

S 294 RFH

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S. 294

IN THE HOUSE OF REPRESENTATIVES

October 31, 2007

Referred to the Committee on Transportation and Infrastructure

AN ACT

To reauthorize Amtrak, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Passenger Rail Investment and Improvement Act of 2007'.

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

Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision of law, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Amendment of title 49, United States Code.

Sec. 3. Table of contents.

TITLE I--AUTHORIZATIONS

Sec. 101. Authorization for Amtrak capital and operating expenses and State capital grants.

Sec. 102. Authorization for the Federal Railroad Administration.

Sec. 103. Repayment of long-term debt and capital leases.

Sec. 104. Excess railroad retirement.

Sec. 105. Other authorizations.

TITLE II--AMTRAK REFORM AND OPERATIONAL IMPROVEMENTS

Sec. 201. National railroad passenger transportation system defined.

Sec. 202. Amtrak Board of Directors.

Sec. 203. Establishment of improved financial accounting system.

Sec. 204. Development of 5-year financial plan.

Sec. 205. Establishment of grant process.

Sec. 206. State-supported routes.

Sec. 207. Independent auditor to establish methodologies for Amtrak route and service planning decisions.

Sec. 208. Metrics and standards.

Sec. 209. Passenger train performance.

Sec. 210. Long distance routes.

Sec. 210A. Report on service delays on certain passenger rail routes.

Sec. 211. Alternate passenger rail service program.

Sec. 212. Employee transition assistance.

Sec. 213. Northeast Corridor state-of-good-repair plan.

Sec. 214. Northeast Corridor infrastructure and operations improvements.

Sec. 215. Restructuring long-term debt and capital leases.

Sec. 216. Study of compliance requirements at existing intercity rail stations.

Sec. 217. Incentive pay.

Sec. 218. Access to Amtrak equipment and services.

Sec. 219. General Amtrak provisions.

Sec. 220. Private sector funding of passenger trains.

Sec. 221. On-board service improvements.

Sec. 222. Amtrak management accountability.

Sec. 223. Locomotive biodiesel fuel use study.

Sec. 224. Sense of the Senate regarding the need to maintain Amtrak as a national passenger rail system.

Sec. 225. Passenger rail study.

TITLE III--INTERCITY PASSENGER RAIL POLICY

Sec. 301. Capital assistance for intercity passenger rail service; State rail plans.

Sec. 302. State rail plans.

Sec. 303. Next generation corridor train equipment pool.

Sec. 304. Federal rail policy.

Sec. 305. Rail cooperative research program.

Sec. 306. Passenger rail system comparison study.

TITLE IV--MISCELLANEOUS

Sec. 401. Strategic plan on expanded cross-border passenger rail service during the 2010 Olympic Games.

TITLE I--AUTHORIZATIONS

SEC. 101. AUTHORIZATION FOR AMTRAK CAPITAL AND OPERATING EXPENSES AND STATE CAPITAL GRANTS.

(a) OPERATING GRANTS- There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak for operating costs the following amounts:

(1) For fiscal year 2007, \$580,000,000.

(2) For fiscal year 2008, \$590,000,000.

(3) For fiscal year 2009, \$600,000,000.

(4) For fiscal year 2010, \$575,000,000.

(5) For fiscal year 2011, \$535,000,000.

(6) For fiscal year 2012, \$455,000,000.

(b) CAPITAL GRANTS- There are authorized to be appropriated to the

Secretary of Transportation for the use of Amtrak for capital projects (as defined in subparagraphs (A) and (B) of section 24401(2) of title 49, United States Code) to bring the Northeast Corridor (as defined in section 24102 (a)) to a state-of-good-repair, for capital expenses of the national railroad passenger transportation system, and for purposes of making capital grants under section 24402 of that title to States, the following amounts:

- (1) For fiscal year 2007, \$813,000,000.
- (2) For fiscal year 2008, \$910,000,000.
- (3) For fiscal year 2009, \$1,071,000,000.
- (4) For fiscal year 2010, \$1,096,000,000.
- (5) For fiscal year 2011, \$1,191,000,000.
- (6) For fiscal year 2012, \$1,231,000,000.

(c) AMOUNTS FOR STATE GRANTS- Out of the amounts authorized under subsection (b), the following percentage shall be available each fiscal year for capital grants to States under section 24402 of title 49, United States Code, to be administered by the Secretary of Transportation:

- (1) 3 percent for fiscal year 2007.
- (2) 11 percent for fiscal year 2008.
- (3) 23 percent for fiscal year 2009.
- (4) 25 percent for fiscal year 2010.
- (5) 31 percent for fiscal year 2011.
- (6) 33 percent for fiscal year 2012.

(d) PROJECT MANAGEMENT OVERSIGHT- The Secretary may withhold up to 1/2 of 1 percent of amounts appropriated pursuant to subsection (b) for the costs of project management oversight of capital projects carried out by Amtrak.

SEC. 102. AUTHORIZATION FOR THE FEDERAL RAILROAD ADMINISTRATION.

There are authorized to be appropriated to the Secretary of Transportation for the use of the Federal Railroad Administration such sums as necessary to implement the provisions required under this Act for fiscal years 2007 through 2012.

SEC. 103. REPAYMENT OF LONG-TERM DEBT AND CAPITAL LEASES.

(a) AMTRAK PRINCIPAL AND INTEREST PAYMENTS-

(1) PRINCIPAL ON DEBT SERVICE- There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak for retirement of principal on loans for capital equipment, or capital leases, not more than the following amounts:

(A) For fiscal year 2007, \$153,900,000.

(B) For fiscal year 2008, \$153,400,000.

(C) For fiscal year 2009, \$180,600,000.

(D) For fiscal year 2010, \$182,800,000.

(E) For fiscal year 2011, \$189,400,000.

(F) For fiscal year 2012, \$202,600,000.

(2) INTEREST ON DEBT- There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak for the payment of interest on loans for capital equipment, or capital leases, the following amounts:

(A) For fiscal year 2007, \$139,600,000.

(B) For fiscal year 2008, \$131,300,000.

(C) For fiscal year 2009, \$121,700,000.

(D) For fiscal year 2010, \$111,900,000.

(E) For fiscal year 2011, \$101,900,000.

(F) For fiscal year 2012, \$90,200,000.

(3) EARLY BUYOUT OPTION- There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary for the use of Amtrak for the payment of costs associated with early buyout options if the exercise of those options is determined to be advantageous to Amtrak.

(4) LEGAL EFFECT OF PAYMENTS UNDER THIS SECTION- The payment of principal and interest on secured debt, with the proceeds of grants authorized by this section shall not--

(A) modify the extent or nature of any indebtedness of the National Railroad Passenger Corporation to the United States in existence of the date of enactment of this Act;

(B) change the private nature of Amtrak's or its successors' liabilities; or

(C) imply any Federal guarantee or commitment to amortize Amtrak's outstanding indebtedness.

SEC. 104. EXCESS RAILROAD RETIREMENT.

There are authorized to be appropriated to the Secretary of Transportation, beginning with fiscal year 2007, such sums as may be necessary to pay to the Railroad Retirement Account an amount equal to the amount Amtrak must pay under section 3221 of the Internal Revenue Code of 1986 in such fiscal years that is more than the amount needed for benefits for individuals who retire from Amtrak and for their beneficiaries. For each fiscal year in which the Secretary makes such a payment, the amounts authorized by section 101(a) shall be reduced by an amount equal to such payment.

SEC. 105. OTHER AUTHORIZATIONS.

There are authorized to be appropriated to the Secretary of Transportation--

(1) \$5,000,000 for each of fiscal years 2007 through 2012 to carry out

the rail cooperative research program under section 24910 of title 49, United States Code;

(2) \$5,000,000 for fiscal year 2008, to remain available until expended, for grants to Amtrak and States participating in the Next Generation Corridor Train Equipment Pool Committee established under section 303 of this Act for the purpose of designing, developing specifications for, and initiating the procurement of an initial order of 1 or more types of standardized next-generation corridor train equipment and establishing a jointly-owned corporation to manage that equipment; and

(3) \$2,000,000 for fiscal year 2008, for the use of Amtrak in conducting the evaluation required by section 216 of this Act.

TITLE II--AMTRAK REFORM AND OPERATIONAL IMPROVEMENTS

SEC. 201. NATIONAL RAILROAD PASSENGER TRANSPORTATION SYSTEM DEFINED.

(a) IN GENERAL- Section 24102 is amended--

(1) by striking paragraph (2);

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

(3) by inserting after paragraph (4) as so redesignated the following:

“(5) “national rail passenger transportation system” means--

“(A) the segment of the Northeast Corridor between Boston, Massachusetts and Washington, DC;

“(B) rail corridors that have been designated by the Secretary of Transportation as high-speed corridors (other than corridors described in subparagraph (A)), but only after they have been improved to permit operation of high-speed service;

“(C) long distance routes of more than 750 miles between endpoints operated by Amtrak as of the date of enactment of the

Passenger Rail Investment and Improvement Act of 2007; and

` (D) short-distance corridors, or routes of not more than 750 miles between endpoints, operated by--

` (i) Amtrak; or

` (ii) another rail carrier that receives funds under chapter 244.'

(b) AMTRAK ROUTES WITH STATE FUNDING-

(1) IN GENERAL- Chapter 247 is amended by inserting after section 24701 the following:

Sec. 24702. Transportation requested by States, authorities, and other persons

` (a) CONTRACTS FOR TRANSPORTATION- Amtrak may enter into a contract with a State, a regional or local authority, or another person for Amtrak to operate an intercity rail service or route not included in the national rail passenger transportation system upon such terms as the parties thereto may agree.

` (b) DISCONTINUANCE- Upon termination of a contract entered into under this section, or the cessation of financial support under such a contract by either party, Amtrak may discontinue such service or route, notwithstanding any other provision of law.'

(2) CONFORMING AMENDMENT- The chapter analysis for chapter 247 is amended by inserting after the item relating to section 24701 the following:

` 24702. Transportation requested by States, authorities, and other persons.'

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

(d) Applicability of Section 24706- Section 24706 is amended by adding at the end the following:

` (c) APPLICABILITY- This section applies to all service over routes provided by Amtrak, notwithstanding any provision of section 24701 of this title or any other provision of this title except section 24702(b).'

(e) Amtrak's Mission-

(1) Section 24101 is amended--

(A) by striking ` **purpose**' in the section heading and inserting ` **mission**';

(B) by striking subsection (b) and inserting the following:

` (b) Mission-

` (1) IN GENERAL- The mission of Amtrak is to provide efficient and effective intercity passenger rail mobility consisting of high quality service that is trip-time competitive with other intercity travel options and that is consistent with the goals of subsection (d).

` (2) PERFORMANCE MEASUREMENT- All measurements of Amtrak performance, including decisions on whether, and to what extent, to provide operating subsidies, shall be based on Amtrak's ability to carry out the mission described in paragraph (1).'; and

(C) by redesignating paragraphs (9) through (11) in subsection (c) as paragraphs (10) through (12), respectively, and inserting after paragraph (8) the following:

` (9) provide redundant or complimentary intercity transportation service to ensure mobility in times of national disaster or other instances where other travel options are not adequately available;'

(2) CONFORMING AMENDMENT- The chapter analysis for chapter 241 is amended by striking the item relating to section 24101 and inserting the following:

` 24101. Findings, mission, and goals'.

SEC. 202. AMTRAK BOARD OF DIRECTORS.

(a) IN GENERAL- Section 24302 is amended to read as follows:

Sec. 24302. Board of directors

(a) Composition and Terms-

(1) The Board of Directors of Amtrak is composed of the following 10 directors, each of whom must be a citizen of the United States:

(A) The Secretary of Transportation.

(B) The President of Amtrak, who shall serve ex officio, as a non-voting member.

(C) 8 individuals appointed by the President of the United States, by and with the advice and consent of the Senate, with general business and financial experience, experience or qualifications in transportation, freight and passenger rail transportation, travel, hospitality, cruise line, and passenger air transportation businesses, or representatives of employees or users of passenger rail transportation or a State government.

(2) In selecting individuals described in paragraph (1) for nominations for appointments to the Board, the President shall consult with the Speaker of the House of Representatives, the minority leader of the House of Representatives, the majority leader of the Senate, and the minority leader of the Senate and try to provide adequate and balanced representation of the major geographic regions of the United States served by Amtrak.

(3) An individual appointed under paragraph (1)(C) of this subsection serves for 5 years or until the individual's successor is appointed and qualified. Not more than 5 individuals appointed under paragraph (1) (C) may be members of the same political party.

(4) The Board shall elect a chairman and a vice chairman from among its membership. The vice chairman shall serve as chairman in the absence of the chairman.

(5) The Secretary may be represented at board meetings by the Secretary's designee.

` (6) The voting privileges of the President can be changed by a unanimous decision of the Board.

` (b) PAY AND EXPENSES- Each director not employed by the United States Government is entitled to \$300 a day when performing Board duties. Each Director is entitled to reimbursement for necessary travel, reasonable secretarial and professional staff support, and subsistence expenses incurred in attending Board meetings.

` (c) VACANCIES- A vacancy on the Board is filled in the same way as the original selection, except that an individual appointed by the President of the United States under subsection (a)(1)(C) of this section to fill a vacancy occurring before the end of the term for which the predecessor of that individual was appointed is appointed for the remainder of that term. A vacancy required to be filled by appointment under subsection (a)(1)(C) must be filled not later than 120 days after the vacancy occurs.

` (d) QUORUM- A majority of the members serving shall constitute a quorum for doing business.

` (e) BYLAWS- The Board may adopt and amend bylaws governing the operation of Amtrak. The bylaws shall be consistent with this part and the articles of incorporation.'

(b) EFFECTIVE DATE FOR DIRECTORS' PROVISION- The amendment made by subsection (a) shall take effect on October 1, 2007. The members of the Amtrak Board serving on the date of enactment of this Act may continue to serve for the remainder of the term to which they were appointed.

SEC. 203. ESTABLISHMENT OF IMPROVED FINANCIAL ACCOUNTING SYSTEM.

(a) IN GENERAL- The Amtrak Board of Directors--

(1) may employ an independent financial consultant with experience in railroad accounting to assist Amtrak in improving Amtrak's financial accounting and reporting system and practices;

(2) shall implement a modern financial accounting and reporting system; and

(3) shall, not later than 90 days after the end of each fiscal year

through fiscal year 2012--

(A) submit to Congress a comprehensive report that allocates all of Amtrak's revenues and costs to each of its routes, each of its lines of business, and each major activity within each route and line of business activity, including--

- (i) train operations;
- (ii) equipment maintenance;
- (iii) food service;
- (iv) sleeping cars;
- (v) ticketing; and
- (vi) reservations;

(B) include the report described in subparagraph (A) in Amtrak's annual report; and

(C) post such report on Amtrak's website.

(b) VERIFICATION OF SYSTEM; REPORT- The Inspector General of the Department of Transportation shall review the accounting system designed and implemented under subsection (a) to ensure that it accomplishes the purposes for which it is intended. The Inspector General shall report his findings and conclusions, together with any recommendations, to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

(c) Categorization of Revenues and Expenses-

(1) IN GENERAL- In carrying out subsection (a), the Amtrak Board of Directors shall separately categorize routes, assigned revenues, and attributable expenses by type of service, including long distance routes, State-sponsored routes, commuter contract routes, and Northeast Corridor routes.

(2) NORTHEAST CORRIDOR- Amtrak revenues generated by freight

and commuter railroads operating on the Northeast Corridor shall be separately listed to include the charges per car mile assessed by Amtrak to other freight and commuter railroad entities.

(3) FIXED OVERHEAD EXPENSES- Fixed overhead expenses that are not directly assigned or attributed to any route (or group of routes) shall be listed separately by line item and expense category.

SEC. 204. DEVELOPMENT OF 5-YEAR FINANCIAL PLAN.

(a) Development of 5-Year Financial Plan- The Amtrak Board of Directors shall submit an annual budget and business plan for Amtrak, and a 5-year financial plan for the fiscal year to which that budget and business plan relate and the subsequent 4 years, prepared in accordance with this section, to the Secretary of Transportation and the Inspector General of the Department of Transportation no later than--

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

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

(b) Contents of 5-Year Financial Plan- The 5-year financial plan for Amtrak shall include, at a minimum--

(1) all projected revenues and expenditures for Amtrak, including governmental funding sources;

(2) projected ridership levels for all Amtrak passenger operations;

(3) revenue and expenditure forecasts for non-passenger operations;

(4) capital funding requirements and expenditures necessary to maintain passenger service which will accommodate predicted ridership levels and predicted sources of capital funding;

(5) operational funding needs, if any, to maintain current and projected levels of passenger service, including state-supported routes and predicted funding sources;

(6) projected capital and operating requirements, ridership, and revenue for any new passenger service operations or service expansions;

(7) an assessment of the continuing financial stability of Amtrak, as indicated by factors such as the ability of the Federal government to fund capital and operating requirements adequately, Amtrak's ability to efficiently manage its workforce, and Amtrak's ability to effectively provide passenger train service;

(8) estimates of long-term and short-term debt and associated principal and interest payments (both current and anticipated);

(9) annual cash flow forecasts;

(10) a statement describing methods of estimation and significant assumptions;

(11) specific measures that demonstrate measurable improvement year over year in Amtrak's ability to operate with reduced Federal operating assistance;

(12) prior fiscal year and projected operating ratio, cash operating loss, and cash operating loss per passenger on a route, business line, and corporate basis;

(13) prior fiscal year and projected specific costs and savings estimates resulting from reform initiatives;

(14) prior fiscal year and projected labor productivity statistics on a route, business line, and corporate basis;

(15) prior fiscal year and projected equipment reliability statistics; and

(16) capital and operating expenditure for anticipated security needs.

(c) STANDARDS TO PROMOTE FINANCIAL STABILITY- In meeting the requirements of subsection (b), Amtrak shall--

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

(2) use the categories specified in the financial accounting and reporting system developed under section 203 when preparing its 5-year financial plan; and

(3) ensure that the plan is consistent with the authorizations of appropriations under title I of this Act.

(d) ASSESSMENT BY DOT INSPECTOR GENERAL-

(1) **IN GENERAL-** The Inspector General of the Department of Transportation shall assess the 5-year financial plans prepared by Amtrak under this section to determine whether they meet the requirements of subsection (b), and may suggest revisions to any components thereof that do not meet those requirements.

(2) **ASSESSMENT TO BE FURNISHED TO THE CONGRESS-** The Inspector General shall furnish to the House of Representatives Committee on Appropriations, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure, and the Senate Committee on Commerce, Science, and Transportation--

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

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

SEC. 205. ESTABLISHMENT OF GRANT PROCESS.

(a) **GRANT REQUESTS-** Amtrak shall submit grant requests (including a schedule for the disbursement of funds), consistent with the requirements of this Act, to the Secretary of Transportation for funds authorized to be appropriated to the Secretary for the use of Amtrak under sections 101(a) and (b), 103, and 105.

(b) **PROCEDURES FOR GRANT REQUESTS-** The Secretary shall establish substantive and procedural requirements, including schedules, for grant requests under this section not later than 30 days after the date of enactment of this Act and shall transmit copies to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives

Committee on Transportation and Infrastructure. As part of those requirements, the Secretary shall require, at a minimum, that Amtrak deposit grant funds, consistent with the appropriated amounts for each area of expenditure in a given fiscal year, in the following 3 accounts:

- (1) The Amtrak Operating account.
- (2) The Amtrak General Capital account.
- (3) The Northeast Corridor Improvement funds account.

Amtrak may not transfer such funds to another account or expend such funds for any purpose other than the purposes covered by the account in which the funds are deposited without approval by the Secretary.

(c) Review and Approval-

(1) 30-day approval process- The Secretary shall complete the review of a complete grant request (including the disbursement schedule) and approve or disapprove the request within 30 days after the date on which Amtrak submits the grant request. If the Secretary disapproves the request or determines that the request is incomplete or deficient, the Secretary shall include the reason for disapproval or the incomplete items or deficiencies in the notice to Amtrak.

(2) 15-day modification period- Within 15 days after receiving notification from the Secretary under the preceding sentence, Amtrak shall submit a modified request for the Secretary's review.

(3) REVISED REQUESTS- Within 15 days after receiving a modified request from Amtrak, the Secretary shall either approve the modified request, or,

if the Secretary finds that the request is still incomplete or deficient, the Secretary shall identify in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure the remaining deficiencies and recommend a process for resolving the outstanding portions of the request.

SEC. 206. STATE-SUPPORTED ROUTES.

(a) IN GENERAL- Within 2 years after the date of enactment of this Act, the Board of Directors of Amtrak, in consultation with the Secretary of Transportation and the governors of each relevant State and the Mayor of the District of Columbia or groups representing those officials, shall develop and implement a single, Nationwide standardized methodology for establishing and allocating the

operating and capital costs among the States and Amtrak associated with trains operated on routes described in section 24102(5)(B) or (D) or section 24702 that--

(1) ensures, within 5 years after the date of enactment of this Act, equal treatment in the provision of like services of all States and groups of States (including the District of Columbia); and

(2) allocates to each route the costs incurred only for the benefit of that route and a proportionate share, based upon factors that reasonably reflect relative use, of costs incurred for the common benefit of more than 1 route.

(b) REVIEW- If Amtrak and the States (including the District of Columbia) in which Amtrak operates such routes do not voluntarily adopt and implement the methodology developed under subsection (a) in allocating costs and determining compensation for the provision of service in accordance with the date established therein, the Surface Transportation Board shall determine the appropriate methodology required under subsection (a) for such services in accordance with the procedures and procedural schedule applicable to a proceeding under section 24904(c) of title 49, United States Code, and require the full implementation of this methodology with regards to the provision of such service within 1 year after the Board's determination of the appropriate methodology.

(c) Use of Chapter 244 Funds- Funds provided to a State under chapter 244 of title 49, United States Code, may be used, as provided in that chapter, to pay capital costs determined in accordance with this section.

SEC. 207. INDEPENDENT AUDITOR TO ESTABLISH METHODOLOGIES FOR AMTRAK ROUTE AND SERVICE PLANNING DECISIONS.

(a) METHODOLOGY DEVELOPMENT- The Federal Railroad Administration shall obtain the services of an independent auditor or consultant to develop and recommend objective methodologies for determining intercity passenger

routes and services, including the establishment of new routes, the elimination of existing routes, and the contraction or expansion of services or frequencies over such routes. In developing such methodologies, the auditor or consultant shall consider--

(1) the current or expected performance and service quality of intercity passenger train operations, including cost recovery, on-time performance and minutes of delay, ridership, on-board services, stations, facilities, equipment, and other services;

(2) connectivity of a route with other routes;

(3) the transportation needs of communities and populations that are not well served by intercity passenger rail service or by other forms of public transportation;

(4) Amtrak's and other major intercity passenger rail service providers in other countries' methodologies for determining intercity passenger rail routes and services; and

(5) the views of the States and other interested parties.

(b) SUBMITTAL TO CONGRESS- The auditor or consultant shall submit recommendations developed under subsection (a) to Amtrak, the House of Representatives Committee on Transportation and Infrastructure, and the Senate Committee on Commerce, Science, and Transportation.

(c) CONSIDERATION OF RECOMMENDATIONS- Within 90 days after receiving the recommendations developed under subsection (a) by the independent auditor or consultant, the Amtrak Board shall consider the adoption of those recommendations. The Board shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure explaining its action in adopting or failing to adopt any of the recommendations.

(d) AUTHORIZATION OF APPROPRIATIONS- There are authorized to be made available to the Secretary of Transportation, out of any amounts authorized by this Act to be appropriated for the benefit of Amtrak and not otherwise obligated or expended, such sums as may be necessary to carry out this section.

(e) Pioneer Route- Not later than 1 year after the date of the enactment of this Act, Amtrak shall conduct a 1-time evaluation of passenger rail service between Seattle and Chicago (commonly known as the `Pioneer Route'), which was operated by Amtrak until 1997, using methodologies adopted under subsection (c), to determine whether to reinstate passenger rail service along the Pioneer Route or along segments of such route.

(f) NORTH COAST HIAWATHA ROUTE- Not later than 1 year after the date of enactment of this Act, Amtrak shall conduct a 1-time evaluation of passenger rail service between Chicago and Seattle, through Southern Montana (commonly known as the `North Coast Hiawatha Route'), which was operated by Amtrak until 1979, using methodologies adopted under subsection (c), to determine whether to reinstate passenger rail service along the North Coast Hiawatha Route or along segments of such route, provided that such service will not negatively impact existing Amtrak routes.

SEC. 208. METRICS AND STANDARDS.

(a) IN GENERAL- Within 180 days after the date of enactment of this Act, the Administrator of the Federal Railroad Administration and Amtrak shall jointly, in consultation with the Surface Transportation Board, rail carriers over whose rail lines Amtrak trains operate, States, Amtrak employees, and groups representing Amtrak passengers, as appropriate, develop new or improve existing metrics and minimum standards for measuring the performance and service quality of intercity passenger train operations, including cost recovery, on-time performance and minutes of delay, ridership, on-board services, stations, facilities, equipment, and other services. Such metrics, at a minimum, shall include the percentage of avoidable and fully allocated operating costs covered by passenger revenues on each route, ridership per train mile operated, measures of on-time performance and delays incurred by intercity passenger trains on the rail lines of each rail carrier and, for long distance routes, measures of connectivity with other routes in all regions currently receiving Amtrak service and the transportation needs of communities and populations that are not well-served by other forms of public transportation. Amtrak shall provide reasonable access to the Federal Railroad Administration in order to enable the Administration to carry out its duty under this section.

(b) QUARTERLY REPORTS- The Administrator of the Federal Railroad Administration shall collect the necessary data and publish a quarterly report on the performance and service quality of intercity passenger train operations, including Amtrak's cost recovery, ridership, on-time performance

and minutes of delay, causes of delay, on-board services, stations, facilities, equipment, and other services.

(c) CONTRACT WITH HOST RAIL CARRIERS- To the extent practicable, Amtrak and its host rail carriers shall incorporate the metrics and standards developed under subsection (a) into their access and service agreements.

(d) ARBITRATION- If the development of the metrics and standards is not completed within the 180-day period required by subsection (a), any party involved in the development of those standards may petition the Surface Transportation Board to appoint an arbitrator to assist the parties in resolving their disputes through binding arbitration.

SEC. 209. PASSENGER TRAIN PERFORMANCE.

(a) IN GENERAL- Section 24308 is amended by adding at the end the following:

^ (f) Passenger Train Performance and Other Standards-

^ (1) INVESTIGATION OF SUBSTANDARD PERFORMANCE- If the on-time performance of any intercity passenger train averages less than 80 percent for any 2 consecutive calendar quarters, or the service quality of intercity passenger train operations for which minimum standards are established under section 208 of the Passenger Rail Investment and Improvement Act of 2007 fails to meet those standards for 2 consecutive calendar quarters, the Surface Transportation Board may initiate an investigation, or upon the filing of a complaint by Amtrak, an intercity passenger rail operator, a host freight railroad over which Amtrak operates, or an entity for which Amtrak operates intercity passenger rail service, the Board shall initiate an investigation to determine whether, and to what extent, delays or failure to achieve minimum standards are due to causes that could reasonably be addressed by a rail carrier over tracks of which the intercity passenger train operates or reasonably addressed by Amtrak or other intercity passenger rail operator. As part of its investigation, the Board has authority to review the accuracy of the train performance data. In making its determination or carrying out such an investigation, the Board shall obtain information from all parties involved and identify reasonable measures and make recommendations to improve the service, quality, and on-time performance of the train.

` (2) PROBLEMS CAUSED BY HOST RAIL CARRIER- If the Board determines that delays or failures to achieve minimum standards investigated under paragraph (1) are attributable to a rail carrier's failure to provide preference to Amtrak over freight transportation as required under subsection (c), the Board may award damages against the host rail carrier, including prescribing such other relief to Amtrak as it determines to be reasonable and appropriate pursuant to paragraph (3) of this subsection.

` (3) DAMAGES AND RELIEF- In awarding damages and prescribing other relief under this subsection the Board shall consider such factors as--

` (A) the extent to which Amtrak suffers financial loss as a result of host rail carrier delays or failure to achieve minimum standards; and

` (B) what reasonable measures would adequately deter future actions which may reasonably be expected to be likely to result in delays to Amtrak on the route involved.

` (4) USE OF DAMAGES- The Board shall, as it deems appropriate, order the host rail carrier to remit the damages awarded under this subsection to Amtrak or to an entity for which Amtrak operates intercity passenger rail service. Such damages shall be used for capital or operating expenditures on the routes over which delays or failures to achieve minimum standards were the result of a rail carrier's failure to provide preference to Amtrak over freight transportation as determined in accordance with paragraph (2).'

(b) FEES- The Surface Transportation Board may establish and collect filing fees from any entity that files a complaint under section 24308(f)(1) of title 49, United States Code, or otherwise requests or requires the Board's services pursuant to this Act. The Board shall establish such fees at levels that will fully or partially, as the Board determines to be appropriate, offset the costs of adjudicating complaints under that section and other requests or requirements for Board action under this Act. The Board may waive any fee established under this subsection for any governmental entity as determined appropriate by the Board.

(c) AUTHORIZATION OF ADDITIONAL STAFF- The Surface Transportation Board may increase the number of Board employees by up to 15 for the 5

fiscal year period beginning with fiscal year 2008 to carry out its responsibilities under section 24308 of title 49, United States Code, and this Act.

(d) CHANGE OF REFERENCE- Section 24308 is amended--

(1) by striking ` Interstate Commerce Commission' in subsection (a)(2)(A) and inserting ` Surface Transportation Board';

(2) by striking ` Commission' each place it appears and inserting ` Board';

(3) by striking ` Secretary of Transportation' in subsection (c) and inserting ` Board'; and

(4) by striking ` Secretary' the last 3 places it appears in subsection (c) and each place it appears in subsections (d) and (e) and inserting ` Board'.

SEC. 210. LONG DISTANCE ROUTES.

(a) IN GENERAL- Chapter 247 is amended by adding at the end thereof the following:

` Sec. 24710. Long distance routes

` (a) ANNUAL EVALUATION- Using the financial and performance metrics developed under section 208 of the Passenger Rail Investment and Improvement Act of 2007, Amtrak shall--

` (1) evaluate annually the financial and operating performance of each long distance passenger rail route operated by Amtrak; and

` (2) rank the overall performance of such routes for 2006 and identify each long distance passenger rail route operated by Amtrak in 2006 according to its overall performance as belonging to the best performing third of such routes, the second best performing third of such routes, or the worst performing third of such routes.

` (b) PERFORMANCE IMPROVEMENT PLAN- Amtrak shall develop and publish a performance improvement plan for its long distance passenger rail routes

to achieve financial and operating improvements based on the data collected through the application of the financial and performance metrics developed under section 208 of that Act. The plan shall address--

- ` (1) on-time performance;
- ` (2) scheduling, frequency, routes, and stops;
- ` (3) the feasibility of restructuring service into connected corridor service;
- ` (4) performance-related equipment changes and capital improvements;
- ` (5) on-board amenities and service, including food, first class, and sleeping car service;
- ` (6) State or other non-Federal financial contributions;
- ` (7) improving financial performance; and
- ` (8) other aspects of Amtrak's long distance passenger rail routes that affect the financial, competitive, and functional performance of service on Amtrak's long distance passenger rail routes.

` (c) IMPLEMENTATION- Amtrak shall implement the performance improvement plan developed under subsection (b)--

- ` (1) beginning in fiscal year 2008 for those routes identified as being in the worst performing third under subsection (a)(2);
- ` (2) beginning in fiscal year 2009 for those routes identified as being in the second best performing third under subsection (a)(2); and
- ` (3) beginning in fiscal year 2010 for those routes identified as being in the best performing third under subsection (a)(2).

` (d) ENFORCEMENT- The Federal Railroad Administration shall monitor the development, implementation, and outcome of improvement plans under this section. If, for any year, it determines that Amtrak is not making reasonable progress in implementing its performance improvement plan or

in achieving the expected outcome of the plan for any calendar year, the Federal Railroad Administration--

` (1) shall notify Amtrak, the Inspector General of the Department of Transportation, and appropriate Congressional committees of its determination under this subsection;

` (2) shall provide an opportunity for a hearing with respect to that determination; and

` (3) may withhold any appropriated funds otherwise available to Amtrak for the operation of a route or routes on which it is not making progress, other than funds made available for passenger safety or security measures.'.

(b) CONFORMING AMENDMENT- The chapter analysis for chapter 247 is amended by inserting after the item relating to section 24709 the following:

` 24710. Long distance routes.'.

SEC. 210A. REPORT ON SERVICE DELAYS ON CERTAIN PASSENGER RAIL ROUTES.

Not later than 6 months after the date of the enactment of this Act, the Inspector General of the Department of Transportation shall submit to Congress a report that--

(1) describes service delays and the sources of such delays on--

(A) the Amtrak passenger rail route between Seattle, Washington, and Los Angeles, California (commonly known as the `Coast Starlight'); and

(B) the Amtrak passenger rail route between Vancouver, British Columbia, Canada, and Eugene, Oregon (commonly known as `Amtrak Cascades'); and

(2) contains recommendations for improving the on-time performance of such routes.

SEC. 211. ALTERNATE PASSENGER RAIL SERVICE PROGRAM.

(a) IN GENERAL- Chapter 247, as amended by section 209, is amended by adding at the end thereof the following:

Sec. 24711. Alternate passenger rail service program

(a) IN GENERAL- Within 1 year after the date of enactment of the Passenger Rail Investment and Improvement Act of 2007, the Federal Railroad Administration shall initiate a rulemaking proceeding to develop a program under which--

(1) a rail carrier or rail carriers that own infrastructure over which Amtrak operates a passenger rail service route described in subparagraph (B), (C), or (D) of section 24102(5) or in section 24702 of title 49, United States Code, or any entity operating as a rail carrier that has negotiated a contingent agreement to lease necessary rights-of-way from a rail carrier or rail carriers that own the infrastructure on which Amtrak operates such routes, may petition the Federal Railroad Administration to be considered as a passenger rail service provider over that route in lieu of Amtrak;

(2) the Administration would notify Amtrak within 30 days after receiving a petition under paragraph (1) and establish a deadline by which both the petitioner and Amtrak would be required to submit a bid to provide passenger rail service over the route to which the petition relates;

(3) each bid would describe how the bidder would operate the route, what Amtrak passenger equipment would be needed, if any, what sources of non-Federal funding the bidder would use, including any State subsidy, among other things;

(4) the Administration would make a decision and execute a contract within a specified, limited time after that deadline awarding to the winning bidder--

(A) the right and obligation to provide passenger rail service over that route subject to such performance standards as the Administration may require, consistent with the standards developed under section 208 of this Act; and

(B) an operating subsidy--

^ (i) for the first year at a level not in excess of the level in effect during the fiscal year preceding the fiscal year in which the petition was received, adjusted for inflation;

^ (ii) for any subsequent years at such level, adjusted for inflation; and

^ (5) each bid would contain a staffing plan describing the number of employees needed to operate the service, the job assignments and requirements, and the terms of work for prospective and current employees of the bidder for the service outlined in the bid, and such staffing plan would be made available by the winning bidder to the public after the bid award.

^ (b) Implementation-

^ (1) INITIAL PETITIONS- Pursuant to any rules or regulations promulgated under subsection (A), the Administration shall establish a deadline for the submission of a petition under subsection (a)--

^ (A) during fiscal year 2008 for operations commencing in fiscal year 2009; and

^ (B) during the immediately preceding fiscal year for operations commencing in subsequent fiscal years.

^ (2) ROUTE LIMITATIONS- The Administration may not make the program available with respect to more than 1 Amtrak passenger rail route for operations beginning in fiscal year 2009 nor to more than 2 such routes for operations beginning in fiscal year 2011 and subsequent fiscal years.

^ (c) PERFORMANCE STANDARDS; ACCESS TO FACILITIES; EMPLOYEES- If the Administration awards the right and obligation to provide passenger rail service over a route under the program to a rail carrier or rail carriers--

^ (1) it shall execute a contract with the rail carrier or rail carriers for rail passenger operations on that route that conditions the operating and subsidy rights upon--

^ (A) the service provider continuing to provide passenger rail

service on the route that is no less frequent, nor over a shorter distance, than Amtrak provided on that route before the award; and

` (B) the service provider's compliance with the minimum standards established under section 208 of the Passenger Rail Investment and Improvement Act of 2007 and such additional performance standards as the Administration may establish;

` (2) it shall, if the award is made to a rail carrier other than Amtrak, require Amtrak to provide access to its reservation system, stations, and facilities to any rail carrier or rail carriers awarded a contract under this section, in accordance with section 218 of that Act, necessary to carry out the purposes of this section;

` (3) the employees of any person used by a rail carrier or rail carriers (as defined in section 10102(5) of this title) in the operation of a route under this section shall be considered an employee of that carrier or carriers and subject to the applicable Federal laws and regulations governing similar crafts or classes of employees of Amtrak, including provisions under section 121 of the Amtrak Reform and Accountability Act of 1997 relating to employees that provide food and beverage service; and

` (4) the winning bidder shall provide preference in hiring to qualified Amtrak employees displaced by the award of the bid, consistent with the staffing plan submitted by the bidder.

` (d) CESSATION OF SERVICE- If a rail carrier or rail carriers awarded a route under this section cease to operate the service or fail to fulfill their obligations under the contract required under subsection (c), the Administrator, in collaboration with the Surface Transportation Board shall take any necessary action consistent with this title to enforce the contract and ensure the continued provision of service, including the installment of an interim service provider and re-bidding the contract to operate the service. The entity providing service shall either be Amtrak or a rail carrier defined in section 24711(a)(1).

` (e) ADEQUATE RESOURCES- Before taking any action allowed under this section, the Secretary shall certify that the Administrator has sufficient resources that are adequate to undertake the program established under this section.'

(b) CONFORMING AMENDMENT- The chapter analysis for chapter 247, as amended by section 209, is amended by inserting after the item relating to section 24710 the following:

^ 24711. Alternate passenger rail service program.'.

SEC. 212. EMPLOYEE TRANSITION ASSISTANCE.

(a) PROVISION OF FINANCIAL INCENTIVES- For Amtrak employees who are adversely affected by the cessation of the operation of a long distance route or any other route under section 24711 of title 49, United States Code, previously operated by Amtrak, the Secretary shall develop a program under which the Secretary may, in the Secretary's discretion, provide grants for financial incentives to be provided to employees of the National Railroad Passenger Corporation who voluntarily terminate their employment with the Corporation and relinquish any legal rights to receive termination-related payments under any contractual agreement with the Corporation.

(b) CONDITIONS FOR FINANCIAL INCENTIVES- As a condition for receiving financial assistance grants under this section, the Corporation must certify that--

(1) a reasonable attempt was made to reassign an employee adversely affected under section 24711 of title 49, United States Code, or by the elimination of any route, to other positions within the Corporation in accordance with any contractual agreements;

(2) the financial assistance results in a net reduction in the total number of employees equal to the number receiving financial incentives;

(3) the financial assistance results in a net reduction in total employment expense equivalent to the total employment expenses associated with the employees receiving financial incentives; and

(4) the total number of employees eligible for termination-related payments will not be increased without the express written consent of the Secretary.

(c) AMOUNT OF FINANCIAL INCENTIVES- The financial incentives authorized under this section may be no greater than \$50,000 per employee.

(d) AUTHORIZATION OF APPROPRIATIONS- There are hereby authorized to be appropriated to the Secretary such sums as may be necessary to make grants to the National Railroad Passenger Corporation to provide financial incentives under subsection (a).

(e) TERMINATION-RELATED PAYMENTS- If Amtrak employees adversely affected by the cessation of Amtrak service resulting from the awarding of a grant to an operator other than Amtrak for the operation of a route under section 24711 of title 49, United States Code, or any other route, previously operated by Amtrak do not receive financial incentives under subsection (a), then the Secretary shall make grants to the National Railroad Passenger Corporation from funds authorized by section 102 of this Act for termination-related payments to employees under existing contractual agreements.

SEC. 213. NORTHEAST CORRIDOR STATE-OF-GOOD-REPAIR PLAN.

(a) IN GENERAL- Within 6 months after the date of enactment of this Act, the National Railroad Passenger Corporation, in consultation with the Secretary and the States (including the District of Columbia) that make up the Northeast Corridor (as defined in section 24102 of title 49, United States Code), shall prepare a capital spending plan for capital projects required to return the railroad right-of-way (including track, signals, and auxiliary structures), facilities, stations, and equipment, of the Northeast Corridor to a state of good repair by the end of fiscal year 2012, consistent with the funding levels authorized in this Act and shall submit the plan to the Secretary.

(b) APPROVAL BY THE SECRETARY-

(1) The Corporation shall submit the capital spending plan prepared under this section to the Secretary of Transportation for review and approval pursuant to the procedures developed under section 205 of this Act.

(2) The Secretary of Transportation shall require that the plan be updated at least annually and shall review and approve such updates. During review, the Secretary shall seek comments and review from the commission established under section 24905 of title 49, United States Code, and other Northeast Corridor users regarding the plan.

(3) The Secretary shall make grants to the Corporation with funds authorized by section 101(b) for Northeast Corridor capital

investments contained within the capital spending plan prepared by the Corporation and approved by the Secretary.

(4) Using the funds authorized by section 101(d), the Secretary shall review Amtrak's capital expenditures funded by this section to ensure that such expenditures are consistent with the capital spending plan and that Amtrak is providing adequate project management oversight and fiscal controls.

(c) ELIGIBILITY OF EXPENDITURES- The Federal share of expenditures for capital improvements under this section may not exceed 100 percent.

SEC. 214. NORTHEAST CORRIDOR INFRASTRUCTURE AND OPERATIONS IMPROVEMENTS.

(a) IN GENERAL- Section 24905 is amended to read as follows:

Sec. 24905. Northeast Corridor Infrastructure and Operations Advisory Commission; Safety and Security Committee

(a) NORTHEAST CORRIDOR INFRASTRUCTURE AND OPERATIONS ADVISORY COMMISSION-

(1) Within 180 days after the date of enactment of the Passenger Rail Investment and Improvement Act of 2007, the Secretary of Transportation shall establish a Northeast Corridor Infrastructure and Operations Advisory Commission (hereinafter referred to in this section as the 'Commission') to promote mutual cooperation and planning pertaining to the rail operations and related activities of the Northeast Corridor. The Commission shall be made up of--

(A) members representing the National Railroad Passenger Corporation;

(B) members representing the Secretary of Transportation and the Federal Railroad Administration;

(C) 1 member from each of the States (including the District of Columbia) that constitute the Northeast Corridor as defined in section 24102, designated by, and serving at the pleasure of, the chief executive officer thereof; and

` (D) non-voting representatives of freight railroad carriers using the Northeast Corridor selected by the Secretary.

` (2) The Secretary shall ensure that the membership belonging to any of the groups enumerated under subparagraph (1) shall not constitute a majority of the commission's memberships.

` (3) The commission shall establish a schedule and location for convening meetings, but shall meet no less than four times per fiscal year, and the commission shall develop rules and procedures to govern the commission's proceedings.

` (4) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

` (5) Members shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

` (6) The Chairman of the Commission shall be elected by the members.

` (7) The Commission may appoint and fix the pay of such personnel as it considers appropriate.

` (8) Upon request of the Commission, the head of any department or agency of the United States may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

` (9) Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

` (10) The commission shall consult with other entities as appropriate.

` (b) GENERAL RECOMMENDATIONS- The Commission shall develop recommendations concerning Northeast Corridor rail infrastructure and operations including proposals addressing, as appropriate--

- ` (1) short-term and long term capital investment needs beyond the state-of-good-repair under section 213;
- ` (2) future funding requirements for capital improvements and maintenance;
- ` (3) operational improvements of intercity passenger rail, commuter rail, and freight rail services;
- ` (4) opportunities for additional non-rail uses of the Northeast Corridor;
- ` (5) scheduling and dispatching;
- ` (6) safety and security enhancements;
- ` (7) equipment design;
- ` (8) marketing of rail services; and
- ` (9) future capacity requirements.

` (c) ACCESS COSTS-

` (1) DEVELOPMENT OF FORMULA- Within 1 year after verification of Amtrak's new financial accounting system pursuant to section 203(b) of the Passenger Rail Investment and Improvement Act of 2007, the Commission shall--

` (A) develop a standardized formula for determining and allocating costs, revenues, and compensation for Northeast Corridor commuter rail passenger transportation, as defined in section 24102 of this title, that use National Railroad Passenger Corporation facilities or services or that provide such facilities or services to the National Railroad Passenger Corporation that ensure that--

` (i) there is no cross-subsidization of commuter rail passenger, intercity rail passenger, or freight rail transportation; and

^ (ii) each service is assigned the costs incurred only for the benefit of that service, and a proportionate share, based upon factors that reasonably reflect relative use, of costs incurred for the common benefit of more than 1 service;

^ (B) develop a proposed timetable for implementing the formula before the end of the 6th year following the date of enactment of that Act;

^ (C) transmit the proposed timetable to the Surface Transportation Board; and

^ (D) at the request of a Commission member, petition the Surface Transportation Board to appoint a mediator to assist the Commission members through non-binding mediation to reach an agreement under this section.

^ (2) IMPLEMENTATION- The National Railroad Passenger Corporation and the commuter authorities providing commuter rail passenger transportation on the Northeast Corridor shall implement new agreements for usage of facilities or services based on the formula proposed in paragraph (1) in accordance with the timetable established therein. If the entities fail to implement such new agreements in accordance with the timetable, the Commission shall petition the Surface Transportation Board to determine the appropriate compensation amounts for such services in accordance with section 24904(c) of this title. The Surface Transportation Board shall enforce its determination on the party or parties involved.

^ (d) TRANSMISSION OF RECOMMENDATIONS- The commission shall annually transmit the recommendations developed under subsection (b) and the formula and timetable developed under subsection (c)(1) to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

^ (e) Northeast Corridor Safety and Security Committee-

^ (1) IN GENERAL- The Secretary shall establish a Northeast Corridor Safety and Security Committee composed of members appointed by the Secretary. The members shall be representatives of--

^ (A) the Secretary;

- ` (B) Amtrak;
- ` (C) freight carriers operating more than 150,000 train miles a year on the main line of the Northeast Corridor;
- ` (D) commuter agencies;
- ` (E) rail passengers;
- ` (F) rail labor;
- ` (G) the Transportation Security Administration; and
- ` (H) other individuals and organizations the Secretary decides have a significant interest in rail safety or security.

` (2) FUNCTION; MEETINGS- The Secretary shall consult with the Committee about safety and security improvements on the Northeast Corridor main line. The Committee shall meet at least once every 2 years to consider safety matters on the main line.

` (3) REPORT- At the beginning of the first session of each Congress, the Secretary shall submit a report to the Commission and to Congress on the status of efforts to improve safety and security on the Northeast Corridor main line. The report shall include the safety recommendations of the Committee and the comments of the Secretary on those recommendations.'

(b) CONFORMING AMENDMENTS- Section 24904(c)(2) is amended by--

- (1) inserting ` commuter rail passenger and' after ` between'; and
- (2) striking ` freight' in the second sentence.

(c) RIDOT Access Agreement-

(1) IN GENERAL- Not later than December 15, 2007, Amtrak and the Rhode Island Department of Transportation shall enter into an agreement governing access fees and other costs or charges related to the operation of the South County commuter rail service on the Northeast Corridor between Providence and Wickford Junction, Rhode

Island.

(2) FAILURE TO REACH AGREEMENT- If Amtrak and the Rhode Island Department of Transportation fail to reach the agreement specified under paragraph (1), the Administrator of the Federal Railroad Administration shall, after consultation with both parties, resolve any outstanding disagreements between the parties, including setting access fees and other costs or charges related to the operation of the South County commuter rail service that do not allow for the cross-subsidization of intercity rail passenger and commuter rail passenger service, not later than October 31, 2007.

(3) INTERIM AGREEMENT- Any agreement between Amtrak and the Rhode Island Department of Transportation relating to access costs made under this subsection shall be superseded by any access cost formula developed by the Northeast Corridor Infrastructure and Operations Advisory Commission under section 24905(c)(1) of title 49, United States Code, as amended by section 214(a) of this Act.

(d) ACELA SERVICE STUDY-

(1) IN GENERAL- Amtrak shall conduct a study to determine the infrastructure and equipment improvements necessary to provide regular Acela service--

(A) between Washington, D.C. and New York City in 2 hours and 30 minutes; and

(B) between New York City and Boston in 3 hours and 15 minutes.

(2) ISSUES- The study conducted under paragraph (1) shall include--

(A) an estimated time frame for achieving the trip time described in paragraph (1);

(B) an analysis of any significant obstacles that would hinder such an achievement; and

(C) a detailed description and cost estimate of the specific infrastructure and equipment improvements necessary for such an achievement.

(3) SECONDARY STUDY- Amtrak shall provide an initial assessment of the infrastructure and equipment improvements, including an order of magnitude cost estimate of such improvements, that would be necessary to provide regular Acela service--

(A) between Washington, D.C. and New York City in 2 hours and 15 minutes; and

(B) between New York City and Boston in 3 hours.

(4) REPORT- Not later than February 1, 2008, Amtrak shall submit a written report containing the results of the studies required under this subsection to--

(A) the Committee on Commerce, Science, and Transportation of the Senate;

(B) the Committee on Appropriations of the Senate;

(C) the Committee on Transportation and Infrastructure of the House of Representatives;

(D) the Committee on Appropriations of the House of Representatives; and

(E) the Federal Railroad Administration.

SEC. 215. RESTRUCTURING LONG-TERM DEBT AND CAPITAL LEASES.

(a) IN GENERAL- The Secretary of the Treasury, in consultation with the Secretary of Transportation and Amtrak, may make agreements to restructure Amtrak's indebtedness as of the date of enactment of this Act. This authorization expires on October 1, 2008.

(b) DEBT RESTRUCTURING- The Secretary of Treasury, in consultation with the Secretary of the Transportation and Amtrak, shall enter into negotiations with the holders of Amtrak debt, including leases, outstanding on the date of enactment of this Act for the purpose of restructuring (including repayment) and repaying that debt. The Secretary of the Treasury may secure agreements for restructuring or repayment on such terms as the Secretary of the Treasury deems favorable to the interests of the Government.

(c) CRITERIA- In restructuring Amtrak's indebtedness, the Secretary and Amtrak--

(1) shall take into consideration repayment costs, the term of any loan or loans, and market conditions; and

(2) shall ensure that the restructuring results in significant savings to Amtrak and the United States Government.

(d) PAYMENT OF RENEGOTIATED DEBT- If the criteria under subsection (c) are met, the Secretary of Treasury may assume or repay the restructured debt, as appropriate.

(e) AMTRAK PRINCIPAL AND INTEREST PAYMENTS-

(1) PRINCIPAL ON DEBT SERVICE- Unless the Secretary of Treasury makes sufficient payments to creditors under subsection (d) so that Amtrak is required to make no payments to creditors in a fiscal year, the Secretary of Transportation shall use funds authorized by section 103(a)(1) for the use of Amtrak for retirement of principal on loans for capital equipment, or capital leases.

(2) INTEREST ON DEBT- Unless the Secretary of Treasury makes sufficient payments to creditors under subsection (d) so that Amtrak is required to make no payments to creditors in a fiscal year, the Secretary of Transportation shall use funds authorized by section 103 (a)(2) for the use of Amtrak for the payment of interest on loans for capital equipment, or capital leases.

(3) REDUCTIONS IN AUTHORIZATION LEVELS- Whenever action taken by the Secretary of the Treasury under subsection (a) results in reductions in amounts of principal or interest that Amtrak must service on existing debt, the corresponding amounts authorized by section 103 (a)(1) or (2) shall be reduced accordingly.

(f) LEGAL EFFECT OF PAYMENTS UNDER THIS SECTION- The payment of principal and interest on secured debt, other than debt assumed under subsection (d), with the proceeds of grants under subsection (e) shall not--

(1) modify the extent or nature of any indebtedness of the National Railroad Passenger Corporation to the United States in existence of the

date of enactment of this Act;

(2) change the private nature of Amtrak's or its successors' liabilities;
or

(3) imply any Federal guarantee or commitment to amortize Amtrak's outstanding indebtedness.

(g) SECRETARY APPROVAL- Amtrak may not incur more debt after the date of enactment of this Act without the express advance approval of the Secretary of Transportation.

(h) REPORT- The Secretary of the Treasury shall transmit a report to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure, and the House of Representatives Committee on Appropriations by November 1, 2008--

(1) describing in detail any agreements to restructure the Amtrak debt; and

(2) providing an estimate of the savings to Amtrak and the United States Government.

SEC. 216. STUDY OF COMPLIANCE REQUIREMENTS AT EXISTING INTERCITY RAIL STATIONS.

Amtrak, in consultation with station owners, shall evaluate the improvements necessary to make all existing stations it serves readily accessible to and usable by individuals with disabilities, as required by section 242(e)(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12162(e)(2)). The evaluation shall include the estimated cost of the improvements necessary, the identification of the responsible person (as defined in section 241(5) of that Act (42 U.S.C. 12161(5))), and the earliest practicable date when such improvements can be made. Amtrak shall submit the evaluation to the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Transportation and Infrastructure, and the National Council on Disability by September 30, 2008, along with recommendations for funding the necessary improvements.

SEC. 217. INCENTIVE PAY.

The Amtrak Board of Directors is encouraged to develop an incentive pay program for Amtrak management employees.

SEC. 218. ACCESS TO AMTRAK EQUIPMENT AND SERVICES.

If a State desires to select or selects an entity other than Amtrak to provide services required for the operation of an intercity passenger train route described in section 24102(5)(D) or 24702 of title 49, United States Code, the State may make an agreement with Amtrak to use facilities and equipment of, or have services provided by, Amtrak under terms agreed to by the State and Amtrak to enable the State to utilize an entity other than Amtrak to provide services required for operation of the route. If the parties cannot agree upon terms, and the Surface Transportation Board finds that access to Amtrak's facilities or equipment, or the provision of services by Amtrak, is necessary to carry out this provision and that the operation of Amtrak's other services will not be impaired thereby, the Surface Transportation Board shall, within 120 days after submission of the dispute, issue an order that the facilities and equipment be made available, and that services be provided, by Amtrak, and shall determine reasonable compensation, liability and other terms for use of the facilities and equipment and provision of the services. Compensation shall be determined in accord with the methodology established pursuant to section 206 of this Act.

SEC. 219. GENERAL AMTRAK PROVISIONS.

(a) Repeal of Self-Sufficiency Requirements.

(1) PLAN REQUIRED- Section 24101(d) is amended--

(A) by striking `plan to operate within the funding levels authorized by section 24104 of this chapter, including the budgetary goals for fiscal years 1998 through 2002.' and inserting `plan, consistent with section 204 of the Passenger Rail Investment and Improvement Act of 2007, including the budgetary goals for fiscal years 2007 through 2012.'; and

(B) by striking the last sentence and inserting `Amtrak and its Board of Directors shall adopt a long term plan that minimizes the need for Federal operating subsidies.'.

(2) AMTRAK REFORM AND ACCOUNTABILITY ACT AMENDMENTS- Title II of the Amtrak Reform and Accountability Act of 1997 (49 U.S.C. 24101 nt) is amended by striking sections 204 and 205.

(b) LEASE ARRANGEMENTS- Amtrak may obtain services from the Administrator of General Services, and the Administrator may provide services to Amtrak, under section 201(b) and 211(b) of the Federal Property and Administrative Service Act of 1949 (40 U.S.C. 481(b) and 491(b)) for each of fiscal years 2007 through 2012.

(c) TRAVEL FACILITATION- Using existing authority or agreements, or upon reaching additional agreements with Canada, the Secretary of Transportation and other Federal agencies, as appropriate, are authorized to establish facilities and procedures to conduct preclearance of passengers traveling on Amtrak trains from Canada to the United States. The Secretary shall seek to establish such facilities and procedures--

(1) in Vancouver, Canada, no later than June 1, 2008; and

(2) in other areas as determined appropriate by the Secretary.

SEC. 220. PRIVATE SECTOR FUNDING OF PASSENGER TRAINS.

Amtrak is encouraged to increase the operation of trains funded by, or in partnership with, private sector operators through competitive contracting to minimize the need for Federal subsidies. Amtrak shall utilize the provisions of section 24308 of title 49, United States Code, when necessary to obtain access to facilities, train and engine crews, or services of a rail carrier or regional transportation authority that are required to operate such trains.

SEC. 221. ON-BOARD SERVICE IMPROVEMENTS.

(a) IN GENERAL- Within 1 year after metrics and standards are established under section 208 of this Act, Amtrak shall develop and implement a plan to improve on-board service pursuant to the metrics and standards for such service developed under that section.

(b) REPORT- Amtrak shall provide a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the on-board service improvements proscribed in the plan and the timeline for implementing such improvements.

SEC. 222. AMTRAK MANAGEMENT ACCOUNTABILITY.

(a) IN GENERAL- Chapter 243 is amended by inserting after section 24309 the following:

Sec. 24310. Management accountability

(a) IN GENERAL- Three years after the date of enactment of the Passenger Rail Investment and Improvement Act of 2007, and two years thereafter, the Inspector General of the Department of Transportation shall complete an overall assessment of the progress made by Amtrak management and the Department of Transportation in implementing the provisions of that Act.

(b) ASSESSMENT- The management assessment undertaken by the Inspector General may include a review of--

- (1) effectiveness improving annual financial planning;
- (2) effectiveness in implementing improved financial accounting;
- (3) efforts to implement minimum train performance standards;
- (4) progress maximizing revenues and minimizing Federal subsidies; and
- (5) any other aspect of Amtrak operations the Inspector General finds appropriate to review.'

(b) CONFORMING AMENDMENT- The chapter analysis for chapter 243 is amended by inserting after the item relating to section 24309 the following:

24310. Management accountability.'

SEC. 223. LOCOMOTIVE BIODIESEL FUEL USE STUDY.

(a) In General- The Federal Railroad Administration, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall conduct a study to determine the extent to which Amtrak could use biodiesel fuel blends to power its fleet of locomotives and any of its other motor vehicles that can operate on diesel fuel.

(b) Factors- In conducting the study, the Federal Railroad Administration shall consider--

- (1) environmental and energy security effects of biodiesel fuel use;
- (2) the cost of purchasing biodiesel fuel blends for such purposes;
- (3) whether sufficient biodiesel fuel is readily available; and
- (4) the effect of biodiesel fuel use on relevant performance or warranty specifications.

(c) Report- Not later than April 1, 2008, the Federal Railroad Administration shall report the results of its study to the Congress together with such findings, conclusions, and recommendations as it deems appropriate.

SEC. 224. SENSE OF THE SENATE REGARDING THE NEED TO MAINTAIN AMTRAK AS A NATIONAL PASSENGER RAIL SYSTEM.

(a) Findings- The Senate makes the following findings:

- (1) In fiscal year 2007, 3,800,000 passengers traveled on Amtrak's long distance trains, an increase of 2.4 percent over fiscal year 2006.
- (2) Amtrak long-distance routes generated \$376,000,000 in revenue in fiscal year 2007, an increase of 5 percent over fiscal year 2006.
- (3) Amtrak operates 15 long-distance trains over 18,500 route miles that serve 39 States and the District of Columbia. These trains provide the only rail passenger service to 23 States.
- (4) Amtrak's long-distance trains provide an essential transportation service for many communities and to a significant percentage of the general public.
- (5) Many long-distance trains serve small communities with limited or no significant air or bus service, especially in remote or isolated areas in the United States.
- (6) As a result of airline deregulation and decisions by national bus

carriers to leave many communities, rail transportation may provide the only feasible common carrier transportation option for a growing number of areas.

(7) If long-distance trains were eliminated, 23 States and 243 communities would be left with no intercity passenger rail service and 16 other States would lose some rail service. These trains provide a strong economic benefit for the States and communities that they serve.

(8) Long-distance trains also provide transportation during periods of severe weather or emergencies that stall other modes of transportation.

(9) Amtrak provided the only reliable long-distance transportation following the September 11, 2001 terrorist attacks that grounded air travel.

(10) The majority of passengers on long-distance trains do not travel between the endpoints, but rather between any combination of cities along the route.

(11) Passenger trains provide transportation options, mobility for underserved populations, congestion mitigation, and jobs in the areas they serve.

(12) Passenger rail has a positive impact on the environment compared to other modes of transportation by conserving energy, reducing greenhouse gas emissions, and cutting down on other airborne particulate and toxic emissions.

(13) Amtrak communities that are served use passenger rail and passenger rail stations as a significant source of economic development.

(14) This Act makes meaningful and important reforms to increase the efficiency, profitability and on-time performance of Amtrak's long-distance routes.

(b) Sense of the Senate- It is the sense of the Senate that--

(1) long-distance passenger rail is a vital and necessary part of our

national transportation system and economy; and

(2) Amtrak should maintain a national passenger rail system, including long-distance routes, that connects the continental United States from coast to coast and from border to border.

SEC. 225. PASSENGER RAIL STUDY.

(a) In General- The Comptroller General of the General Accountability Office shall conduct a study to determine the potential cost and benefits of expanding passenger rail service options in underserved communities.

(b) Submission- Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit a report containing the results of the study conducted under this section to--

(1) the Committee on Commerce, Science, and Transportation of the Senate; and

(2) the Committee on Transportation and Infrastructure of the House of Representatives.

TITLE III--INTERCITY PASSENGER RAIL POLICY

SEC. 301. CAPITAL ASSISTANCE FOR INTERCITY PASSENGER RAIL SERVICE; STATE RAIL PLANS.

(a) IN GENERAL- Part C of subtitle V is amended by inserting the following after chapter 243:

CHAPTER 244. INTERCITY PASSENGER RAIL SERVICE CORRIDOR CAPITAL ASSISTANCE

Sec.

24401. Definitions.

24402. Capital investment grants to support intercity passenger rail service.

` 24403. Project management oversight.

` 24404. Use of capital grants to finance first-dollar liability of grant project.

` 24405. Grant conditions.

` **Sec. 24401. Definitions**

` In this subchapter:

` (1) APPLICANT- The term `applicant' means a State (including the District of Columbia), a group of States, an Interstate Compact, or a public agency established by one or more States and having responsibility for providing intercity passenger rail service.

` (2) CAPITAL PROJECT- The term `capital project' means a project or program in a State rail plan developed under chapter 225 of this title for--

` (A) acquiring, constructing, improving, or inspecting equipment, track and track structures, or a facility for use in or for the primary benefit of intercity passenger rail service, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, environmental studies, and acquiring rights-of-way), payments for the capital portions of rail trackage rights agreements, highway-rail grade crossing improvements related to intercity passenger rail service, security, mitigating environmental impacts, communication and signalization improvements, relocation assistance, acquiring replacement housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;

` (B) rehabilitating, remanufacturing or overhauling rail rolling stock and facilities used primarily in intercity passenger rail service;

` (C) costs associated with developing State rail plans; and

` (D) the first-dollar liability costs for insurance related to the provision of intercity passenger rail service under section 24404.

` (3) INTERCITY PASSENGER RAIL SERVICE- The term `intercity passenger rail service' means transportation services with the primary purpose of passenger transportation between towns, cities and metropolitan areas by rail, including high-speed rail, as defined in section 24102 of title 49, United States Code.

` **Sec. 24402. Capital investment grants to support intercity passenger rail service**

` (a) GENERAL AUTHORITY-

` (1) The Secretary of Transportation may make grants under this section to an applicant to assist in financing the capital costs of facilities, infrastructure, and equipment necessary to provide or improve intercity passenger rail transportation.

` (2) The Secretary shall require that a grant under this section be subject to the terms, conditions, requirements, and provisions the Secretary decides are necessary or appropriate for the purposes of this section, including requirements for the disposition of net increases in value of real property resulting from the project assisted under this section and shall prescribe procedures and schedules for the awarding of grants under this title, including application and qualification procedures and a record of decision on applicant eligibility. The Secretary shall issue a final rule establishing such procedures not later than 90 days after the date of enactment of the Passenger Rail Investment and Improvement Act of 2007.

` (b) PROJECT AS PART OF STATE RAIL PLAN-

` (1) The Secretary may not approve a grant for a project under this section unless the Secretary finds that the project is part of a State rail plan developed under chapter 225 of this title, or under the plan required by section 203 of the Passenger Rail Investment and Improvement Act of 2007, and that the applicant or recipient has or will have the legal, financial, and technical capacity to carry out the project, satisfactory continuing control over the use of the equipment or facilities, and the capability and willingness to maintain the equipment or facilities.

` (2) An applicant shall provide sufficient information upon which the Secretary can make the findings required by this subsection.

^ (3) If an applicant has not selected the proposed operator of its service competitively, the applicant shall provide written justification to the Secretary showing why the proposed operator is the best, taking into account price and other factors, and that use of the proposed operator will not unnecessarily increase the cost of the project.

^ (c) PROJECT SELECTION CRITERIA- The Secretary, in selecting the recipients of financial assistance to be provided under subsection (a), shall--

^ (1) require that each proposed project meet all safety and security requirements that are applicable to the project under law;

^ (2) give preference to projects with high levels of estimated ridership, increased on-time performance, reduced trip time, additional service frequency to meet anticipated or existing demand, or other significant service enhancements as measured against minimum standards developed under section 208 of the Passenger Rail Investment and Improvement Act of 2007;

^ (3) encourage intermodal connectivity through projects that provide direct connections between train stations, airports, bus terminals, subway stations, ferry ports, and other modes of transportation;

^ (4) ensure that each project is compatible with, and is operated in conformance with--

^ (A) plans developed pursuant to the requirements of section 135 of title 23, United States Code; and

^ (B) the national rail plan (if it is available); and

^ (5) favor the following kinds of projects:

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

^ (B) Projects that also improve freight or commuter rail operations.

^ (C) Projects that have significant environmental benefits, including projects that involve the purchase of environmentally sensitive, fuel-efficient, and cost-effective passenger rail

equipment.

` (D) Projects that are--

` (i) at a stage of preparation that all pre-commencement compliance with environmental protection requirements has already been completed; and

` (ii) ready to be commenced.

` (E) Projects with positive economic and employment impacts.

` (F) Projects that encourage the use of positive train control technologies.

` (G) Projects that have commitments of funding from non-Federal Government sources in a total amount that exceeds the minimum amount of the non-Federal contribution required for the project.

` (H) Projects that involve donated property interests or services.

` (I) Projects that are identified by the Surface Transportation Board as necessary to improve the on time performance and reliability of intercity passenger rail under section 24308(f).

` (J) Projects described in section 5302(a)(1)(G) of this title that are designed to support intercity passenger rail service.

` (d) AMTRAK ELIGIBILITY- To receive a grant under this section, the National Railroad Passenger Corporation may enter into a cooperative agreement with 1 or more States to carry out 1 or more projects on a State rail plan's ranked list of rail capital projects developed under section 22504 (a)(5) of this title.

` (e) LETTERS OF INTENT, FULL FUNDING GRANT AGREEMENTS, AND EARLY SYSTEMS WORK AGREEMENTS-

` (1)(A) The Secretary may issue a letter of intent to an applicant announcing an intention to obligate, for a major capital project under this section, an amount from future available budget authority specified in law that is not more than the amount stipulated as the

financial participation of the Secretary in the project.

` (B) At least 30 days before issuing a letter under subparagraph (A) of this paragraph or entering into a full funding grant agreement, the Secretary shall notify in writing the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and the House and Senate Committees on Appropriations of the proposed letter or agreement. The Secretary shall include with the notification a copy of the proposed letter or agreement as well as the evaluations and ratings for the project.

` (C) An obligation or administrative commitment may be made only when amounts are appropriated.

` (2)(A) The Secretary may make a full funding grant agreement with an applicant. The agreement shall--

` (i) establish the terms of participation by the United States Government in a project under this section;

` (ii) establish the maximum amount of Government financial assistance for the project;

` (iii) cover the period of time for completing the project, including a period extending beyond the period of an authorization; and

` (iv) make timely and efficient management of the project easier according to the law of the United States.

` (B) An agreement under this paragraph obligates an amount of available budget authority specified in law and may include a commitment, contingent on amounts to be specified in law in advance for commitments under this paragraph, to obligate an additional amount from future available budget authority specified in law. The agreement shall state that the contingent commitment is not an obligation of the Government and is subject to the availability of appropriations made by Federal law and to Federal laws in force on or enacted after the date of the contingent commitment. Interest and other financing costs of efficiently carrying out a part of the project within a reasonable time are a cost of carrying out the project under a

full funding grant agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms.

^ (3)(A) The Secretary may make an early systems work agreement with an applicant if a record of decision under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) has been issued on the project and the Secretary finds there is reason to believe--

^ (i) a full funding grant agreement for the project will be made; and

^ (ii) the terms of the work agreement will promote ultimate completion of the project more rapidly and at less cost.

^ (B) A work agreement under this paragraph obligates an amount of available budget authority specified in law and shall provide for reimbursement of preliminary costs of carrying out the project, including land acquisition, timely procurement of system elements for which specifications are decided, and other activities the Secretary decides are appropriate to make efficient, long-term project management easier. A work agreement shall cover the period of time the Secretary considers appropriate. The period may extend beyond the period of current authorization. Interest and other financing costs of efficiently carrying out the work agreement within a reasonable time are a cost of carrying out the agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms. If an applicant does not carry out the project for reasons within the control of the applicant, the applicant shall repay all Government payments made under the work agreement plus reasonable interest and penalty charges the Secretary establishes in the agreement.

^ (4) The total estimated amount of future obligations of the Government and contingent commitments to incur obligations covered

by all outstanding letters of intent, full funding grant agreements, and early systems work agreements may be not more than the amount authorized under section 101(c) of Passenger Rail Investment and Improvement Act of 2007, less an amount the Secretary reasonably estimates is necessary for grants under this section not covered by a letter. The total amount covered by new letters and contingent commitments included in full funding grant agreements and early systems work agreements may be not more than a limitation specified in law.

˘ (f) FEDERAL SHARE OF NET PROJECT COST-

˘ (1)(A) Based on engineering studies, studies of economic feasibility, and information on the expected use of equipment or facilities, the Secretary shall estimate the net project cost.

˘ (B) A grant for the project shall not exceed 80 percent of the project net capital cost.

˘ (C) The Secretary shall give priority in allocating future obligations and contingent commitments to incur obligations to grant requests seeking a lower Federal share of the project net capital cost.

˘ (2) Up to an additional 20 percent of the required non-Federal funds may be funded from amounts appropriated to or made available to a department or agency of the Federal Government that are eligible to be expended for transportation.

˘ (3) 50 percent of the average amounts expended by a State or group of States (including the District of Columbia) for capital projects to benefit intercity passenger rail service and operating costs of up to \$5,000,000 per fiscal year of such service in fiscal years 2003, 2004, 2005, and 2006 shall be credited towards the matching requirements for grants awarded in fiscal years 2007, 2008, and 2009 under this section. The Secretary may require such information as necessary to verify such expenditures.

˘ (4) 50 percent of the average amounts expended by a State or group of States (including the District of Columbia) in a fiscal year, beginning in fiscal year 2007, for capital projects to benefit intercity passenger rail service or for the operating costs of such service above the average capital and operating expenditures made for such service in

fiscal years 2004, 2005, and 2006 shall be credited towards the matching requirements for grants awarded under this section. The Secretary may require such information as necessary to verify such expenditures.

˘ (g) UNDERTAKING PROJECTS IN ADVANCE-

˘ (1) The Secretary may pay the Federal share of the net capital project cost to an applicant that carries out any part of a project described in this section according to all applicable procedures and requirements if--

˘ (A) the applicant applies for the payment;

˘ (B) the Secretary approves the payment; and

˘ (C) before carrying out the part of the project, the Secretary approves the plans and specifications for the part in the same way as other projects under this section.

˘ (2) The cost of carrying out part of a project includes the amount of interest earned and payable on bonds issued by the applicant to the extent proceeds of the bonds are expended in carrying out the part. However, the amount of interest under this paragraph may not be more than the most favorable interest terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a manner satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financial terms.

˘ (3) The Secretary shall consider changes in capital project cost indices when determining the estimated cost under paragraph (2) of this subsection.

˘ (h) 2-Year Availability- Funds appropriated under this section shall remain available until expended. If any amount provided as a grant under this section is not obligated or expended for the purposes described in subsection (a) within 2 years after the date on which the State received the grant, such sums shall be returned to the Secretary for other intercity passenger rail development projects under this section at the discretion of the Secretary.

˘ (i) PUBLIC-PRIVATE PARTNERSHIPS-

^ (1) IN GENERAL- A metropolitan planning organization, State transportation department, or other project sponsor may enter into an agreement with any public, private, or nonprofit entity to cooperatively implement any project funded with a grant under this title.

^ (2) FORMS OF PARTICIPATION- Participation by an entity under paragraph (1) may consist of--

^ (A) ownership or operation of any land, facility, locomotive, rail car, vehicle, or other physical asset associated with the project;

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

^ (C) carrying out administration, construction management, project management, project operation, or any other management or operational duty associated with the project; and

^ (D) any other form of participation approved by the Secretary.

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

^ (j) SPECIAL TRANSPORTATION CIRCUMSTANCES- In carrying out this section, the Secretary shall allocate an appropriate portion of the amounts available under this section to provide grants to States--

^ (1) in which there is no intercity passenger rail service for the purpose of funding freight rail capital projects that are on a State rail plan developed under chapter 225 of this title that provide public benefits (as defined in chapter 225) as determined by the Secretary; or

^ (2) in which the rail transportation system is not physically connected to rail systems in the continental United States or may not otherwise qualify for a grant under this section due to the unique characteristics of the geography of that State or other relevant considerations, for the purpose of funding transportation-related capital projects.

^ (k) SMALL CAPITAL PROJECTS- The Secretary shall make available \$10,000,000 annually from the amounts authorized under section 101(c) of the Passenger Rail Investment and Improvement Act of 2007 beginning in fiscal year 2008 for grants for capital projects eligible under this section not

exceeding \$2,000,000, including costs eligible under section 206(c) of that Act. The Secretary may waive requirements of this section, including state rail plan requirements, as appropriate.

Sec. 24403. Project management oversight

(a) PROJECT MANAGEMENT PLAN REQUIREMENTS- To receive Federal financial assistance for a major capital project under this subchapter, an applicant must prepare and carry out a project management plan approved by the Secretary of Transportation. The plan shall provide for--

- (1) adequate recipient staff organization with well-defined reporting relationships, statements of functional responsibilities, job descriptions, and job qualifications;
- (2) a budget covering the project management organization, appropriate consultants, property acquisition, utility relocation, systems demonstration staff, audits, and miscellaneous payments the recipient may be prepared to justify;
- (3) a construction schedule for the project;
- (4) a document control procedure and recordkeeping system;
- (5) a change order procedure that includes a documented, systematic approach to handling the construction change orders;
- (6) organizational structures, management skills, and staffing levels required throughout the construction phase;
- (7) quality control and quality assurance functions, procedures, and responsibilities for construction, system installation, and integration of system components;
- (8) material testing policies and procedures;
- (9) internal plan implementation and reporting requirements;
- (10) criteria and procedures to be used for testing the operational system or its major components;

` (11) periodic updates of the plan, especially related to project budget and project schedule, financing, and ridership estimates; and

` (12) the recipient's commitment to submit a project budget and project schedule to the Secretary each month.

` (b) SECRETARIAL OVERSIGHT-

` (1) The Secretary may use no more than 0.5 percent of amounts made available in a fiscal year for capital projects under this subchapter to enter into contracts to oversee the construction of such projects.

` (2) The Secretary may use amounts available under paragraph (1) of this subsection to make contracts for safety, procurement, management, and financial compliance reviews and audits of a recipient of amounts under paragraph (1).

` (3) The Federal Government shall pay the entire cost of carrying out a contract under this subsection.

` (c) ACCESS TO SITES AND RECORDS- Each recipient of assistance under this subchapter shall provide the Secretary and a contractor the Secretary chooses under subsection (c) of this section with access to the construction sites and records of the recipient when reasonably necessary.

` **Sec. 24404. Use of capital grants to finance first-dollar liability of grant project**

` Notwithstanding the requirements of section 24402 of this subchapter, the Secretary of Transportation may approve the use of capital assistance under this subchapter to fund self-insured retention of risk for the first tier of liability insurance coverage for rail passenger service associated with the capital assistance grant, but the coverage may not exceed \$20,000,000 per occurrence or \$20,000,000 in aggregate per year.

` **Sec. 24405. Grant conditions**

` (a) DOMESTIC BUYING PREFERENCE-

` (1) REQUIREMENT-

` (A) IN GENERAL- In carrying out a project funded in whole or in

part with a grant under this title, the grant recipient shall purchase only--

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

ˆ (ii) manufactured articles, material, and supplies manufactured in the United States substantially from articles, material, and supplies mined, produced, or manufactured in the United States.

ˆ (B) DE MINIMIS AMOUNT- Subparagraph (1) applies only to a purchase in an total amount that is not less than \$1,000,000.

ˆ (2) EXEMPTIONS- On application of a recipient, the Secretary may exempt a recipient from the requirements of this subsection if the Secretary decides that, for particular articles, material, or supplies--

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

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

ˆ (C) the articles, material, or supplies, or the articles, material, or supplies from which they are manufactured, are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and are not of a satisfactory quality.

ˆ (3) UNITED STATES DEFINED- In this subsection, the term ˆ the United States' means the States, territories, and possessions of the United States and the District of Columbia.

ˆ (b) OPERATORS DEEMED RAIL CARRIERS AND EMPLOYERS FOR CERTAIN PURPOSES- A person that conducts rail operations over rail infrastructure constructed or improved with funding provided in whole or in part in a grant made under this title shall be considered a rail carrier as defined in section 10102(5) of this title for purposes of this title and any other statute that adopts the that definition or in which that definition applies, including--

ˆ (1) the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.);

ˆ (2) the Railway Labor Act (43 U.S.C. 151 et seq.); and

` (3) the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.).

` (c) GRANT CONDITIONS- The Secretary shall require as a condition of making any grant under this title for a project that uses rights-of-way owned by a railroad that--

` (1) a written agreement exist between the applicant and the railroad regarding such use and ownership, including--

` (A) any compensation for such use;

` (B) assurances regarding the adequacy of infrastructure capacity to accommodate both existing and future freight and passenger operations;

` (C) an assurance by the railroad that collective bargaining agreements with the railroad's employees (including terms regulating the contracting of work) will remain in full force and effect according to their terms for work performed by the railroad on the railroad transportation corridor; and

` (D) an assurance that an applicant complies with liability requirements consistent with section 28103 of this title; and

` (2) the applicant agrees to comply with--

` (A) the standards of section 24312 of this title, as such section was in effect on September 1, 2003, with respect to the project in the same manner that the National Railroad Passenger Corporation is required to comply with those standards for construction work financed under an agreement made under section 24308(a) of this title; and

` (B) the protective arrangements established under section 504 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 836) with respect to employees affected by actions taken in connection with the project to be financed in whole or in part by grants under this subchapter.

` (d) REPLACEMENT OF EXISTING INTERCITY PASSENGER RAIL SERVICE-

^ (1) COLLECTIVE BARGAINING AGREEMENT FOR INTERCITY PASSENGER RAIL PROJECTS- Any entity providing intercity passenger railroad transportation that begins operations after the date of enactment of this Act on a project funded in whole or in part by grants made under this title and replaces intercity rail passenger service that was provided by Amtrak, unless such service was provided solely by Amtrak to another entity, as of such date shall enter into an agreement with the authorized bargaining agent or agents for adversely affected employees of the predecessor provider that--

^ (A) gives each such qualified employee of the predecessor provider priority in hiring according to the employee's seniority on the predecessor provider for each position with the replacing entity that is in the employee's craft or class and is available within 3 years after the termination of the service being replaced;

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

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

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

^ (2) IMMEDIATE REPLACEMENT SERVICE-

^ (A) NEGOTIATIONS- If the replacement of preexisting intercity rail passenger service occurs concurrent with or within a reasonable time before the commencement of the replacing entity's rail passenger service, the replacing entity shall give written notice of its plan to replace existing rail passenger service to the authorized collective bargaining agent or agents for the potentially adversely affected employees of the predecessor provider at least 90 days before the date on which it plans to commence service. Within 5 days after the date of receipt of such written notice, negotiations between the replacing entity and the collective bargaining agent or agents for the employees of the predecessor provider shall commence for the purpose of reaching agreement with respect to all matters set forth in subparagraphs (A) through (D) of paragraph (1). The negotiations shall continue for 30 days or until an agreement is reached, whichever is sooner. If at the end of 30 days the parties have not entered into

an agreement with respect to all such matters, the unresolved issues shall be submitted for arbitration in accordance with the procedure set forth in subparagraph (B).

^ (B) ARBITRATION- If an agreement has not been entered into with respect to all matters set forth in subparagraphs (A) through (D) of paragraph (1) as described in subparagraph (A) of this paragraph, the parties shall select an arbitrator. If the parties are unable to agree upon the selection of such arbitrator within 5 days, either or both parties shall notify the National Mediation Board, which shall provide a list of seven arbitrators with experience in arbitrating rail labor protection disputes. Within 5 days after such notification, the parties shall alternately strike names from the list until only 1 name remains, and that person shall serve as the neutral arbitrator. Within 45 days after selection of the arbitrator, the arbitrator shall conduct a hearing on the dispute and shall render a decision with respect to the unresolved issues among the matters set forth in subparagraphs (A) through (D) of paragraph (1). This decision shall be final, binding, and conclusive upon the parties. The salary and expenses of the arbitrator shall be borne equally by the parties; all other expenses shall be paid by the party incurring them.

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

^ (4) SUBSEQUENT REPLACEMENT OF SERVICE- If the replacement of existing rail passenger service takes place within 3 years after the replacing entity commences intercity passenger rail service, the replacing entity and the collective bargaining agent or agents for the adversely affected employees of the predecessor provider shall enter into an agreement with respect to the matters set forth in subparagraphs (A) through (D) of paragraph (1). If the parties have not entered into an agreement with respect to all such matters within 60 days after the date on which the replacing entity replaces the predecessor provider, the parties shall select an arbitrator using the procedures set forth in paragraph (2)(B), who shall, within 20 days after the commencement of the arbitration, conduct a hearing and decide all unresolved issues. This decision shall be final, binding, and conclusive upon the parties.

` (e) INAPPLICABILITY TO CERTAIN RAIL OPERATIONS- Nothing in this section applies to--

` (1) commuter rail passenger transportation (as defined in section 24102(4) of this title) operations of a State or local government authority (as those terms are defined in section 5302(11) and (6), respectively, of this title) eligible to receive financial assistance under section 5307 of this title, or to its contractor performing services in connection with commuter rail passenger operations (as so defined);

` (2) the Alaska Railroad or its contractors; or

` (3) the National Railroad Passenger Corporation's access rights to railroad rights of way and facilities under current law.'

(b) CONFORMING AMENDMENTS-

(1) The table of chapters for the title is amended by inserting the following after the item relating to chapter 243:

` 244. Intercity passenger rail service capital assistance

--24401'.

` (2) The chapter analysis for subtitle V is amended by inserting the following after the item relating to chapter 243:

` 244. Intercity passenger rail service capital assistance

--24401'.

SEC. 302. STATE RAIL PLANS.

(a) IN GENERAL- Part B of subtitle V is amended by adding at the end the following:

` CHAPTER 225. STATE RAIL PLANS AND HIGH PRIORITY PROJECTS

Sec.

22501. Definitions.

22502. Authority.

22503. Purposes.

22504. Transparency; coordination; review.

22505. Content.

22506. Review.

Sec. 22501. Definitions

In this subchapter:

(1) PRIVATE BENEFIT-

(A) IN GENERAL- The term "private benefit"--

(i) means a benefit accrued to a person or private entity, other than the National Railroad Passenger Corporation, 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; and

(ii) shall be determined on a project-by-project basis, based upon an agreement between the parties.

(B) CONSULTATION- The Secretary may seek the advice of the States and rail carriers in further defining this term.

(2) PUBLIC BENEFIT-

(A) IN GENERAL- The term "public benefit"--

(i) 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 efficient energy use, enhanced public safety or security, reduction of public expenditures due to improved transportation efficiency or infrastructure preservation, and any other positive community effects as defined by the Secretary; and

` (ii) shall be determined on a project-by-project basis, based upon an agreement between the parties.

` (B) CONSULTATION- The Secretary may seek the advice of the States and rail carriers in further defining this term.

` (3) STATE- The term ` State' means any of the 50 States and the District of Columbia.

` (4) STATE RAIL TRANSPORTATION AUTHORITY- The term ` State rail transportation authority' means the State agency or official responsible under the direction of the Governor of the State or a State law for preparation, maintenance, coordination, and administration of the State rail plan.'.

Sec. 22502. Authority

` (a) IN GENERAL- Each State may prepare and maintain a State rail plan in accordance with the provisions of this subchapter.

` (b) REQUIREMENTS- For the preparation and periodic revision of a State rail plan, a State shall--

` (1) establish or designate a State rail transportation authority to prepare, maintain, coordinate, and administer the plan;

` (2) establish or designate a State rail plan approval authority to approve the plan;

` (3) submit the State's approved plan to the Secretary of Transportation for review; and

` (4) revise and resubmit a State-approved plan no less frequently than once every 5 years for reapproval by the Secretary.

Sec. 22503. Purposes

- ^ (a) PURPOSES- The purposes of a State rail plan are as follows:
 - ^ (1) To set forth State policy involving freight and passenger rail transportation, including commuter rail operations, in the State.
 - ^ (2) To establish the period covered by the State rail plan.
 - ^ (3) To present priorities and strategies to enhance rail service in the State that benefits the public.
 - ^ (4) To serve as the basis for Federal and State rail investments within the State.
- ^ (b) COORDINATION- A State rail plan shall be coordinated with other State transportation planning goals and programs and set forth rail transportation's role within the State transportation system.

Sec. 22504. Transparency; coordination; review

- ^ (a) PREPARATION- A State shall provide adequate and reasonable notice and opportunity for comment and other input to the public, rail carriers, commuter and transit authorities operating in, or affected by rail operations within the State, units of local government, and other interested parties in the preparation and review of its State rail plan.
- ^ (b) INTERGOVERNMENTAL COORDINATION- A State shall review the freight and passenger rail service activities and initiatives by regional planning agencies, regional transportation authorities, and municipalities within the State, or in the region in which the State is located, while preparing the plan, and shall include any recommendations made by such agencies, authorities, and municipalities as deemed appropriate by the State.

Sec. 22505. Content

- ^ (a) IN GENERAL- Each State rail plan shall contain the following:
 - ^ (1) An inventory of the existing overall rail transportation system and rail services and facilities within the State and an analysis of the role of

rail transportation within the State's surface transportation system.

` (2) A review of all rail lines within the State, including proposed high speed rail corridors and significant rail line segments not currently in service.

` (3) A statement of the State's passenger rail service objectives, including minimum service levels, for rail transportation routes in the State.

` (4) A general analysis of rail's transportation, economic, and environmental impacts in the State, including congestion mitigation, trade and economic development, air quality, land-use, energy-use, and community impacts.

` (5) A long-range rail investment program for current and future freight and passenger infrastructure in the State that meets the requirements of subsection (b).

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

` (7) An identification of rail infrastructure issues within the State that reflects consultation with all relevant stake holders.

` (8) A review of major passenger and freight intermodal rail connections and facilities within the State, including seaports, and prioritized options to maximize service integration and efficiency between rail and other modes of transportation within the State.

` (9) A review of publicly funded projects within the State to improve rail transportation safety and security, including all major projects funded under section 130 of title 23.

` (10) A performance evaluation of passenger rail services operating in the State, including possible improvements in those services, and a description of strategies to achieve those improvements.

` (11) A compilation of studies and reports on high-speed rail corridor development within the State not included in a previous plan under

this subchapter, and a plan for funding any recommended development of such corridors in the State.

^ (12) A statement that the State is in compliance with the requirements of section 22102.

^ (b) LONG-RANGE SERVICE AND INVESTMENT PROGRAM-

^ (1) PROGRAM CONTENT- A long-range rail investment program included in a State rail plan under subsection (a)(5) shall include the following matters:

^ (A) A list of any rail capital projects expected to be undertaken or supported in whole or in part by the State.

^ (B) A detailed funding plan for those projects.

^ (2) PROJECT LIST CONTENT- The list of rail capital projects shall contain--

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

^ (B) a statement of the correlation between--

^ (i) public funding contributions for the projects; and

^ (ii) the public benefits.

^ (3) CONSIDERATIONS FOR PROJECT LIST- In preparing the list of freight and intercity passenger rail capital projects, a State rail transportation authority should take into consideration the following matters:

^ (A) Contributions made by non-Federal and non-State sources through user fees, matching funds, or other private capital involvement.

^ (B) Rail capacity and congestion effects.

^ (C) Effects on highway, aviation, and maritime capacity,

congestion, or safety.

` (D) Regional balance.

` (E) Environmental impact.

` (F) Economic and employment impacts.

` (G) Projected ridership and other service measures for passenger rail projects.

` **Sec. 22506. Review**

The Secretary shall prescribe procedures for States to submit State rail plans for review under this title, including standardized format and data requirements. State rail plans completed before the date of enactment of the Passenger Rail Investment and Improvement Act of 2007 that substantially meet the requirements of this chapter, as determined by the Secretary, shall be deemed by the Secretary to have met the requirements of this chapter'.

(b) CONFORMING AMENDMENTS-

(1) The table of chapters for the title is amended by inserting the following after the item relating to chapter 223:

` 225. State rail plans

--22501'.

` (2) The chapter analysis for subtitle V is amended by inserting the following after the item relating to chapter 223:

` 225. State rail plans

--24401'.

SEC. 303. NEXT GENERATION CORRIDOR TRAIN EQUIPMENT POOL.

(a) IN GENERAL- Within 180 days after the date of enactment of this Act, Amtrak shall establish a Next Generation Corridor Equipment Pool

Committee, comprised of representatives of Amtrak, the Federal Railroad Administration, host freight railroad companies, passenger railroad equipment manufacturers, and other passenger railroad operators as appropriate and interested States. The purpose of the Committee shall be to design, develop specifications for, and procure standardized next-generation corridor equipment.

(b) FUNCTIONS- The Committee may--

(1) determine the number of different types of equipment required, taking into account variations in operational needs and corridor infrastructure;

(2) establish a pool of equipment to be used on corridor routes funded by participating States; and

(3) subject to agreements between Amtrak and States, utilize services provided by Amtrak to design, maintain and remanufacture equipment.

(c) COOPERATIVE AGREEMENTS- Amtrak and States participating in the Committee may enter into agreements for the funding, procurement, remanufacture, ownership and management of corridor equipment, including equipment currently owned or leased by Amtrak and next-generation corridor equipment acquired as a result of the Committee's actions, and may establish a corporation, which may be owned or jointly-owned by Amtrak, participating States or other entities, to perform these functions.

(d) FUNDING- In addition to the authorization provided in section 105 of this Act, capital projects to carry out the purposes of this section shall be eligible for grants made pursuant to chapter 244 of title 49, United States Code.

SEC. 304. FEDERAL RAIL POLICY.

Section 103 is amended--

(1) by inserting ` IN GENERAL- ' before ` The Federal' in subsection (a);

(2) by striking the second and third sentences of subsection (a);

(3) by inserting ` ADMINISTRATOR- ' before ` The head' in subsection (b);

(4) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively and by inserting after subsection (b) the following:

^ (c) SAFETY- To carry out all railroad safety laws of the United States, the Administration is divided on a geographical basis into at least 8 safety offices. The Secretary of Transportation is responsible for all acts taken under those laws and for ensuring that the laws are uniformly administered and enforced among the safety offices.';

(5) by inserting ^ POWERS AND DUTIES- ' before ^ The' in subsection (d), as redesignated;

(6) by striking ^ and' after the semicolon in paragraph (1) of subsection (d), as redesignated;

(7) by redesignating paragraph (2) of subsection (d), as redesignated, as paragraph (3) and inserting after paragraph (1) the following:

^ (2) the duties and powers related to railroad policy and development under subsection (e); and';

(8) by inserting ^ TRANSFERS OF DUTY- ' before ^ A duty' in subsection (e), as redesignated;

(9) by inserting ^ CONTRACTS, GRANTS, LEASES, COOPERATIVE AGREEMENTS, AND SIMILAR TRANSACTIONS- ' before ^ Subject' in subsection (f), as redesignated;

(10) by striking the last sentence in subsection (f), as redesignated; and

(11) by adding at the end the following:

^ (g) ADDITIONAL DUTIES OF THE ADMINISTRATOR- The Administrator shall--

^ (1) provide assistance to States in developing State rail plans prepared under chapter 225 and review all State rail plans submitted under that section;

- ˘ (2) develop a long range national rail plan that is consistent with approved State rail plans and the rail needs of the Nation, as determined by the Secretary in order to promote an integrated, cohesive, efficient, and optimized national rail system for the movement of goods and people;
- ˘ (3) develop a preliminary national rail plan within a year after the date of enactment of the Passenger Rail Investment and Improvement Act of 2007;
- ˘ (4) develop and enhance partnerships with the freight and passenger railroad industry, States, and the public concerning rail development;
- ˘ (5) support rail intermodal development and high-speed rail development, including high speed rail planning;
- ˘ (6) ensure that programs and initiatives developed under this section benefit the public and work toward achieving regional and national transportation goals; and
- ˘ (7) facilitate and coordinate efforts to assist freight and passenger rail carriers, transit agencies and authorities, municipalities, and States in passenger-freight service integration on shared rights of way by providing neutral assistance at the joint request of affected rail service providers and infrastructure owners relating to operations and capacity analysis, capital requirements, operating costs, and other research and planning related to corridors shared by passenger or commuter rail service and freight rail operations.

˘ (h) PERFORMANCE GOALS AND REPORTS-

- ˘ (1) PERFORMANCE GOALS- In conjunction with the objectives established and activities undertaken under section 103(e) of this title, the Administrator shall develop a schedule for achieving specific, measurable performance goals.
- ˘ (2) RESOURCE NEEDS- The strategy and annual plans shall include estimates of the funds and staff resources needed to accomplish each goal and the additional duties required under section 103(e).
- ˘ (3) SUBMISSION WITH PRESIDENT'S BUDGET- Beginning with fiscal year 2009 and each fiscal year thereafter, the Secretary shall submit

to Congress, at the same time as the President's budget submission, the Administration's performance goals and schedule developed under paragraph (1), including an assessment of the progress of the Administration toward achieving its performance goals.'

SEC. 305. RAIL COOPERATIVE RESEARCH PROGRAM.

(a) ESTABLISHMENT AND CONTENT- Chapter 249 is amended by adding at the end the following:

Sec. 24910. Rail cooperative research program

(a) IN GENERAL- The Secretary shall establish and carry out a rail cooperative research program. The program shall--

(1) address, among other matters, intercity rail passenger and freight rail services, including existing rail passenger and freight technologies and speeds, incrementally enhanced rail systems and infrastructure, and new high-speed wheel-on-rail systems and rail security;

(2) address ways to expand the transportation of international trade traffic by rail, enhance the efficiency of intermodal interchange at ports and other intermodal terminals, and increase capacity and availability of rail service for seasonal freight needs;

(3) consider research on the interconnectedness of commuter rail, passenger rail, freight rail, and other rail networks; and

(4) give consideration to regional concerns regarding rail passenger and freight transportation, including meeting research needs common to designated high-speed corridors, long-distance rail services, and regional intercity rail corridors, projects, and entities.

(b) CONTENT- The program to be carried out under this section shall include research designed--

(1) to identify the unique aspects and attributes of rail passenger and freight service;

(2) to develop more accurate models for evaluating the impact of rail passenger and freight service, including the effects on highway and airport and airway congestion, environmental quality, and energy

consumption;

` (3) to develop a better understanding of modal choice as it affects rail passenger and freight transportation, including development of better models to predict utilization;

` (4) to recommend priorities for technology demonstration and development;

` (5) to meet additional priorities as determined by the advisory board established under subsection (c), including any recommendations made by the National Research Council;

` (6) to explore improvements in management, financing, and institutional structures;

` (7) to address rail capacity constraints that affect passenger and freight rail service through a wide variety of options, ranging from operating improvements to dedicated new infrastructure, taking into account the impact of such options on operations;

` (8) to improve maintenance, operations, customer service, or other aspects of intercity rail passenger and freight service;

` (9) to recommend objective methodologies for determining intercity passenger rail routes and services, including the establishment of new routes, the elimination of existing routes, and the contraction or expansion of services or frequencies over such routes;

` (10) to review the impact of equipment and operational safety standards on the further development of high speed passenger rail operations connected to or integrated with non-high speed freight or passenger rail operations;

` (11) to recommend any legislative or regulatory changes necessary to foster further development and implementation of high speed passenger rail operations while ensuring the safety of such operations that are connected to or integrated with non-high speed freight or passenger rail operations; and

` (12) to review rail crossing safety improvements, including improvements using new safety technology.

^ (c) ADVISORY BOARD-

^ (1) ESTABLISHMENT- In consultation with the heads of appropriate Federal departments and agencies, the Secretary shall establish an advisory board to recommend research, technology, and technology transfer activities related to rail passenger and freight transportation.

^ (2) MEMBERSHIP- The advisory board shall include--

^ (A) representatives of State transportation agencies;

^ (B) transportation and environmental economists, scientists, and engineers; and

^ (C) representatives of Amtrak, the Alaska Railroad, freight railroads, transit operating agencies, intercity rail passenger agencies, railway labor organizations, and environmental organizations.

^ (d) NATIONAL ACADEMY OF SCIENCES- The Secretary may make grants to, and enter into cooperative agreements with, the National Academy of Sciences to carry out such activities relating to the research, technology, and technology transfer activities described in subsection (b) as the Secretary deems appropriate.'

(b) CLERICAL AMENDMENT- The chapter analysis for chapter 249 is amended by adding at the end the following:

^ 24910. Rail cooperative research program.'

SEC. 306. PASSENGER RAIL SYSTEM COMPARISON STUDY.

(a) In General- Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall complete a study that compares the passenger rail system in the United States with the passenger rail systems in Canada, Germany, Great Britain, and Japan.

(b) Issues To Be Studied- The study conducted under subsection (a) shall include a country-by-country comparison of--

- (1) the development of high speed rail;
- (2) passenger rail operating costs;
- (3) the amount and payment source of rail line construction and maintenance costs;
- (4) the amount and payment source of station construction and maintenance costs;
- (5) passenger rail debt service costs;
- (6) passenger rail labor agreements and associated costs;
- (7) the net profit realized by the major passenger rail service providers in each of the 4 most recent quarters;
- (8) the percentage of the passenger rail system's costs that are paid from general government revenues; and
- (9) the method used by the government to provide the subsidies described in paragraph (8).

(c) Report- Not later than 180 days after the completion of the study under subsection (a), the Comptroller General shall submit a report containing the findings of such study to--

- (1) the Committee on Commerce, Science, and Transportation of the Senate; and
- (2) the Committee on Transportation and Infrastructure of the House of Representatives.

TITLE IV--MISCELLANEOUS

SEC. 401. STRATEGIC PLAN ON EXPANDED CROSS-BORDER PASSENGER RAIL SERVICE DURING THE 2010 OLYMPIC GAMES.

Not later than one year after the date of the enactment of this Act, Amtrak shall, in consultation with the Secretary of Transportation, the Secretary of Homeland Security, the Washington State Department of Transportation,

and the owners of the relevant railroad infrastructure--

(1) develop a strategic plan to facilitate expanded passenger rail service across the international border between the United States and Canada during the 2010 Olympic Games on the Amtrak passenger rail route between Vancouver, British Columbia, Canada, and Eugene, Oregon (commonly known as `Amtrak Cascades');

(2) develop recommendations for the Department of Homeland Security to process efficiently rail passengers traveling on Amtrak Cascades across such international border during the 2010 Olympic Games; and

(3) submit to Congress a report containing the strategic plan described in paragraph (1) and the recommendations described in paragraph (2).

Passed the Senate October 30, 2007.

Attest:

NANCY ERICKSON,

Secretary.

END