U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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May 21, 2008

SUMMARY OF SUBJECT MATTER

TO: Members of the Committee on Transportation and Infrastructure

FROM: Committee on Transportation and Infrastructure Majority Staff

SUBJECT: Committee on Transportation and Infrastructure Markup

PURPOSE OF MARKUP

On Thursday, May 22, 2008, at 10:30 a.m., in room 2167 Rayburn House Office Building, the Committee on Transportation and Infrastructure is scheduled to mark up H.R. 6003, the "Passenger Rail Investment and Improvement Act of 2008", H.R. ____, to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to reauthorize the predisaster hazard mitigation program, and for other purposes, and H.R. 5001, the "Old Post Office Building Redevelopment Act of 2008".

H.R. 6003, THE "PASSENGER RAIL INVESTMENT AND IMPROVEMENT ACT OF 2008"

Background

The National Rail Passenger Corporation, better known as "Amtrak", was created with the signing of the Rail Passenger Service Act of 1970 by President Richard Nixon. The congressionally-chartered, non-governmental, public corporation was created to relieve private railroads of their legal obligations to operate money-losing passenger trains and to preserve and reinvigorate intercity passenger rail service throughout the country. Amtrak began operations on May 1, 1971, using equipment obtained from former passenger train-operating private railroads, and has been the nation's sole provider of regularly scheduled intercity passenger rail service since 1981. Today, all of Amtrak's preferred stock is controlled by the U.S. Department of Transportation ("DOT"), which reflects the Federal Government's role as its creator.

In FY 2007, Amtrak carried more than 25.8 million passengers, the fifth straight fiscal year of record ridership. Increases in ridership were posted across all of Amtrak's services in both corridor and long-distance routes. On average, more than 70,000 passengers ride on up to 300 Amtrak trains per day. Like its ridership gains, Amtrak's financial performance has improved in recent years as the railroad improves its service and operations. In FY 2007, the railroad posted approximately $1.5 billion in ticket revenue, a gain of 10.8 percent over FY 2006 ticket revenues and the third consecutive year that ticket revenues increased.

Amtrak's previous authorization expired at the end of FY 2002. The Amtrak Reform and Accountability Act of 1997 (P.L. 105-134; 111 Stat. 2570) authorized Amtrak for the period FY 1997 through FY 2002 at a total funding level of $5.16 billion. This authorization provided only enough funding for Amtrak to continue operations, but little to improve and invest in infrastructure and bring the network to a state-of-good-repair – where each asset (e.g., rail, rolling stock, bridges, ties, cable, transformers, etc.) is maintained and replaced within its design life.

Summary of H.R. 6003, the Passenger Rail Investment and Improvement Act of 2008

On May 8, 2008, Committee on Transportation and Infrastructure Chairman James L. Oberstar, Ranking Member John L. Mica, Subcommittee Chairwoman Corrine Brown, Subcommittee Ranking Member Bill Shuster, and more than 30 other Members of the Committee introduced H.R. 6003, the "Passenger Rail Investment and Improvement Act of 2008". The bill authorizes more than $14.4 billion for Amtrak capital and operating grants, state intercity passenger grants, and high-speed rail over the next five years.

Major provisions of the bill include:

- **Increases Capital and Operating Grants to Amtrak.** The bill authorizes $4.2 billion (an average of $840 million per year) to Amtrak for capital grants and $3.0 billion (an average of $606 million per year) for operating grants. Past inconsistent Federal support has hampered Amtrak's ability to replace catenaries, passenger cars, bridges, ties, and other equipment necessary for Amtrak to provide service. These capital grants will help Amtrak bring the Northeast Corridor to a state-of-good-repair, procure new rolling stock, rehabilitate existing bridges, as well as make additional capital improvements and maintenance over its entire network. In addition, the operating grants authorized under the bill will help Amtrak pay salaries, health costs, overtime pay, fuel costs, and train maintenance and operations. These operating grants will also ensure that Amtrak can meet its obligations under its recently negotiated labor contract.

- **Develops State Passenger Corridors.** In an effort to encourage the development of new and improved intercity passenger rail services, the bill creates a new State Capital Grant program for intercity passenger rail capital projects, based on the New Starts transit capital program administered by the Federal Transit Administration. The bill provides $2.5 billion ($500 million per year) for grants to States to pay for the capital costs of facilities and equipment necessary to provide new or improved intercity passenger rail. The Federal share of the grants is up to 80 percent. The Secretary of Transportation would award these grants on a competitive basis for projects based on economic performance, expected ridership, and other factors.

- **Provides Funding for High-Speed Rail Corridors.** The National Surface Transportation Policy and Revenue Study Commission, established to develop a national transportation vision to address surface transportation needs for the next 50 years, recommends that the United States establish a high-speed rail network that spans the entire country. The bill authorizes $1.75 billion ($350 million per year) for grants to States and/or Amtrak to finance the construction and equipment for 11 authorized high-speed rail corridors. The Federal share of the grants is up to 80 percent. The Secretary of Transportation would award these grants on a competitive basis for projects based on economic performance, expected ridership, and other factors.

- **Alleviates Rail "Choke Points."** Many of Amtrak's service routes outside the Northeast Corridor suffer from poor service reliability and on-time performance because of freight traffic congestion. This congestion prevents Amtrak from retaining and attracting new ridership, and increases Amtrak's operating costs. The Department of Transportation Inspector General recently reported that if Amtrak achieved an 85 percent on-time performance outside the Northeast Corridor in fiscal year 2006, it would have saved Amtrak $136.6 million, or almost one-third of its operating budget. Amtrak is required by law to have preferred access on freight corridors; however, freight railroads do not always comply with Amtrak's access rights. The bill addresses this problem by providing congestion grants to Amtrak and the States for high-priority rail corridors in order to reduce congestion and facilitate ridership growth.

- **Reduces Amtrak's Debt.** Federal support of Amtrak was cut drastically in fiscal year 2000 and 2001, forcing Amtrak to assume a large amount of debt to stay in operation. Amtrak has aggressively targeted this debt, paying down $600 million from 2002 through 2007. The bill helps Amtrak to take further steps to reduce its debt, authorizing $345 million each year for debt service through FY 2013. This funding will allow Amtrak to focus its resources on improving existing services and making additional capital and operational improvements.

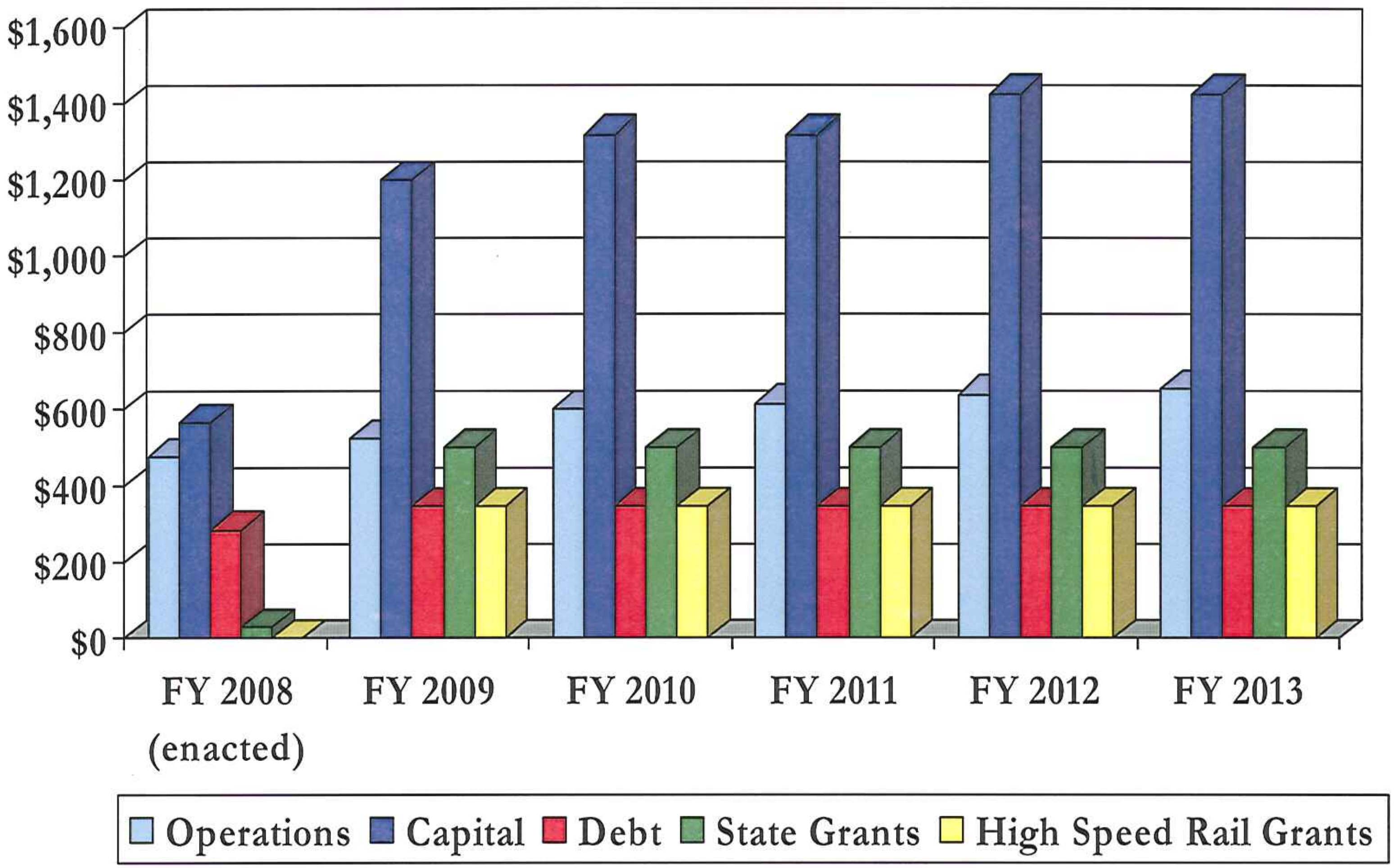
- **Establishes an RFP for High-Speed Rail Service.** A provision of H.R. 6003 directs the Secretary of Transportation to issue a request for proposals for projects for the financing, design, construction, and operation of an initial high-speed rail system operating between Washington, DC, and New York City. Proposals would need to meet certain financial, labor, and planning criteria, as well as a detailed description to account for any impacts on existing passenger, commuter, and freight rail traffic to be considered. If the Secretary receives a qualifying proposal, she would be directed to form a Commission to study any proposals received. Finally, the Secretary would issue a report to the Congress on the Commission's findings. Any further action on a proposal would need legislative approval by Congress.

- **Resolves Disputes between Commuter and Freight Railroads.** Currently, no Federal guidelines exist to mediate disputes between commuter rail providers and freight railroads over use of freight rail tracks or rights-of-way, nor is there a standard forum for negotiating commuter rail operating agreements. The bill establishes a forum at the STB to help complete stalled commuter rail negotiations, helping our rail network operate as efficiently as possible. This section is identical to what was included in H.R. 2701, the "Transportation

Energy Security and Climate Change Mitigation Act of 2007", as ordered reported by the Committee on Transportation and Infrastructure on June 20, 2007.

Funding Levels of H.R. 6003, the "Passenger Rail Investment and Improvement Act of 2008"

(in millions)



<u>Section-by-Section of H.R. 6003, the Passenger Rail Investment and Improvement Act</u>

TITLE I -- AUTHORIZATIONS

Section 101. Authorization for Amtrak capital and operating expenses and state capital grants.

Section 101 authorizes capital and operating grants for Amtrak for each of fiscal years 2009 through 2013. For operating grants, this section authorizes $525 million for FY 2009, $600 million for FY 2010, $614 million for 2011, $638 million for 2012, and $654 million for 2013. These amounts are based on Amtrak's submitted needs for these fiscal years. These authorizations include specific authorizations for the Office of the Inspector General of Amtrak ("IG").

This section also authorizes $68.5 million in FY 2009 and $240 million in each of FY 2010 through 2013 for Amtrak to comply with the Americans with Disabilities Act ("ADA").

In addition, section 101 authorizes capital grants to bring Amtrak's assets to a state-of-good-repair and make service improvements on its network, and for the Secretary of Transportation to make grants to States for other intercity rail passenger improvements under section 301. This section authorizes $1.202 billion for FY 2009, $1.321 billion for each of FY 2010 and FY 2011, and $1.427 billion for each of FY 2012 and FY 2013. Of these authorized amounts, $500 million is allocated for state grants for each of fiscal years 2009 through 2013. One-half of one percent of the available capital funds is available to the Secretary of Transportation to perform project management oversight for Amtrak and State capital projects funded under this section.

Section 102. Repayment of long-term debt and capital leases.

Section 102 authorizes $345 million for each of fiscal years 2009 through 2013 to make payments on Amtrak's debt. Funds are also authorized to exercise early buyouts of existing Amtrak debt or capital leases. Authorization amounts under this section shall be reduced by the amount of Amtrak's debt service costs reduced through debt restructuring by the Secretary of Treasury pursuant to section 210 of the bill.

Section 103. Other authorizations.

Section 103 authorizes $5 million for each of fiscal years 2009 through 2013 to carry out the rail cooperative research program authorized pursuant to section 304 of the bill. This section also authorizes $5 million for FY 2009 for grants to Amtrak and States participating in the Next Generation Corridor Train Equipment Pool Committee established under section 303 of the bill.

Section 104. Tunnel Projects.

Section 104 authorizes $60 million to the Federal Railroad Administration ("FRA") to work with the City of Baltimore, the State of Maryland, Amtrak, and interested freight railroads to complete the preliminary alignment selection and environmental review necessary to construct a new tunnel for passenger rail through Baltimore, Maryland.

Title II – Amtrak Reform and Operational Improvements

Section 201. National railroad passenger transportation system defined.

Section 201 repeals the current and obsolete definition of the basic Amtrak route system and redefines it as: Amtrak's Northeast Corridor ("NEC") from Boston, Massachusetts, to Washington, DC; high-speed rail corridors designated by the Secretary of Transportation after they have been approved to operate high-speed service; long-distance routes greater than 750 miles and in operation on the date of enactment of this Act; and short-distance corridors operated by Amtrak or a non-Amtrak recipient of Federal capital assistance pursuant to section 301. Amtrak and a State may agree on the operation of an intercity route or service not included in the national rail passenger transportation system. Nothing in this section provides third parties with direct statutory access to Amtrak or privately owned rail infrastructure. As is the case today, third parties seeking to initiate intercity passenger rail service have to contract with Amtrak to operate such service if Amtrak's statutory right of access to private rail infrastructure is to be used.

Section 202. Amtrak board of directors.

Section 202 provides that, effective six months after date of enactment of this Act, the Amtrak Board of Directors is composed of the following 10 members: the Secretary of Transportation, the President of Amtrak, who shall serve ex-officio as a non-voting member, and eight individuals with experience in business, finance, or activities related to passenger transportation, who are appointed by the President of the United States, with the advice and consent of the Senate, for a term of five years or until their successors have been appointed and qualified. The President is required to consult with Congressional leaders to ensure balanced representation of geographic regions served by Amtrak. Members of Amtrak's Board serving on the date of enactment of the Act will be allowed to continue to serve until the end of their terms.

Section 203. Establishment of improved financial accounting system.

Section 203 directs Amtrak to implement a modern accounting and reporting system one year after the date of enactment of this Act that enables Amtrak to: (1) assign revenues and expenses to each of its lines of business and major activities, such as train operations, equipment maintenance, ticketing, and reservations; (2) separate costs of infrastructure and rail operations; (3) analyze ticketing and reservation data on a real time basis; and (4) provide cost accounting data. This section requires the Department of Transportation Inspector General ("DOT IG") to review the accounting system and ensure it accomplishes the specified purposes. Without improved financial systems and controls, it will be difficult for Amtrak to substantially improve its operations, save money, and increase revenue.

Section 204. Development of 5-year financial plan.

Section 204 requires the Amtrak Board of Directors to submit an annual budget and business plan for Amtrak to the Department of Transportation ("DOT"). In addition, this section requires the Board to submit a five-year financial plan to DOT and the DOT IG. The five-year plan shall include projected revenues, expenditures, ridership, capital funding requirements, cash flow forecasts, and an assessment of Amtrak's continuing financial stability. The five-year financial plan should specify how Amtrak plans to invest Federal funds and is distinct from the budget request that Amtrak submits to the administration and Congress.

Section 205. Establishment of grant process.

Section 205 requires the Secretary of Transportation to establish substantive and procedural requirements for Amtrak grant requests. After Amtrak submits a grant request, the Secretary shall approve or disapprove it within 30 days. If the request is denied, the Secretary must notify Amtrak of the reasons for the denial, and Amtrak shall submit a modified request within 15 days. If the Secretary denies the modified request, the Secretary shall, within 15 days of its receipt, notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and recommend a process for resolving the outstanding issues with the request. This grant process provides additional Federal oversight to ensure that funds appropriated for Amtrak are used efficiently and for purposes consistent with this Act.

Section 206. State-supported routes.

Currently, Federal financial participation for corridor routes varies widely. In some cases, the Federal Government supports the full subsidy, in other cases, the routes are supported exclusively by State funds.

Section 206 standardizes Federal participation across all corridors. Within two years of the date of enactment of this Act, Amtrak, in consultation with the Secretary, the Governor of each relevant State, and the Mayor of the District of Columbia, shall develop and implement a single, nationwide standardized methodology for establishing and allocating operating and capital costs among the States and Amtrak for short-distance routes. Within five years of the date of enactment of this Act, Amtrak must implement the new methodology which shall ensure equal treatment to all States supporting short-distance service. If Amtrak and the States do not voluntarily adopt and implement the new methodology, the Surface Transportation Board ("STB") will develop and implement an allocation methodology. State grants authorized pursuant to section 301 of the Act may be used to pay capital costs under this section.

Section 207. Metrics and standards.

Section 207 provides that the FRA and Amtrak shall jointly, in consultation with the STB, rail carriers, States, Amtrak employees, nonprofit employee organizations, and groups representing Amtrak passengers, develop metrics and minimum standards for measuring the performance and service quality of intercity train operations. These metrics and standards include cost recovery; on-time performance, ridership per train mile, on-board and station services, and the connectivity of routes. This section requires FRA to publish a quarterly report on train performance and service quality.

Section 208. Northeast Corridor state-of-good-repair plan.

Section 208 requires Amtrak, in consultation with the Secretary of Transportation and the NEC States (Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island and the District of Columbia), to prepare a capital spending plan to return the right-of-way, facilities, stations, and equipment of the NEC to a state-of-good-repair by the end of FY 2013. The Secretary reviews the plan and annual updates for approval. The Secretary makes capital grants of appropriated funds, as authorized by section 101 and through the process established in section 205 of this Act, for up to 100 percent of the capital investments contained in the spending plan. Amounts made available to Amtrak under this Act for projects contained in the plan are allowed to be combined with other sources of capital investment to finance improvements that incorporate elements contained in the state-of-good-repair plan.

Section 209. Northeast Corridor infrastructure and operations improvements.

Section 209 requires the Secretary of Transportation to establish a NEC Infrastructure and Operations Advisory Commission, which will include representatives of Amtrak, FRA, and each of the States in the NEC, with none of these parties constituting a majority. The Commission will develop future funding requirement recommendations for capital improvements and scheduling and safety enhancements. Furthermore, the Commission will develop a proposal for a standardized formula to determine costs and compensation to be paid by the NEC commuter rail authorities for the use of facilities or services provided to them by Amtrak. If Amtrak and the commuter authorities do not implement the recommended formula, the Commission shall petition the STB to determine the appropriate compensation amounts for such services.

Section 210. Restructuring long term debt and capital leases.

Section 210 authorizes the Secretary of Treasury, in consultation with the Secretary of Transportation and Amtrak, to make agreements to restructure Amtrak's debt. This section directs the Secretary of Treasury to enter into negotiations with the holders of such debt for the purpose of restructuring and assuming, or repaying, the debt on terms significantly more favorable to the Federal Government. To the extent Amtrak's principal and interest payments are reduced as a result of this section, authorizations for such payments under section 102 of this Act are correspondingly reduced. After the date of enactment of this Act, Amtrak may not incur additional debt without advance approval of the Secretary of Transportation.

Section 211. Study of compliance requirements at existing intercity rail stations.

Section 211 requires Amtrak to evaluate the improvements necessary to make the stations it serves readily accessible to and usable by individuals with disabilities, as required by the ADA. The evaluation shall include, for each applicable station, improvements required to bring it into compliance with the ADA, any potential barriers to achieving compliance, the estimated cost of the improvements necessary, the identification of the responsible person pursuant to section 241(5) of the ADA, and the earliest practicable date when such improvements can be made. The evaluation shall also include an overall schedule for bringing all applicable stations into compliance. Amtrak shall submit the evaluation to the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, DOT, and the National Council on Disability by July 1, 2009.

Section 212. Oversight of Amtrak's compliance with accessibility requirements.

Section 212 requires the FRA to monitor and conduct periodic reviews of Amtrak's compliance with applicable sections of the ADA and the Rehabilitation Act of 1974 to ensure that Amtrak's services and facilities are accessible to individuals with disabilities to the extent required by law.

Section 213. Access to Amtrak equipment and services.

Section 213 authorizes States wishing to use operators other than Amtrak for the provision of State-supported services to make agreements with Amtrak to use Amtrak facilities and equipment for the purpose of operating that particular route. If Amtrak and a State fail to reach an agreement governing such use, the STB shall determine reasonable compensation, liability, and other terms of use of the facilities and equipment in accordance with section 206 of this Act and direct Amtrak to make such assets available to the State if such use is essential to the planned service and will not impair or degrade Amtrak's other operations.

Section 214. General Amtrak provisions.

Section 214 repeals the operating self-sufficiency requirement imposed on Amtrak in 1997, and the 2002 "sunset trigger" for failing to meet the requirement. It also repeals the requirement to redeem Amtrak's outstanding common stock. In addition, the provision authorizes Amtrak to continue leasing vehicles from the General Services Administration. Finally, the section authorizes the establishment of facilities and procedures to conduct pre-clearance of passengers on Amtrak trains entering the U.S. from Canada. It is expected that this authorization will lead to the establishment of pre-clearance operations in Canada to expedite travel to the United States by Amtrak, similar to pre-clearance arrangements used for certain airline flights between the two nations.

Section 215. Amtrak management accountability.

Section 215 requires the DOT IG to complete an overall assessment of the progress made by Amtrak management and DOT to implement the provisions of this Act.

Section 216. Passenger rail study.

Section 216 requires the U.S. Government Accountability Office ("GAO") to complete a study to determine the potential cost and benefits of expanding passenger rail service options in underserved communities.

Section 217. Congestion grants.

Section 217 authorizes the Secretary of Transportation to make grants to States or to Amtrak to finance the capital costs of facilities, infrastructure, and equipment for high priority rail corridor projects necessary to reduce congestion or facilitate ridership growth in intercity passenger rail transportation. The section authorizes eligible projects to receive funding, including the corridors from Washington, DC to Selma, North Carolina; Seattle, Washington, to Portland, Oregon; Chicago, Illinois to Porter, Indiana; and corridors designated by the Secretary of Transportation. These corridors were identified Amtrak as "choke points" that are restricting the growth of Amtrak ridership and the reliability of its service.

Section 218. Plan for restoration of service.

Section 218 directs Amtrak to complete a plan to restore passenger rail service between New Orleans, Louisiana, and Sanford, Florida. The plan shall include a projected timeline for restoring such service, the costs associated with restoring such service, and any proposals for legislation necessary to support such restoration of service. In developing the plan, Amtrak shall consult with representatives from the States of Louisiana, Alabama, Mississippi, and Florida, railroad carriers whose tracks may be used for such service, rail passengers, rail labor, and other entities as appropriate. This section authorizes $1 million to develop this plan.

Section 219. Locomotive biofuel study.

Section 219 requires the FRA to conduct a study on the extent to which freight and passenger rail operators can use biofuel to power their locomotive and rolling stock fleet. FRA is required to consider the energy intensity of various biofuel blends compared to diesel fuel, the emission benefits compared to diesel fuel, the cost, the public benefits of using such fuels, and the effect of such fuels on locomotive and rolling stock vehicle performance. FRA is required to report to Congress the results of the study, including findings, conclusions, and recommendations. This section authorizes $1 million for the study.

Section 220. Study of the use of biobased lubricants.

Section 220 requires the FRA to transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report containing the results of a comprehensive study of the feasibility of using readily biodegradable lubricants by freight and passenger railroads. The study shall include: (1) an analysis of the potential use of soy-based grease and soy-based hydraulic fluids to perform according to railroad industry standards; (2) an analysis of the potential use of other readily biodegradable lubricants to perform according to railroad industry standards; and (3) a comparison of the health and safety of petroleum-based lubricants with biobased lubricants, which shall include an analysis of fire safety; and (4) a comparison of the environmental impact of petroleum-based lubricants with biobased lubricants, which shall include rate and effects of biodegradability.

Section 221. Applicability of Buy American Act.

Section 221 provides that Amtrak is subject to the Buy American Act for purchases of $100,000 or more.

Section 222. Intercity passenger rail service performance.

Section 222 requires the DOT IG to submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report that recommends a process for DOT to consider proposals by Amtrak and others to serve underperforming routes and routes not currently served by Amtrak. Any proposal considered by the DOT IG needs to follow the requirements outlined under Section 504 of this Act. The DOT IG shall recommend one route not currently served by Amtrak and two routes (from among the five worst performing routes currently served by Amtrak) to be considered under the process. The Secretary of Transportation shall not implement the selection process recommended by the DOT IG until legislation is enacted authorizing the Secretary to take such action.

TITLE III – INTERCITY PASSENGER RAIL POLICY

Section 301. Capital assistance for intercity passenger rail service.

Section 301 authorizes the Secretary of Transportation to make capital grants, from amounts authorized under section 101 of this Act, to a State or group of States for facilities, infrastructure, and equipment necessary to provide or improve intercity passenger rail transportation. The Secretary shall require each proposed project to meet all safety requirements that are applicable under law and require that the project is part of a State rail plan developed under section 302 of this Act. The Secretary may issue a letter of intent, full funding grant agreement, or early systems work agreement to carry out the project. A grant may not exceed 80 percent of the capital cost, but the remaining 20 percent may be funded from amounts appropriated to a department of the Federal Government and eligible to be expended on transportation. Grant conditions include: (1) domestic buying preference; (2) compliance with rail carrier laws including the Railroad Retirement Act of 1974, the Railway Labor Act, and the Railroad Unemployment Insurance Act; (3) a written agreement between the applicant and the owner of any railroad facilities to be used or improved; and (4) a written agreement between any new rail operator and Amtrak labor organizations to protect the rights of Amtrak employees who would otherwise be adversely affected.

Section 302. State rail plans.

Section 302 authorizes States to prepare and maintain a State rail plan in accordance with requirements listed in this section. A State rail plan is required to designate an authority to approve and carry out the plan and be reviewed by the Secretary of Transportation. The section also provides the purposes and content of State rail plans, including a long-range service and investment program. State grants authorized under section 301 of this Act may be used for projects included in a State rail plan.

Section 303. Next generation corridor train equipment pool.

Section 303 requires Amtrak to establish a Next Generation Corridor Equipment Pool Committee comprised of Amtrak, the FRA, States, and other interested parties to design, develop specifications for, and procure standardized next-general corridor equipment.

Section 304. Rail cooperative research program.

Section 304 directs the Secretary of Transportation to establish a rail cooperative research program to examine issues relating to intercity, commuter, and freight rail enhancements, including impacts on highway and airport congestion, rail capacity constraints, and development of high-speed rail services.

Section 305. Passenger rail system comparison study.

Section 305 directs GAO to complete a study that compares the passenger rail system in the United States with the passenger rail systems in Canada, Germany, Great Britain, France, China, Spain, and Japan.

TITLE IV – COMMUTER RAIL TRANSIT ENHANCEMENT

Section 401. Commuter rail transit enhancement.

Section 401 establishes a forum for the resolution of disputes between commuter rail authorities and freight railroads at the STB by creating guidelines and procedures regarding commuter rail use of freight railroad tracks and rights-of-way in order to assure that both freight and passenger needs can be achieved in a way that is fair, timely, and reasonable. This title is identical to section 203 of H.R. 2701, the "Transportation Energy Security and Climate Change Mitigation Act of 2007", as ordered reported by the Committee on Transportation and Infrastructure on June 20, 2007.

TITLE V – HIGH-SPEED RAIL

Section 501. High-speed rail corridor program.

Section 501 directs the Secretary of Transportation to establish and implement a high-speed rail corridor program. Under this section, a State, a group of States, an Interstate Compact, or Amtrak may apply for grants for a capital project to acquire, construct, improve or inspect equipment, track and track structures, or facilities for high-speed rail service of at least 110 mph. Projects eligible for funding must be on a "high-speed rail corridor" designated by the Secretary pursuant to section 104(d)(2) of title 23, United States Code. This section authorizes $350 million for each of fiscal years 2009 through 2013.

Section 502. Additional high-speed rail projects.

Section 502 directs the Secretary of Transportation to solicit proposals for the financing, design, construction, and operation of a high-speed rail system operating between Washington, DC, and New York, New York. Proposals will require Washington, DC-to-New York, New York express service of no more than two hours. If the Secretary determines that a proposal is cost effective, the Secretary shall establish a Commission of Federal, State, local, rail labor, and rail freight carrier representatives to evaluate the proposals and report its recommendations to Congress. After the Secretary transmits any Commission report on a Washington, DC-to-New York, New York proposal, the Secretary may request proposals for other corridors. This section also directs the Secretary to complete a study to examine how to achieve maximum economic utilization of the Northeast Corridor.

Section 503. Southeast high-speed rail study.

Section 503 authorizes the Secretary of Transportation to conduct an alternatives analysis of the Secretary's December 1, 1998 extension of the designation of the Southeast High-Speed Rail Corridor as authorized under section 104(d)(2) of title 23, United States Code. The analysis shall consider changes that have occurred in the region's population, anticipated patterns of population growth, connectivity with other modes of transportation, ability of the designation to reduce regional traffic congestion, and the ability of current and proposed routings to meet the needs of tourists. The Secretary shall submit recommendations to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and conduct a redesignation if necessary.

Section 504. Grant Conditions.

Section 504 establishes grant conditions for projects funded under this title, including: (1) domestic buying preference; (2) compliance with rail carrier laws including the Railroad Retirement Act of 1974, the Railway Labor Act, and the Railroad Unemployment Insurance Act; (3) a written agreement between the applicant and the owner of any railroad facilities to be used or improved; and (4) a written agreement between any new rail operator and Amtrak labor organizations to protect the rights of Amtrak employees who would otherwise be adversely affected.

Prior Legislative and Oversight Activities

The Amtrak Reform and Accountability Act of 1997 (P.L. 105-134; 111 Stat. 2570) authorized Amtrak for the period FY 1997 through FY 2002 at a total funding level of $5.16 billion. This authorization provided only enough funding for Amtrak to continue operations, but little to improve and invest in infrastructure and bringing the network to a state-of-good-repair – where each asset (e.g., rail, rolling stock, bridges, ties, cable, transformers) is maintained and replaced within its design life.

Since the last authorization expired in 2002, numerous bills were introduced in the 107th, 108th, and 109th Congresses to reauthorize Amtrak. The Committee on Transportation and Infrastructure reported several bills to reauthorize Amtrak. Despite strong bipartisan support in the Committee on Transportation and Infrastructure for Amtrak reauthorization, none of the bills were considered by the full House of Representatives.

Since the last authorization expired, Amtrak has continued to operate based on annual appropriations, with no long-term authorization in place. The Consolidated Appropriations Act, 2008 (P.L. 110-161) provides $1.325 billion in grants to Amtrak and $30 million to States for an intercity passenger rail capital grants program. In recent years, President Bush has repeatedly requested reduced funding for Amtrak, or its complete elimination, but the administration has been consistently rebuffed by Congress.

Since enactment of Amtrak's last reauthorization act, the Subcommittee on Railroads, Pipelines, and Hazardous Materials, and its predecessor subcommittees, has held 17 hearings on Amtrak and intercity passenger rail.

On May 8, 2008, Chairman James L. Oberstar introduced H.R. 6003, the "Passenger Rail Investment and Improvement Act of 2008". The bill authorizes $14.4 billion for Amtrak capital and operating grants, state intercity passenger grants, and high-speed rail over the next five years.

On May 14, 2008, the Subcommittee on Railroads, Pipelines, and Hazardous Materials held a hearing entitled "Amtrak Reauthorization".

On May 20, 2008, the Subcommittee on Railroads, Pipelines, and Hazardous Materials met to consider H.R. 6003. The Subcommittee favorably recommended the bill to the Full Committee by voice vote with a quorum present.

Amendments

Specific information on amendments is not available at this time.

H.R. ____, THE "PRE-DISASTER MITIGATION ACT OF 2008"

Background

In the 1990s, under the leadership of Federal Emergency Management Agency ("FEMA") Administrator James Lee Witt, FEMA developed a predisaster mitigation pilot program known as "Project Impact". Congress appropriated funds for Project Impact in each of fiscal years 1998, 1999, and 2001. The Pre-Disaster Mitigation ("PDM") program is the successor to the Project Impact pilot program.

The PDM program was first authorized in the Disaster Mitigation Act of 2000 (P.L. 106-390).[1] The program is administered by FEMA through its Mitigation Division. It is authorized under section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act ("Stafford Act").[2] Pursuant to section 203(m) of the Stafford Act, the PDM program terminates on September 30, 2008, unless Congress reauthorizes the program.[3]

The PDM program provides cost-effective technical and financial assistance to state and local governments to reduce injuries, loss of life, and damage to property caused by natural hazards. Examples of mitigation activities include the seismic strengthening of buildings and infrastructure, acquiring repetitively flooded homes, installing shutters and shatter resistant windows in hurricane-prone areas, and the building of "safe rooms" in houses and other buildings to protect from high winds. For instance, in 2005, FEMA provided PDM program funds to finance roll-down storm shutter systems at five fire stations in Broward County, Florida. Soon after completion of the project, Hurricane Wilma struck Florida. The retrofitted fire stations were not damaged and were able to operate effectively during and after the storm.

The PDM program provides grants to States, Territories, Tribal governments, and local communities on a competitive basis, with each State receiving a statutory minimum of $500,000 or one percent of the funds appropriated whichever is less.[4] The Federal share of the costs of PDM projects is up to 75 percent, or up to 90 percent for small or impoverished communities.

In 2007, 47 States, seven Tribal governments, and three Territories submitted applications for 430 communities requesting $292 million – about three times the available funding of $100 million.[5]

FEMA's mitigation programs, including the PDM program and the post-disaster Hazard Mitigation Grant Program ("HMGP") authorized by section 404 of the Stafford Act, are effective in accomplishing their goals of reducing the risk of future damage, hardship, and loss from all hazards. A number of reports, including two mandated by Congress, have cited the cost-effectiveness of these programs. In 2005, the Multihazard Mitigation Council, an advisory body of the National

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[1] Section 102 of P.L. 106-390.

[2] 42 U.S.C. 5133.

[3] Section 203(m) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. 42 U.S.C. 5133(m).

[4] Section 203(f) of the Stafford Act. 42 U.S.C. 5133(f).

[5] Potential Cost Savings from the Pre-Disaster Mitigation Program, Congressional Budget Office, September 2007, p. 1.

Institute of Building Sciences, found "that a dollar spent on mitigation saves society an average of $4."[6] The Council found that flood mitigation measures yield even greater savings.[7]

Pursuant to section 209 of the Disaster Mitigation Act of 2000, as amended, the Congressional Budget Office ("CBO") completed a study in September 2007 estimating the reduction in Federal disaster assistance that is likely to result from the PDM program.[8] CBO estimated that PDM-funded projects from 2004 to June 2007 had total costs of almost $500 million and that the reduction in future losses associated with those projects is $1.6 billion (present value).[9] According to CBO, "on average, future losses are reduced by about $3 (measured in discounted present value) for each $1 spent on those projects, including both federal and nonfederal spending."[10]

H.R. ____, the "Predisaster Mitigation Act of 2008"

H.R.____, the "Predisaster Mitigation Act of 2008", reauthorizes the PDM program for three years. The bill requires grants to States to be awarded on a competitive basis, except that each State receives a statutory minimum of $575,000 or one percent of the funds appropriated whichever is less.[11] In this way, the bill increases the minimum amount that each State receives under the program from $500,000 to $575,000, and codifies the competitive selection process of the program as currently administered by FEMA. The bill authorizes $250 million for each of fiscal years 2009 through 2011 for the Pre-Disaster Mitigation program.

Prior Legislative and Oversight Activity

In 2000, Congress enacted the Disaster Mitigation Act of 2000 (P.L. 106-390). In 2005, Congress reauthorized the program through fiscal year 2008 (P.L. 109-139). Under current law, the Predisaster Mitigation program terminates on September 30, 2008, unless Congress reauthorizes the program.

On April 30, 2008, the Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on FEMA's Pre-Disaster Mitigation program.

On May 21, 2008, Chairman James L. Oberstar introduced H. R. ____, the "Pre-Disaster Mitigation Act of 2008".

Amendments

Specific information on amendments is not available at this time.

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[6] Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities, Multihazard Mitigation Council, National Institute of Building Sciences, 2005, p. 5. Congress mandated this report pursuant to the Departments of Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 Senate Rept. 106-161.
[7] *Id.*
[8] Potential Cost Savings from the Pre-Disaster Mitigation Program, Congressional Budget Office, September 2007, p. 1.
[9] *Id.*, p. 2.
[10] *Id.*, p. 1.
[11] Section 203(f) of the Stafford Act. 42 U.S.C. 5133(f).

H.R. 5001, THE "OLD POST OFFICE BUILDING REDEVELOPMENT ACT OF 2008"

Background

The Old Post Office building is one of Washington, DC's most enduring landmarks. Completed in 1899, the Old Post Office building was intended to be the U.S. Post Office Department Headquarters building as well as the city's main post office. The Old Post Office building, which is the second-tallest structure in the nation's capital, is designed in Romanesque style. After decades of threatened demolition, the Old Post Office building was finally awarded a place on the National Register of Historic Places in 1973.

To encourage more commercial use of federal space at ground level, Congress enacted the Public Buildings Cooperative Use Act in 1976. The Act authorized both government and commercial enterprises to share federally owned space at ground level. In 1977, renovation of the Old Post Office building began as part of the redevelopment of Pennsylvania Avenue.

In 1982, the General Services Administration ("GSA") entered into a 55-year out-lease with a private sector developer to lease and operate the Old Post Office building. The renovation of the building made it a multifunctional building that included office space, retail, and a food court. The development expected at the Old Post Office building was not successful because of constant turnover of retail businesses and low satisfaction by tenants. The original developer went into bankruptcy and the lender foreclosed on the leasehold.

The Old Post Office building is an aging historical building that is inefficient, underutilized, and a financial drain on the Federal Building Fund. Because of the building's large atrium and relatively little office space for a building of its size, the costs of operating and maintaining the building per square foot of usable space are high.

In 1999, Congress enacted the Omnibus Consolidated and Emergency Supplemental Appropriations Act (P.L. 105-277), which required that GSA submit a viable development plan for the Old Post Office before any Federal funds be used to convert the space. In December 2000, GSA submitted a development plan to Congress, and by Committee resolution dated May 16, 2001, the Committee on Transportation and Infrastructure approved the plan. In 2005, the GSA issued a Request for Expressions of Interest ("RFI") for the project. The responses enabled GSA to gauge and understand the entities that might propose to redevelop the asset, the concepts they may propose, and the anticipated benefit to the Federal Government. Although GSA received 20 responses to the RFI, the Office of Management and Budget ("OMB") prevented the development project from moving forward.

In 2007, the GSA received $5.4 million in rent payments from federal tenants occupying the building. These tenants include the National Endowment for the Arts, the National Endowment for the Humanities, and the Advisory Council on Historic Preservation. Total expenses for the property were $11.9 million, which resulted in a net loss to the Federal Building Fund of $6.5 million in 2007. GSA estimates that it would cost more than $100 million to modernize the Old Post Office. To redevelop the property, the current tenants must be relocated, which requires prospectuses to be approved by the Office of Management and Budget, the Committee on Transportation and Infrastructure, and the Committee on Environment and Public Works of the Senate.

H.R. 5001, the "Old Post Office Building Redevelopment Act of 2008"

H.R. 5001, the "Old Post Office Building Redevelopment Act of 2008", authorizes the Administrator of General Services to redevelop the Old Post Office Building in Washington, DC. The bill authorizes the Administrator to enter into a development agreement to redevelop the Old Post Office Building under terms and conditions that are beneficial to the Federal Government. Prior to executing any development agreement the Administrator must send Congress a report containing a cost-benefit analysis and a description of the material provisions of the proposed development agreement. The development agreement shall not become effective until the end of a 30-day period of continuous session of Congress after submission of the report.

Prior Legislative and Oversight Activities

In 1999, Congress enacted the Omnibus Consolidated and Emergency Supplemental Appropriations Act (P.L. 105-277), which required that GSA submit a viable development plan for the Old Post Office before any federal funds be used to convert the space. In December 2000, GSA submitted a development plan to Congress, and by Committee resolution dated May 16, 2001, the Committee on Transportation and Infrastructure approved the plan.

On January 16, 2008, Economic Development Subcommittee Chair Eleanor Holmes Norton introduced H.R. 5001, the "Old Post Office Building Redevelopment Act of 2008".

On April 10, 2008, the Subcommittee on Economic Development, Public Buildings, and Emergency Management had a hearing on the "Old Post Office Building: The General Services Administration's Plans for Future Use".

Amendments

Subcommittee Chair Norton will offer an amendment in the nature of a substitute to the bill. No other amendments are expected at this time.