19 tional awards within the same category for sub-
20 sequent fiscal years.

21 (b) BOND ISSUANCE AUTHORITY.—

22 (1) IN GENERAL.—In order to carry out its
23 purposes, the Corporation is authorized to issue
24 qualified rail infrastructure bonds (as defined in sec-
25 tion 54(e) of the Internal Revenue Code of 1986)

1 during the 6-year period beginning on the day after
2 the date of enactment of this Act.

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

6 (3) NO FEDERAL GUARANTEE.—

7 (A) OBLIGATIONS INSURED BY THE COR-
8 PORATION.—No obligation that is insured,
9 guaranteed, or otherwise backed by the Cor-
10 poration shall be deemed to be an obligation
11 that is guaranteed by the full faith and credit
12 of the United States.

13 (B) SPECIAL RULE.—This paragraph shall
14 not affect the determination of whether such
15 obligation is guaranteed for purposes of Federal
16 income taxes.

17 (C) SECURITIES OFFERED BY THE COR-
18 PORATION.—No debt or equity securities of the
19 Corporation shall be deemed to be guaranteed
20 by the full faith and credit of the United
21 States.

22 (4) AUTHORITY.—To carry out the purpose set
23 forth in subsection (a) and engage in the activities
24 described in subsection (b), the Corporation shall

1 have the usual powers conferred upon a nonprofit
2 corporation under the laws of the State of Delaware.

3 (c) FEDERAL ASSISTANCE.—The Corporation shall
4 be eligible to receive discretionary grants, contracts, gifts,
5 contributions, or technical assistance from any department
6 or agency of the Federal Government, but only to the ex-
7 tent permitted by law and to the extent necessary to carry
8 out the purpose set forth in subsection (a) and the activi-
9 ties described in subsection (b).

10 **SEC. 306. REPORT TO CONGRESS.**

11 (a) IN GENERAL.—Not later than May 15 of each
12 year, the Rail Infrastructure Finance Corporation shall
13 submit an annual report for the fiscal year ending on Sep-
14 tember 30 of the preceding year to the Committee on
15 Commerce, Science, and Transportation of the Senate and
16 the Committee on Transportation and Infrastructure of
17 the House of Representatives. The report shall include a
18 comprehensive and detailed report of the Corporation's op-
19 erations, activities, financial condition, and accomplish-
20 ments under this title and such recommendations as the
21 Corporation considers appropriate.

22 (b) AVAILABILITY FOR TESTIMONY.—The officers
23 and directors of the Corporation shall be available to tes-
24 tify before those committees with respect to such report

1 or any other matter which such committees may deter-
2 mine.

3 **SEC. 307. ADMINISTRATIVE MATTERS.**

4 (a) BUDGET.—The Rail Infrastructure Finance Cor-
5 poration shall establish an annual budget for the Corpora-
6 tion, including the Rail Infrastructure Investment Account
7 under subsection (c).

8 (b) IMPLEMENTATION PLAN.—

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

13 (2) CONSULTATION.—In preparing the plan,
14 the Corporation may consult with representatives of
15 State and local governments, railroads, and other
16 similar entities.

17 (3) OTHER REQUIREMENTS.—The plan, which
18 shall be based on the conclusions resulting from the
19 study conducted under paragraph (1), shall be sub-
20 mitted by the Corporation to the Committee on
21 Commerce, Science, and Transportation of the Sen-
22 ate and the Committee on Transportation and Infra-
23 structure of the House of Representatives not later
24 than 180 days after the date on which the Corpora-
25 tion is incorporated. Unless directed otherwise by

1 law, the Corporation shall implement the plan dur-
2 ing the first fiscal year beginning after the fiscal
3 year in which the plan is submitted to Congress.

4 (c) RAIL INFRASTRUCTURE INVESTMENT AC-
5 COUNT.—

6 (1) ESTABLISHMENT.—The Board of Directors
7 for the Corporation shall establish an account to be
8 known as the Rail Infrastructure Investment Ac-
9 count (in this section referred to as the “Account”).

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

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

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

23 (5) USE OF ACCOUNT FUNDS.—Funds in the
24 Account—

1 (A) shall be used by the Corporation for
 2 investment purposes through the Rail Infra-
 3 structure Finance Trust established under sec-
 4 tion 308 to generate an amount sufficient—

5 (i) to repay the principal of the bonds
 6 at their maturity; and

7 (ii) to pay the administrative costs of
 8 the Corporation and the Rail Infrastruc-
 9 ture Finance Trust; and

10 (B) shall, to the extent of the net spend-
 11 able proceeds in the account, be held in the Rail
 12 Infrastructure Finance Trust established under
 13 section 308 and be available for distribution as
 14 grants of financial assistance for projects ap-
 15 proved under sections 201 and 202.

16 (6) NET SPENDABLE PROCEEDS DEFINED.—In
 17 this subsection, the term “net spendable proceeds”,
 18 with respect to the Rail Infrastructure Investment
 19 Account, means the amount, determined by the
 20 Board of Trustees of the Rail Infrastructure Fi-
 21 nance Trust, equal to the excess of—

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

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

25 (d) RECORDS AND AUDIT.—

1 (1) IN GENERAL.—The Account and the Cor-
2 poration shall be audited annually in accordance
3 with generally accepted auditing standards by inde-
4 pendent certified public accountants or independent
5 licensed public accountants certified or licensed by a
6 regulatory authority of a State or other political sub-
7 division of the United States. The audits shall be
8 conducted at the place or places where the accounts
9 of the Corporation are normally kept. All books, ac-
10 counts, financial records, reports, files, and all other
11 papers, things, or property belonging to or in use by
12 the Corporation and necessary to facilitate the au-
13 dits shall be made available to the person or persons
14 conducting the audits; and full facilities for verifying
15 transactions with the balances or securities held by
16 depositories, fiscal agents and custodians shall be af-
17 forded to such person or persons.

18 (2) AUDIT REPORT.—The report of each such
19 independent audit shall be included in the annual re-
20 port required by section 306. The audit report shall
21 set forth the scope of the audit and include such
22 statements as are necessary to present fairly the
23 Corporation's assets and liabilities, surplus or def-
24 icit, with an analysis of the changes therein during
25 the year, supplemented in reasonable detail by a

1 statement of the Corporation's income and expenses
2 during the year, and a statement of the sources and
3 application of funds, together with the independent
4 auditor's opinion of those statements.

5 (3) ACCOUNTING PRINCIPLES.—Not later than
6 1 year after the date of enactment of this Act, the
7 Corporation shall develop accounting principles
8 which shall be used uniformly by all entities receiv-
9 ing funds under this title, taking into account orga-
10 nizational differences among various categories of
11 such entities. Such principles shall be designed to
12 account fully for all funds received and expended for
13 purposes of this title by such entities.

14 (4) REQUIREMENTS FOR RECIPIENTS.—Each
15 entity receiving funds under this title shall—

16 (A) keep its books, records, and accounts
17 in such form as may be required by the Cor-
18 poration;

19 (B) either—

20 (i) undergo an annual audit by inde-
21 pendent certified public accountants or
22 independent licensed public accountants
23 certified or licensed by a regulatory au-
24 thority of a State, which audit shall be in

1 accordance with auditing standards devel-
2 oped by the Corporation; or

3 (ii) submit a financial statement in
4 lieu of the audit described in clause (i) if
5 the Corporation determines that the cost
6 burden of such audit on such entity is ex-
7 cessive in light of the financial condition of
8 such entity; and

9 (C) furnish biennially to the Corporation a
10 copy of the audit report or financial statement
11 required pursuant to the subparagraph (B), as
12 well as such other information regarding fi-
13 nances (including an annual financial report) as
14 the Corporation may require.

15 (5) ADDITIONAL RECORDKEEPING.—Any recipi-
16 ent of assistance by grant or contract under this
17 title, other than a fixed price contract awarded pur-
18 suant to competitive bidding procedures, shall keep
19 such records as may be reasonably necessary to dis-
20 close fully the amount and the disposition by such
21 recipient of such assistance, the total cost of the
22 project or undertaking in connection with which
23 such assistance is given or used, and the amount
24 and nature of that portion of the cost of the projects

1 or undertaking supplied by other sources, and such
2 other records as will facilitate an effective audit.

3 (6) ACCESS TO RECORDS.—The Corporation or
4 any of its duly authorized representatives shall have
5 access to any books, documents, papers, and records
6 of any recipient of assistance for the purpose of au-
7 diting and examining all funds received from the
8 Corporation.

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

16 **SEC. 308. RAIL INFRASTRUCTURE FINANCE TRUST.**

17 (a) ESTABLISHMENT.—The Board of Directors of the
18 Rail Infrastructure Finance Corporation shall establish
19 the Rail Infrastructure Finance Trust (in this section re-
20 ferred to as the “Trust”) as a trust domiciled in the State
21 of Delaware before the issuance of bonds under section
22 305(b). The Trust shall, to the extent not inconsistent
23 with this title, be subject to the laws of the State of Dela-
24 ware that are applicable to trusts. The Trust shall manage
25 and invest the assets of the Rail Infrastructure Investment

1 Account established under section 307(c) that are trans-
2 ferred to it by the Board of Directors in the manner set
3 forth in this section.

4 (b) NOT A FEDERAL AGENCY OR INSTRUMEN-
5 TILITY.—The Trust is not a department, agency, or other
6 instrumentality of the Government of the United States
7 and shall not be subject to title 31, United States Code.

8 (c) BOARD OF TRUSTEES.—

9 (1) ESTABLISHMENT.—The Trust shall have a
10 Board of Trustees.

11 (2) COMPOSITION.—

12 (A) APPOINTMENT.—The Board of Trust-
13 ees shall consist of 5 members (in this title re-
14 ferred to as “Trustees”), 3 of whom shall be
15 appointed by a unanimous vote of the Board of
16 Directors of the Rail Infrastructure Finance
17 Corporation.

18 (B) REPRESENTATION OF PARTICULAR IN-
19 TERESTS.—The 3 members of the Board of
20 Trustees whose unanimous appointment is re-
21 quired under subparagraph (A) shall be selected
22 as follows:

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

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

4 (iii) 1 from among persons who rep-
5 resent the interests of classes of investors
6 who would be reasonably expected to be-
7 come holders of qualified rail infrastruc-
8 ture bonds issued by the Rail Infrastruc-
9 ture Finance Corporation.

10 (C) ELECTED TRUSTEES.—The 2 Trustees
11 not appointed under subparagraph (A) shall be
12 elected directly by holders of qualified rail infra-
13 structure bonds issued by the Rail Infrastruc-
14 ture Finance Corporation through procedures
15 established by the Board of Trustees to rep-
16 resent the interests of such bond holders. The
17 election shall be held, and both members elected
18 under this subparagraph shall take office as
19 Trustees, within 1 year after the initial issuance
20 of bonds under section 305(b).

21 (3) MEMBERS NOT UNITED STATES OFFI-
22 CIALS.—The members of the Board of Trustees may
23 not be considered officers or employees of the Gov-
24 ernment of the United States.

1 (4) QUALIFICATIONS.—The Trustees shall be
2 appointed only from among persons who have experi-
3 ence and expertise in the management of financial
4 investments. No member of the Board of Directors
5 of the Rail Infrastructure Finance Corporation is el-
6 igible to be a Trustee.

7 (5) TERMS.—Each member of the Board of
8 Trustees shall be appointed for a 3-year term. Any
9 member whose term has expired may serve until
10 such member's successor has taken office, or until
11 the end of the calendar year in which such member's
12 term has expired, whichever is earlier. A vacancy in
13 the Board of Trustees shall not affect the powers of
14 the Board of Trustees and shall be filled in the same
15 manner as the member whose departure caused the
16 vacancy. Any member appointed to fill a vacancy oc-
17 curring prior to the expiration of the term for which
18 the member's predecessor was appointed shall be ap-
19 pointed for the remainder of such term.

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

21 (1) establish investment policies, including
22 guidelines, and retain independent advisers to assist
23 in the formulation and adoption of the investment
24 guidelines;

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

4 (3) invest assets in the Trust, pursuant to the
5 policies adopted under paragraph (1);

6 (4) pay administrative expenses of the Trust
7 from the assets in the Trust;

8 (5) transfer money to the Rail Infrastructure
9 Investment Account, upon request of the Board of
10 Directors of the Rail Infrastructure Finance Cor-
11 poration, for bond repayment and administrative ex-
12 penses of the Corporation;

13 (6) develop a formula, subject to approval by
14 the Board of Directors before the issuance of bonds
15 under section 305(b), for determining when there is
16 a sufficient trust income stream for purposes of
17 paragraph (7); and

18 (7) transfer net spendable proceeds (within the
19 meaning of section 507(c)(6)) to the Board of Direc-
20 tors to be used for grants under title II after deter-
21 mining that adequate trust funds are available, or
22 that there is a trust income stream sufficient, to
23 allow the Board of Trustees to meet its obligations
24 under paragraphs (4) and (5).

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

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

5 The Trust and each member of the Board of Trust-
6 ees shall discharge the duties of the Trust and the
7 duties of the Trustee, respectively (including the vot-
8 ing of proxies), with respect to the assets of the
9 Trust solely in the interests of the Rail Infrastruc-
10 ture Finance Corporation and the programs funded
11 under this title—

12 (A) for the exclusive purposes of—

13 (i) providing sufficient funds to repay
14 qualified rail infrastructure bonds issued
15 by the Rail Infrastructure Finance Cor-
16 poration;

17 (ii) funding the administrative costs of
18 the Rail Infrastructure Finance Corpora-
19 tion;

20 (iii) defraying reasonable expenses of
21 administering the Trust; and

22 (iv) providing grants for projects
23 under title II; and

24 (B) with the care, skill, prudence, and dili-
25 gence under the circumstances then prevailing

1 that a prudent person acting in a like capacity
2 and familiar with such matters would use in the
3 conduct of an enterprise of a like character and
4 with like aims;

5 (C) by diversifying investments so as to
6 minimize the risk of large losses and to avoid
7 disproportionate influence over a particular in-
8 dustry or firm, unless under the circumstances
9 it is clearly prudent not to do so; and

10 (D) in accordance with Trust governing
11 documents and instruments insofar as such doc-
12 uments and instruments are consistent with
13 this title.

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

17 (A) deal with the assets of the Trust in the
18 Trustee's own interest or for the Trustee's own
19 account;

20 (B) act in an individual or in any other ca-
21 pacity, in any transaction involving the assets
22 of the Trust on behalf of a party (or represent
23 a party) whose interests are adverse to the in-
24 terests of the Trust and the Rail Infrastructure
25 Finance Corporation; or

1 (C) receive any consideration for the
2 Trustee's own personal account from any party
3 dealing with the assets of the Trust.

4 (3) EXCULPATORY PROVISIONS AND INSUR-
5 ANCE.—Any provision in an agreement or instru-
6 ment that purports to relieve a Trustee from respon-
7 sibility or liability for any responsibility, obligation,
8 or duty under this title shall be void. Nothing in this
9 paragraph shall be construed to preclude—

10 (A) the Trust from purchasing insurance
11 for its Trustees or for itself to cover liability or
12 losses occurring by reason of the act or omis-
13 sion of a Trustee, if such insurance permits re-
14 course by the insurer against the Trustee in the
15 case of a breach of a fiduciary obligation by
16 such Trustee;

17 (B) a Trustee from purchasing insurance
18 to cover liability under this section from and for
19 his own account; or

20 (C) an employer or an employee organiza-
21 tion from purchasing insurance to cover poten-
22 tial liability of 1 or more Trustees with respect
23 to their fiduciary responsibilities, obligations,
24 and duties under this section.

25 (4) TRUSTEES, BONDS.—

1 (A) REQUIREMENT.—Each Trustee and
2 every person who handles funds or other prop-
3 erty of the Trust (in this section referred to as
4 “Trust official”) shall be bonded. The bond
5 shall provide protection to the Trust against
6 loss by reason of acts of fraud or dishonesty on
7 the part of any Trust official, directly or
8 through the connivance of others.

9 (B) AMOUNT.—The amount of a bond for
10 a Trustee under this paragraph shall be fixed
11 at the beginning of each fiscal year of the Trust
12 by the Board of Directors of the Rail Infra-
13 structure Finance Corporation. The amount
14 may not be less than 10 percent of the amount
15 of the funds administered by the Trust.

16 (C) UNLAWFUL CONDUCT.—It shall be un-
17 lawful for—

18 (i) any Trust official to receive, han-
19 dle, disburse, or otherwise exercise custody
20 or control of any of the funds or other
21 property of the Trust without being bond-
22 ed as required by this subsection;

23 (ii) any Trust official, or any other
24 person having authority to direct the per-
25 formance of such functions, to permit such

1 functions, or any of them, to be performed
2 by any Trust official, with respect to whom
3 the requirements of this subsection have
4 not been met; and

5 (iii) any person to procure any bond
6 required by this subsection from any sur-
7 ety or other company or through any agent
8 or broker in whose business operations
9 such person has any control or significant
10 financial interest, direct or indirect.

11 (f) ADMINISTRATIVE MATTERS.—

12 (1) AUTHORITY.—The Board of Trustees shall
13 have the authority to make rules to govern its oper-
14 ations, employ professional staff, and contract with
15 outside advisors (including the Rail Infrastructure
16 Finance Corporation) to provide legal, accounting,
17 investment advisory, or other services necessary for
18 the proper administration of this section. In the case
19 of a contract for investment advisory services, com-
20 pensation for such services may be provided on a
21 fixed fee basis or on such other terms and conditions
22 as are customary for such services.

23 (2) QUORUM AND PROCEEDINGS.—Three mem-
24 bers of the Board of Trustees shall constitute a
25 quorum for the Board to conduct business. Invest-

1 ment guidelines shall be adopted by a unanimous
2 vote of the entire Board of Trustees. All other deci-
3 sions of the Board of Trustees shall be decided by
4 a majority vote of the quorum present. All decisions
5 of the Board of Trustees shall be entered upon the
6 records of the Board of Trustees.

7 (3) COMPENSATION OF TRUSTEES AND EM-
8 PLOYEES.—The salaries of the Trustees are subject
9 to the limitations in section 302(i).

10 (4) COMPENSATION ARRANGEMENTS.—The
11 Board of Trustees may compensate investment advi-
12 sory service providers and employees of the Trust on
13 a fixed contract fee basis or on such other terms and
14 conditions as are customary for such services.

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

18 (g) AUDIT AND REPORT.—

19 (1) REQUIREMENT FOR ANNUAL AUDIT.—The
20 Trust shall annually engage an independent qualified
21 public accountant to audit the financial statements
22 of the Trust.

23 (2) ANNUAL MANAGEMENT REPORT.—The
24 Trust shall submit an annual management report to
25 be included in the annual report of the Corporation

1 required under section 306. The management report
2 under this paragraph shall include the following
3 matters:

4 (A) A statement of financial position.

5 (B) A statement of operations.

6 (C) A statement of cash flows.

7 (D) A statement on internal accounting
8 and administrative control systems.

9 (E) The report resulting from an audit of
10 the financial statements of the Trust conducted
11 under paragraph (1).

12 (F) Any other comments and information
13 necessary to inform Congress about the oper-
14 ations and financial condition of the Trust.

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

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

20 (2) to obtain other appropriate relief to redress
21 such violations, or to enforce any provisions of this
22 title.

23 (i) EXEMPTION FROM TAX FOR RAIL INFRASTRUC-
24 TURE FINANCE TRUST.—Subsection (c) of section 501 of

1 the Internal Revenue Code of 1986 is amended by adding
 2 at the end the following new paragraph:

3 “(29) The Rail Infrastructure Finance Trust
 4 established under section 308 of the True Reinvest-
 5 ment for Amtrak Infrastructure in the 21st Century
 6 Act.”.

7 **TITLE IV—RAIL INFRASTRUC-** 8 **TURE TAX CREDIT BONDS**

9 **SEC. 401. CREDIT TO HOLDERS OF QUALIFIED RAIL INFRA-** 10 **STRUCTURE BONDS.**

11 (a) IN GENERAL.—Part IV of subchapter A of chap-
 12 ter 1 of the Internal Revenue Code of 1986 (relating to
 13 credits against tax) is amended by adding at the end the
 14 following new subpart:

15 **“Subpart H—Nonrefundable Credit for Holders of** 16 **Qualified Rail Infrastructure Bonds**

“Sec. 54. Credit to holders of qualified rail infrastructure bonds.

17 **“SEC. 54. CREDIT TO HOLDERS OF QUALIFIED RAIL INFRA-** 18 **STRUCTURE BONDS.**

19 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
 20 payer who holds a qualified rail infrastructure bond on
 21 a credit allowance date of such bond which occurs during
 22 the taxable year, there shall be allowed as a credit against
 23 the tax imposed by this chapter for such taxable year an
 24 amount equal to the sum of the credits determined under

1 subsection (b) with respect to credit allowance dates dur-
2 ing such year on which the taxpayer holds such bond.

3 “(b) AMOUNT OF CREDIT.—

4 “(1) IN GENERAL.—The amount of the credit
5 determined under this subsection with respect to any
6 credit allowance date for a qualified rail infrastruc-
7 ture bond is 25 percent of the annual credit deter-
8 mined with respect to such bond.

9 “(2) ANNUAL CREDIT.—The annual credit de-
10 termined with respect to any qualified rail infra-
11 structure bond is the product of—

12 “(A) the applicable credit rate, multiplied
13 by

14 “(B) the outstanding face amount of the
15 bond.

16 “(3) APPLICABLE CREDIT RATE.—For purposes
17 of paragraph (2), the applicable credit rate with re-
18 spect to an issue is the rate equal to an average
19 market yield (as of the day before the date of sale
20 of the issue) on outstanding long-term corporate
21 debt obligations (determined under regulations pre-
22 scribed by the Secretary).

23 “(4) CREDIT ALLOWANCE DATE.—For purposes
24 of this section, the term ‘credit allowance date’
25 means—

- 1 “(A) March 15,
2 “(B) June 15,
3 “(C) September 15, and
4 “(D) December 15.

5 Such term includes the last day on which the bond
6 is outstanding.

7 “(5) SPECIAL RULE FOR ISSUANCE AND RE-
8 DEMPTION.—In the case of a bond which is issued
9 during the 3-month period ending on a credit allow-
10 ance date, the amount of the credit determined
11 under this subsection with respect to such credit al-
12 lowance date shall be a ratable portion of the credit
13 otherwise determined based on the portion of the 3-
14 month period during which the bond is outstanding.
15 A similar rule shall apply when the bond is re-
16 deemed.

17 “(c) LIMITATION BASED ON AMOUNT OF TAX.—The
18 credit allowed under subsection (a) for any taxable year
19 shall not exceed the excess of—

20 “(1) the sum of the regular tax liability (as de-
21 fined in section 26(b)) plus the tax imposed by sec-
22 tion 55, over

23 “(2) the sum of the credits allowable under this
24 part (other than this subpart and subpart C).

1 “(d) CREDIT INCLUDED IN GROSS INCOME.—Gross
2 income includes the amount of the credit allowed to the
3 taxpayer under this section (determined without regard to
4 subsection (c)) and the amount so included shall be treat-
5 ed as interest income.

6 “(e) QUALIFIED RAIL INFRASTRUCTURE BOND.—
7 For purposes of this part, the term ‘qualified rail infra-
8 structure bond’ means any bond issued as part of an issue
9 if—

10 “(1) the bond is issued by the Rail Infrastruc-
11 ture Finance Corporation and is in registered form,

12 “(2) the term of each bond which is part of
13 such issue does not exceed 20 years,

14 “(3) the payment of principal with respect to
15 such bond is the obligation of the Rail Infrastruc-
16 ture Finance Corporation and not an obligation of
17 the United States,

18 “(4) all proceeds from the sale of the issue are
19 used for the purposes set forth in section 307(c)(5)
20 of the True Reinvestment for Amtrak Infrastructure
21 in the 21st Century Act, and

22 “(5) 95 percent or more of the net spendable
23 proceeds from the sale of such issue are to be used
24 for expenditures incurred after the date of enact-
25 ment of this section for any qualified project de-

1 scribed in section 201 or 202 of the True Reinvest-
2 ment for Amtrak Infrastructure in the 21st Century
3 Act subject to the limitations established by that
4 Act.

5 “(f) SPECIAL RULES RELATING TO NET SPENDABLE
6 PROCEEDS.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 an issue shall be treated as meeting the require-
9 ments of this subsection if, as of 6 years after the
10 date of issuance, the issuer reasonably expects—

11 “(A) to award grants under section 305(a)
12 of the True Reinvestment for Amtrak Infra-
13 structure in the 21st Century Act in a total
14 amount that is at least 95 percent of the net
15 spendable proceeds of the issue for 1 or more
16 qualified projects within the 6-year period be-
17 ginning on such date,

18 “(B) to incur a binding commitment with
19 a third party—

20 “(i) to spend at least 10 percent of
21 the net spendable proceeds of the issue, or
22 to commence construction, with respect to
23 such projects within the 12-month period
24 beginning on such date, and

1 “(ii) to proceed with due diligence to
2 complete such projects, and

3 “(C) to expend the total amount of the net
4 spendable proceeds of the issue.

5 “(2) RULES REGARDING CONTINUING COMPLI-
6 ANCE AFTER 6-YEAR DETERMINATION.—If at least
7 95 percent of the net spendable proceeds of the issue
8 is not awarded as grants to be expended for 1 or
9 more qualified projects within the 6-year period be-
10 ginning 6 years after the date of issuance, but the
11 requirements of paragraph (1) are otherwise met, an
12 issue shall be treated as continuing to meet the re-
13 quirements of paragraph (1) if either the require-
14 ment under subparagraph (A) or the requirements
15 under subparagraph (B) are met, as follows:

16 “(A) The issuer uses all unspent proceeds
17 from the sale of the issue to redeem bonds of
18 the issue within 90 days after the end of such
19 6-year period and disburses any remaining net
20 spendable proceeds to the Secretary of Treasury
21 within 30 days after the end of such 6-year pe-
22 riod.

23 “(B) The issuer—

24 “(i) awards in grants under section
25 305(a) of the True Reinvestment for Am-

trak Infrastructure in the 21st Century Act at least 75 percent of the net spendable proceeds of the issue for 1 or more qualified projects within the 6-year period beginning 6 years after the date of issuance, and

“(ii) awards in grants under section 305(a) of the True Reinvestment for Amtrak Infrastructure in the 21st Century Act at least 95 percent of the net spendable proceeds of the issue for 1 or more qualified projects within the 7-year period beginning 6 years after the date of issuance.

“(g) RECAPTURE OF PORTION OF CREDIT WHERE CESSATION OF COMPLIANCE.—

“(1) IN GENERAL.—If any bond which when issued purported to be a qualified rail infrastructure bond ceases to be such a qualified bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

“(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar

1 year in which such cessation occurs and the 2
2 preceding calendar years, and

3 “(B) interest at the underpayment rate
4 under section 6621 on the amount determined
5 under subparagraph (A) for each calendar year
6 for the period beginning on the first day of
7 such calendar year.

8 “(2) NONCULPABLE DISQUALIFICATIONS.—If a
9 qualified rail infrastructure bond ceases to qualify as
10 such a bond due to action taken by the recipient of
11 a grant made under section 305(a) of the True Re-
12 investment for Amtrak Infrastructure in the 21st
13 Century Act, the issuer may seek compensation
14 under paragraph (1) of this subsection.

15 “(h) RAIL INFRASTRUCTURE FINANCE TRUST.—

16 “(1) IN GENERAL.—The following amounts
17 shall be held in a trust account by the Rail Infra-
18 structure Finance Corporation:

19 “(A) An amount of the proceeds from the
20 sale of all bonds designated for purposes of this
21 section that, when combined with amounts de-
22 scribed in subparagraphs (B), (C), and (D), is
23 sufficient—

24 “(i) to ensure the Corporation’s abil-
25 ity to redeem all bonds upon maturity; and

1 “(ii) to pay the administrative ex-
2 penses of the Corporation and the Rail In-
3 frastructure Finance Trust.

4 “(B) The amount of any non-Federal con-
5 tributions required under section 305(a)(4) of
6 the True Reinvestment for Amtrak Infrastruc-
7 ture in the 21st Century Act.

8 “(C) The temporary period investment
9 earnings on proceeds from the sale of such
10 bonds.

11 “(D) Any earnings on any amounts de-
12 scribed in subparagraph (A), (B), or (C).

13 “(2) USE OF FUNDS.—Amounts in the trust ac-
14 count may be used only for investment purposes to
15 generate sufficient funds to redeem qualified rail in-
16 frastructure bonds at maturity and pay the adminis-
17 trative expenses of the Corporation and the Trust.

18 “(3) USE OF REMAINING FUNDS ON TRUST AC-
19 COUNT.—If the Corporation determines that the
20 amount in the trusts account exceeds the amount re-
21 quired to comply with paragraph (2), the Corpora-
22 tion may transfer the excess to the Rail Infrastruc-
23 ture Investment account to be available for awarding
24 grants as provided for in section 307(c)(5)(B) of the

1 True Reinvestment for Amtrak Infrastructure in the
2 21st Century Act.

3 “(4) REVERSION OF REMAINING PROCEEDS.—
4 Upon retirement of all bonds issued by the Corpora-
5 tion, any remaining proceeds from the sale of such
6 bonds shall be covered into the general fund of the
7 Treasury of the United States as miscellaneous re-
8 ceipts.

9 “(i) OTHER DEFINITIONS AND SPECIAL RULES.—
10 For purposes of this section—

11 “(1) BOND.—The term ‘bond’ includes any ob-
12 ligation.

13 “(2) NET SPENDABLE PROCEEDS.—The term
14 ‘net spendable proceeds’ has the meaning given such
15 term in section 307(c)(6) of the True Reinvestment
16 for Amtrak Infrastructure in the 21st Century Act.

17 “(3) QUALIFIED PROJECT.—The term ‘qualified
18 project’ means any project that is eligible for grant
19 funding under section 201 or 202 of the True Rein-
20 vestment for Amtrak Infrastructure in the 21st Cen-
21 tury Act.

22 “(4) PARTNERSHIP; S CORPORATION; AND
23 OTHER PASS-THRU ENTITIES.—Under regulations
24 prescribed by the Secretary, in the case of a partner-
25 ship, trust, S corporation, or other pass-thru entity,

1 rules similar to the rules of section 41(g) shall apply
2 with respect to the credit allowable under subsection
3 (a).

4 “(5) BONDS HELD BY REGULATED INVEST-
5 MENT COMPANIES.—If any qualified rail infrastruc-
6 ture bond is held by a regulated investment com-
7 pany, the credit determined under subsection (a)
8 shall be allowed to shareholders of such company
9 under procedures prescribed by the Secretary.

10 “(6) REPORTING.—Issuers of qualified rail in-
11 frastructure bonds shall submit reports similar to
12 the reports required under section 149(e).”.

13 (b) AMENDMENTS TO OTHER CODE SECTIONS.—

14 (1) REPORTING.—Subsection (d) of section
15 6049 of the Internal Revenue Code of 1986 (relating
16 to returns regarding payments of interest) is amend-
17 ed by adding at the end the following new para-
18 graph:

19 “(8) REPORTING OF CREDIT ON QUALIFIED
20 RAIL INFRASTRUCTURE BONDS.—

21 “(A) IN GENERAL.—For purposes of sub-
22 section (a), the term ‘interest’ includes amounts
23 includible in gross income under section 54(d)
24 and such amounts shall be treated as paid on

1 the credit allowance date (as defined in section
2 54(b)(4)).

3 “(B) REPORTING TO CORPORATIONS,
4 ETC.—Except as otherwise provided in regula-
5 tions, in the case of any interest described in
6 subparagraph (A), subsection (b)(4) shall be
7 applied without regard to subparagraphs (A),
8 (H), (I), (J), (K), and (L)(i) of such subsection.

9 “(C) REGULATORY AUTHORITY.—The Sec-
10 retary may prescribe such regulations as are
11 necessary or appropriate to carry out the pur-
12 poses of this paragraph, including regulations
13 which require more frequent or more detailed
14 reporting.”.

15 (2) TREATMENT FOR ESTIMATED TAX PUR-
16 POSES.—

17 (A) INDIVIDUAL.—Section 6654 of such
18 Code (relating to failure by individual to pay es-
19 timated income tax) is amended by redesign-
20 ating subsection (m) as subsection (n) and by
21 inserting after subsection (l) the following new
22 subsection:

23 “(m) SPECIAL RULE FOR HOLDERS OF QUALIFIED
24 RAIL INFRASTRUCTURE BONDS.—For purposes of this
25 section, the credit allowed by section 54 to a taxpayer by

1 reason of holding a qualified rail infrastructure bond on
 2 a credit allowance date shall be treated as if it were a
 3 payment of estimated tax made by the taxpayer on such
 4 date.”.

5 (B) CORPORATE.—Section 6655 of such
 6 Code (relating to failure by corporation to pay
 7 estimated income tax) is amended by adding at
 8 the end of subsection (g) the following new
 9 paragraph:

10 “(5) SPECIAL RULE FOR HOLDERS OF QUALI-
 11 FIED RAIL INFRASTRUCTURE BONDS.—For purposes
 12 of this section, the credit allowed by section 54 to
 13 a taxpayer by reason of holding a qualified rail in-
 14 frastructure bond on a credit allowance date shall be
 15 treated as if it were a payment of estimated tax
 16 made by the taxpayer on such date.”.

17 (c) CLERICAL AMENDMENTS.—

18 (1) The table of subparts for part IV of sub-
 19 chapter A of chapter 1 of the Internal Revenue Code
 20 of 1986 is amended by adding at the end the fol-
 21 lowing new item:

“SUBPART H—NONREFUNDABLE CREDIT FOR HOLDERS OF QUALIFIED RAIL
 INFRASTRUCTURE BONDS”.

22 (2) Section 6401(b)(1) of such Code is amend-
 23 ed by striking “and G” and inserting “G, and H”.

1 **SEC. 402. ISSUANCE OF REGULATIONS.**

2 The Secretary of the Treasury shall issue regulations
3 required under section 54 of the Internal Revenue Code
4 of 1986 not later than 90 days after the date of the enact-
5 ment of this Act.

6 **SEC. 403. EFFECTIVE DATE.**

7 The amendments made by section 401 shall apply to
8 obligations issued after the date of enactment of this Act.

○