



Surface Transportation Reauthorization Proposals

October 2019

Recognize Importance of National Network to U.S. Transportation and Rural America

As part of the Fiscal Year 2019 omnibus, Congress passed language describing the importance of the National Network to rural Americans and the U.S. transportation network: "It is the sense of Congress that 1) long-distance passenger rail routes provide much-needed transportation access for 4,700,000 riders in 325 communities in 40 States and are particularly important in rural areas; and 2) long-distance passenger rail routes and services should be sustained to ensure connectivity throughout the National Network."

Rail Passengers believes this language should be included—with language added to recognize the importance of on-time performance to the long-term viability of the National Network—as a guiding principal for passenger rail investment in the surface transportation authorizing law, requiring Amtrak to provide train frequencies not less than what is currently being offered to all existing Amtrak communities .

On-Time Performance and Fairness for Passengers

Given the dramatic rise in host railroad interference and passenger delays, Rail Passengers is asking Congress to grant Amtrak a Private Right of Action, which would allow Amtrak ability to sue the freight railroads to enforce its statutory preference.

Shared-Use Corridor Advisory Committee

The current financial relationship between Amtrak, the host railroads and the states has failed to deliver the frequency and dependability needed to attract large numbers of travelers. Commercial and political success require that interested parties be incentivized to develop practical solutions. Rail Passengers calling for Congress to establish a charter for a Shared-Use Corridor Advisory Committee (S-CAC).

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Creation of a Right of Way Acquisition Program

As of 2015, outside of the NEC 70% of the host railroad lines that Amtrak uses were single-tracked, meaning that there is latent capacity in most extant rights of way (ROW).

Rather than capitalize on this to expand capacity and fluidity, the rail industry is in a period of contraction. With losses in coal and crude oil rail shipments—down 44 percent and 60 percent off peak rates, respectively—railroads are looking to shed infrastructure and consolidate operations. In January 2018, CSX Transportation revealed it was reviewing 8,000 miles of rail lines as potential candidates for sale or lease as a way to create additional shareholder value.

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RPA expects this industry trend to continue.

Congress should create a federal grant program that would allow states and municipalities to purchase abandoned and underutilized corridors from freight railroads.

Advance Right of Way Acquisition Authority

As a critical companion to ROW Acquisition Grants, Congress should authorize states, railroads, and all relevant operating authorities to engage in the advance acquisition of railroad ROWs, similar to what is currently allowed for the advance acquisition for highway and public transit projects.

Congress should also amend the FTA Fixed Guideway Capital Investment Grants authorizing language allowing non-federal expenditures to acquire property, prior to the award of a grant, to be included in the non-federal share of total project costs

Transit Oriented Development

Congress should create a permanent program that will allow Transit Oriented Development (TOD) commercial development with RRIF/TIFIA financing for projects stipulated by the Secretary of Transportation to have significant value capture to support the ongoing station and passenger operations, creating a coordinated development-transportation plan.

Domestic Manufacturing Incentivization

To ensure the development of a domestic rail manufacturing industry, this waiver program should include a 10-year sunset provision and be paired with a US Rail Manufacturing Bureau (USRMB) to encourage coproduction agreements between US and international firms.

The aviation industry has created a blueprint for this kind of successful technology transfer between mature manufacturing markets and emerging manufacturing markets. While the technology transfers in aviation are usually a US export, this USRMB can help establish offset agreements in order to gain economic benefits for the expenditure of public funds on the purchase of equipment from foreign suppliers.

Equipment

Congress has given Amtrak and the States a mandate to continue work on modernizing the U.S. rail fleet. Amtrak is well into the procurement process for the new Northeast Corridor fleet (ACELA 2021); safer, more energy-efficient next-generation diesel locomotives to replace the aging National Network locomotive fleet; and has issued a Request for Proposals for new single-level equipment to replace Amfleet I cars on the Northeast Corridor and neighboring State-Supported services. However, there is still a long way to go towards fleet modernization. Rail Passengers is asking Congress to work with States and Amtrak to establish a stable funding mechanism to allow for critical investments in equipment that will meet public demand for reliable, energy-efficient equipment with modern amenities.

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Passenger Rail Account Funding Levels

Rail Passengers is calling for a significant increase in passenger rail investment to address decades of stagnant funding. Learning from the experience of the High-Speed and Intercity Passenger Rail Program, Rail Passengers has outlined a steady increase across funding categories, which will enable the Federal Railroad Administration to slowly build up its grantmaking capacity:

- **Amtrak – Northeast Corridor:** 10% year-over-year increase in funding, using FY2019 enacted levels as a baseline. Allows Amtrak to address the state-of-good-repair backlog on the NEC and move forward on several critical bottleneck capital projects.
- **Amtrak – National Network:** a 5% year-over-year increase in funding, using FY2019 enacted levels as a baseline. Allows Amtrak to overhaul its aging National Network fleet of equipment, stations and facilities.
- **Consolidated Rail Infrastructure & Safety Grants:** after an initial one-time plus-up, the CRISI program grows at an annual rate of 10%. Funds projects that will reduce congestion and facilitate ridership growth along heavily traveled rail corridors, and corridor development plans and corresponding environmental analyses, accelerating the development of short-distance passenger rail corridors (>400 miles) connecting major metropolitan markets. o **Positive Train Control:** intended to fund the deployment of safety technology, a well-funded CRISI program will play a key role in allowing commuter rail agencies to meet the the ongoing costs of operations and maintenance of PTC, which agencies project at \$130 million per year.
- **Federal State Partnership for State of Good Repair:** after an initial one-time plus-up, the Federal-State SOGR program grows at an annual rate of 10%. Replaces existing assets in-kind, assets that increase capacity or provide a higher level of service, and bring assets into a state of good repair. The Federal-State SOGR program will play a crucial role to play in addressing decades of underinvestment in legacy U.S. rail; in 2016, the U.S. DOT estimated the cost of replacing all assets that are past their useful life at \$86 billion, with 25 percent of rail transit assets in marginal or poor condition. This program will also assist states in the capital maintenance of a growing pool of CRISI-funded rail corridors.
- **Restoration & Enhancement Grants:** after an initial one-time plus-up, the R&E program will grow at an annual rate of 10%. Restores service over routes formerly operated by Amtrak and establish new services—with a focus on regions and communities that are underserved or not served by other intercity public transportation, particularly projects that would foster economic development in rural communities and for disadvantaged populations. A well-funded R&E grant program will be crucial in developing passenger rail services in rural America, ensuring a broad base of public support.

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	<i>Passenger Rail Funding (in millions)</i>				
	<i>FY2021</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024</i>	<i>FY2025</i>
<i>Program</i>					
<i>Amtrak - National Network</i>	\$1,280.6	\$1,344.6	\$1,411.8	\$1,482.4	\$1,556.6
<i>Amtrak - NEC</i>	\$715.0	\$786.5	\$865.2	\$951.7	\$1,046.8
<i>Consolidated Rail Infrastructure & Safety Grants</i>	\$1,968.0	\$2,187.0	\$2,430.0	\$2,700.0	\$3,000.0
<i>Federal State Partnership for State of Good Repair</i>	\$1,312.2	\$1,458.0	\$1,620.0	\$1,800.0	\$2,000.0
<i>Restoration & Enhancement Grants</i>	\$262.4	\$291.6	\$324.0	\$360.0	\$400.0
Total	\$5,538.2	\$6,067.7	\$6,651.0	\$7,294.1	\$8,003.4

General Fund Flexibility

Since 2008, Congress has sustained highway spending by transferring \$143 billion in general revenues to the HTF, including \$70 billion in 2016 as a result of the FAST Act. To the extent that non-road user revenue is directed to the transportation, states should be able to flex these funds to non-highway projects. Granting local officials discretion in modal allocation of general revenue funds will allow states to direct resources to the highest impact projects.

Federal Role in Insurance Provision

Given the desirability of introducing higher levels of competition into the passenger train operating market, and the limited marketplace that currently exists, RPA argues that the federal government has a larger role to play in insurance provision for rail operators. One such role would be mandated contributions to a captive insurance pool overseen by the federal government, designed to pay excess claims on a no-fault basis, with minimum insurance requirements attuned to size and budget. Another approach would be for the government to act as direct insurer offering subsidized premium, similar to what is seen in the National Flood Insurance Program. Finally, lawmakers could lower the liability cap to a market-friendly level and provide a federal backstop for insurers, such as with the Terrorism Risk Insurance Program.