



## Rail Passengers Association Surface Transportation Reauthorization Principles and Legislative Proposals

### Sec. 1. Reauthorize Core Rail Programs as Part of the Surface Transportation Reauthorization

- (A) Reauthorize Existing Rail Programs
- (B) Extend Dedicated Funding at Current Levels
- (C) Direct Distribution of Rail Funds to States
- (D) Repeated Rail Planning Cycle
- (E) Enhance Railroad Rehabilitation and Improvement Financing (RRIF) and USDOT's Private Activity Bond (PABs) Programs
- (F) Support Operational Funding for Transit and Commuter Rail

### Sec. 2 - Implementing the Federal Railroad Administration's Amtrak Daily Long-Distance Service Study

- (A) National Long-Distance Rail Service Commission

### Sec. 3 Planning, Construction, and Procurement Policy Reforms

- (A) Streamline Environmental Review, Assessments and Planning
- (B) Creation of a National Equipment Leasing Pool
- (C) Leverage Flexibility Under Current Law
- (D) Standardize Project Elements
- (E) Prioritize Expertise Over Lowest Bid
- (F) Prohibit Spending Timelines
- (G) Mandate Formalized Cost Transparency
- (H) Facilitate Right-of-Way Acquisition for the Development of Passenger Service

## Sec. 1. Reauthorize Core Rail Programs as Part of the Surface Transportation Reauthorization

Rail Passengers Association is asking Congress to reauthorize key passenger rail programs—including Amtrak's National Network and Northeast Corridor operations grant, the Federal-State Partnership for Intercity Passenger Rail Program (FSP), and the Corridor Identification (CID) Program—as part of the upcoming Surface Transportation Program.

There will be key opportunities to fine-tune these programs to speed up the planning and implementation process and lower project costs (and several policies in this document aim to



do just that). However, *Rail Passengers* reauthorization efforts will center on extending current programs and ensuring that the pipeline of projects created by the Infrastructure Investment and Jobs Act (IIJA) are supported through implementation.

## Recommended Actions

### (A) Reauthorize Existing Rail Programs

Rail Passengers supports the reauthorization of the following programs:

- Amtrak National Network and Northeast Corridor Operations [49 U.S.C. Ch. 243]
- Federal-State Partnership for Intercity Passenger Rail Program (FSP) [49 U.S.C. § 24911]
- Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program [49 U.S.C. § 22907]
- Corridor Identification (CID) Program [49 U.S.C. § 25101]
- Restoration and Enhancement (R&E) Grant Program [49 U.S.C. § 22908]
- Railroad Crossing Elimination Grant Program [49 U.S.C. § 22909]
- Next-Generation Equipment Committee [49 USC § 24101]
- Northeast Corridor Commission (NECC) [49 U.S.C. § 24905]
- State-Amtrak Intercity Passenger Rail Committee (SAIPRC) [49 U.S.C. §24712]

*Rail Passengers* has identified a list of select policy reforms to these programs that we are ready to share at the Committee's convenience.

### (B) Extend Dedicated Funding at Current Levels

Given the overwhelming demand from States, interstate compacts, regional passenger rail authorities, Amtrak, private sector operators and other eligible entities (including short-line freight railroads), *Rail Passengers* is advocating for the extension of dedicated funding established by the IIJA for all programs listed in Sec. 1(A) of this document at current levels, plussed-up to account for inflation.

### (C) Direct Distribution of Rail Funds to States

The absence of direct funding has hindered passenger rail development, particularly for rural states and states not located adjacent to the NEC. *Rail Passengers* supports AASHTO's proposal for a funding set-aside from the CRISI Program to provide each state with funding for planning and project delivery for eligible activities under this program.

Introduction of direct funding would allow States to invest local tax dollars with confidence, enabling agencies to build up the administrative capacity to efficiently administer these programs. By smoothing federal financial support for planning, construction, and operating



activities—as compared to the current overreliance on discretionary grant programs, which require the identification of a local funding match in the absence of any guarantees in securing federal funding through a discretionary grant program—Congress can empower States to become full partners in developing the U.S. intercity passenger rail network.

#### **(D) Repeated Rail Planning Cycle**

Rail Passengers strongly supports the Federal Railroad Administration (FRA) launching an iterative national planning cycle. By “recycling” service development work, project planning, and project development, significant savings could be realized in time and expense for eligible entities moving through the FRA’s CID project pipeline phases.

This would allow the FRA and USDOT to prioritize hiring personnel who are experts in planning, development, engineering, environmental review, and project management to assist States and other entities applying for federal funding. A robust FRA planning and engineering department would expedite corridor development, lower planning costs, and allow projects to move to construction in far less time.

#### **(E) Enhance Railroad Rehabilitation and Improvement Financing (RRIF) and USDOT’s Private Activity Bond (PABs) Programs**

*Rail Passengers* supports the proposals put forth by the U.S. High Speed Rail Association (USHSR) to strengthen the RRIF program by providing an appropriation to be used by the Secretary to pay the credit risk premium for eligible passenger rail projects and raising the USDOT’s PABs volume cap to at least \$45 billion. These enhancements will leverage limited federal dollars by facilitating greater private sector investment in rail service on key high-traffic corridors across the U.S.

#### **(F) Support Operational Funding for Transit and Commuter Rail**

*Rail Passengers* supports the proposal to establish a federal funding program for transit operations included in Congressman Hank Johnson’s *Stronger Communities Through Better Transit Act* (H.R. 7039).

Transit agencies and commuter railroads across the U.S. are facing “fiscal cliffs” as American Rescue Plan funds expire. By providing operational support to allow service providers to make substantial improvements to transit service, this proposal will help put these services on firmer budgetary footing by improving operating recovery ratios through increased ridership.



## Sec. 2 - Implementing the Federal Railroad Administration's Amtrak Daily Long-Distance Service Study

Section 22214 of the IIJA directed the FRA to conduct an Amtrak Daily Long-Distance Service Study (LDSS) to evaluate the restoration of daily intercity rail passenger service along (1) any Amtrak long-distance routes that, as of the date of enactment of the IIJA, were discontinued, and (2) any Amtrak long-distance routes that, as of the date of enactment of the IIJA, occur on a non-daily basis.

The network of selected preferred route options, if implemented, would provide passenger rail access to 39 million people that don't currently have access to passenger rail, including 7 million people in rural communities. The network of selected preferred route options, which could serve 34 states, would also increase access to key destinations -- including 61 additional Metropolitan Statistical Areas; 74 additional medical centers; 75 National Parks, Recreation Areas, and Preserves; and 3,237 higher education institutions.

Fully realized, the FRA's Long-Distance Service Study (LDSS) represents a long-term infrastructure strategy that will play out over decades. These routes are, by definition, interstate transportation corridors involving multiple states and scores of local jurisdictions. This endeavor demands a federal partner capable of enacting a national transportation vision.

### Recommended Actions

#### (A) National Long-Distance Rail Service Commission

Based upon our participation in the FRA's Daily Long-Distance Service Study (LDSS), our Association recommends the formation of a National Long-Distance Rail Service Commission (LDRSC) as part of the USDOT to bring together all the Federal agencies with a role to play in building out this new Network, as well as key stakeholders such as tribes, organizations representing state agencies, local elected and appointed officials, rail labor, relevant Class I representatives, and passenger groups.

Congress should:

- Authorize creation of a LDRSC as a quasi-independent entity within the FRA, similar to the Gulf Coast Working Group<sup>1</sup>. The LDRSC will be authorized to engage in planning, construction, and procurement activities necessary to introduce phased introduction of service on the 15 routes identified by the LDSS;
- Provide \$3 million in annual funding to covering LDRSC planning and coordination activities;



- Direct the LDRSC to engage with Amtrak, States, groups of States, entities implementing interstate compacts, regional passenger rail authorities, regional planning organizations, political subdivisions of a State, federally recognized Indian Tribes, rail labor, relevant Class I and other host railroads, private sector rail operators, organizations representing passengers, and other entities, as determined by the Secretary, to carry out its mission;
- Authorize the LDRSC, in conjunction with eligible entities, to apply for FSP grants to carry out advanced planning, construction, and procurement activities; and
- Allow the LDRSC to enroll any of the 15 routes it deems necessary into the CID Program, on a rolling basis.

## Sec. 3 Planning, Construction, and Procurement Policy Reforms

### Recommended Actions

#### (A) Streamline Environmental Review, Assessments and Planning

*Rail Passengers* is joining with the USHSR and the Teamsters Rail Conference to support a package of permitting reforms that would speed delivery of rail projects in the U.S., including:

- Limiting agency reviews for Environmental Impact Statements (EIS) and Environmental Assessments (EA) of passenger rail projects to two years and one year, respectively;
- Eliminating delays in starting the 2- or 1-year timeline by creating a 30-day determination window by which the Surface Transportation Board (STB) must review a filed application and make a determination about whether the application is sufficiently complete and whether it is subject to a 2-year EIS Statement or 1-year EA;
- Stipulating that, that if the lead agency for conducting a 2-year EIS or a 1-year EA fails to complete its review in the statutory timeframe assigned, the application or petition is deemed automatically approved and shall not be subject to judicial review;
- Designating the Surface Transportation Board as the lead agency for all high-speed rail environmental reviews with exclusive jurisdiction over the construction and operation of all U.S. high speed rail projects, as is the case for freight rail lines; and
- Ensuring that the Surface Transportation Board's Office of Environmental Analysis (OEA) and Office of Public Assistance, Government Affairs, and Compliance (OPAGAC) are sufficiently staffed to efficiently discharge these new responsibilities.

#### (B) Creation of a National Equipment Leasing Pool

Private sector Original Equipment Manufacturing (OEM) companies have responded to increased investment in the U.S. passenger rail system by dramatically expanding their



domestic manufacturing footprints. This has supported thousands of direct jobs, and tens of thousands of indirect jobs through the supporting supply chains.

However, a lack of funding certainty has stunted OEM investment in the U.S., while adding to unacceptably long delivery times for operators and public agencies looking to purchase new trainsets. As just one example: Amtrak's procurement for the replacement of the existing Long-Distance fleet isn't scheduled to begin entering revenue service until at least 2033. And the locomotive Brightline recently lost in a collision with a fire truck in Florida will take three years to replace.

The creation of a **National Equipment Leasing Pool (NEP)** would generate thousands of new manufacturing jobs for Americans, address significant hurdles to the introduction of new services, and eliminate an obstacle to private-sector operators that is currently limiting competition in the U.S. intercity passenger rail operations market.

To support the growth of the domestic rail manufacturing industry, speed introduction of new passenger rail service in America, and incentivize greater private sector competition in the U.S. operations market, Congress should:

- Authorize \$7 billion to fund the procurement of an initial pool of intercity passenger rail equipment, to be carried out by the FRA, in consultation with the NGECC, SAIPRC members, interested states and passenger rail authorities, U.S.-based OEMs, Amtrak, private-sector rail operators, and anyone else the Secretary shall deem appropriate;
- Direct the FRA to utilize, to the greatest extent practical, designs for trainsets that are being manufactured in the U.S. as of the time of enactment of this law, to reduce costs and speed delivery;
- Direct the FRA to solicit interest from relevant states, authorities, Amtrak, and private sector operators in leasing trainsets from the NEP;
- Direct the FRA to solicit bids from private sector companies interested in purchasing trainsets from the NEP to act as a leasing company, granting preference to applications from companies that currently participate in the railroad car leasing market or the aircraft leasing market;
- Clarify that any grant recipient from the NEP will be considered a rail carrier only for the purposes of making it subject to the laws of the U.S. as outlined in 49 U.S.C. §10501, including (i) the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.); (ii) the Railway Labor Act (45 U.S.C. 151 et seq.); and (iii) the Railroad Unemployment Insurance Act 45 U.S.C. 351 et seq.), but will not be deemed to be a rail carrier for the purposes of, or subject to, any other section of the U.S. Code; and



- Expand Railroad Improvement Fund (RRIF)(49 U.S.C. Ch. 224) eligibility to private sector companies interested in utilizing loans to procure a pool of intercity passenger rail equipment, or purchase the NEP, to act as a leasing company, granting preference to applications from companies that currently participate in the railroad car leasing market or the aircraft leasing market.

### **(C) Leverage Flexibility Under Current Law**

Current statutes define [22 categories of FRA Categorical Exclusions](#) (CEs) (§771.116) that do not involve significant environmental impacts and are subject to expedited review.

### **(D) Standardize Project Elements**

*Rail Passengers* supports policy recommendations outlined in the American High Speed Rail Act (AHSRA) directing the FRA to promulgate comprehensive, performance-based regulations on passenger rail infrastructure elements to incentivize standardized station, signaling, and equipment designs across the U.S. rail network. To the practical extent that these elements can be repeated between different projects, they will lower manufacturing costs and maximize interoperability.

### **(E) Prioritize Expertise Over Lowest Bid**

Replace lowest-bidder standards with a "technical score" for reliability, feasibility, cost targets, and speed of execution. Include a requirement for an itemized budget from proposal to signed contract, against which the contractor is measured.

### **(F) Prohibit Spending Timelines**

Prohibit the inclusion of obligation deadlines for FSP and CRISI grantees to avoid the increased costs that come with restructuring project sequencing to meet artificial timelines.

### **(G) Mandate Formalized Cost Transparency**

Congress should mandate that Amtrak, the FRA, and FSP grantees publicly post itemized lists of costs for Major Rail Project grant awards (defined by the FRA as a railroad capital project with a capital cost estimate equal to or greater than \$500 million and at least \$100 million in federal assistance; or a railroad capital project that FRA determines to be a Major Rail Project).

This will encourage public-sector innovation in project management, increase transparency, and reduce friction in change orders. These cost itemizations should be readily accessible to the public.



### (H) Facilitate Right-of-Way Acquisition for the Development of Passenger Service

*Rail Passengers* supports policy recommendations outlined in the AHSRA:

- Authorizing advance acquisition of railroad right-of-way (similar to advance acquisition permitted for highway and transit projects) by allowing the Secretary to assist a grantee in acquiring right-of-way before the completion of the environmental reviews for any project that may use the right-of-way if the acquisition is otherwise permitted under federal law.
- Establishing an incentive for freight operators to sell, grant easement on, or lease freight-owned land along existing right-of-way for passenger rail development.