



Passenger Rail Reform and Investment Act (PRRIA) of 2015

The *Passenger Rail Reform and Investment Act of 2015* (PRRIA; [H.R. 749](#)) was moved by the House Transportation and Infrastructure Committee on February 12 by a unanimous voice vote, and is up as early as today for floor consideration. The bill makes some structural changes to Amtrak's funding, creating separate accounts for the Northeast Corridor and the National Network, and requires the creation of a Northeast Corridor Investment Plan. It also includes a pilot program that would allow for private bids to run service in lieu of Amtrak, at no more than 90 percent of what Amtrak spent in the previous year. It would also require Amtrak to consider ways to monetize its right-of-way and encourage development around its stations.

Additional key points the bill would accomplish:

- Eliminate food and beverage service losses
- Increase the transparency of its bookkeeping
- Help advance large infrastructure projects through state partnerships
- Require Amtrak to evaluate long distance routes
- Streamline review of projects

CBO Score

“CBO estimates that H.R. 749 would authorize appropriations totaling \$7.2 billion over the 2016-2020 period for rail programs. That amount includes \$5.3 billion for grants to Amtrak, \$1.2 billion for grants to states for intercity rail projects, and \$625 million to renegotiate and prepay a portion of Amtrak's non-federal debt. Assuming appropriation of the amounts specified and estimated to be necessary, CBO estimates that implementing the legislation would cost \$7.0 billion over the 2016-2020 period.”

Statement of Administration Policy

“The Administration supports House passage of H.R. 749, which aligns with the Administration's goals of driving improved performance at Amtrak through accountability and encouraging States' participation in planning and funding improvements to passenger rail corridors. The legislation does not, however, contain adequate railroad safety provisions nor provide the level of resources, long-term certainty, and additional organizational reforms that are included in the Administration's GROW AMERICA proposal to support a high performance rail system.”

NARC's Section by Section Analysis

TITLE I – Authorization of Appropriations

Sec. 101 – Authorization for Amtrak

Instead of providing funding for capital and debt service and for operating grants, as Congress has done in the past, the proposed legislation would divide the provided funding into two new accounts: the Northeast corridor Improvement Fund account (for capital projects and debt service payments) and the National Network account (for capital and operating expenses of state-supported and long-distance routes, and debt service payments).



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1. **Northeast Corridor**
For fiscal year 2016, \$439,000,000.
For fiscal year 2017, \$464,000,000.
For fiscal year 2018, \$480,000,000.
For fiscal year 2019, \$498,000,000.
2. **National Network**
For fiscal year 2016, \$973,000,000.
For fiscal year 2017, \$974,000,000.
For fiscal year 2018, \$985,000,000.
For fiscal year 2019, \$997,000,000.
3. **Project Management Oversight - \$4 million for management oversight of Amtrak**

Sec. 102 – Authorization for Amtrak Office of the Inspector General

For fiscal year 2016, \$23,000,000.

For fiscal year 2017, \$24,000,000.

For fiscal year 2018, \$24,000,000.

For fiscal year 2019, \$25,000,000.

Sec. 103 – National Infrastructure Investments

For capital grants for intercity passenger rail projects and grade crossing improvement projects. Fifty percent of the authorization amount shall be used for a Federal-State Partnership for Northeast Corridor Rehabilitation and Improvement program.

For fiscal year 2016, \$300,000,000.

For fiscal year 2017, \$300,000,000.

For fiscal year 2018, \$300,000,000.

For fiscal year 2019, \$300,000,000.

Sec. 104 – Northeast Corridor

Defines Northeast Corridor as the corridor between Boston, MA and Washington, DC.

Title II – Amtrak Reform

Sec. 201 – Amtrak Planning and Grant Process

1. Requires Amtrak to "establish and maintain **internal controls** to ensure Amtrak's costs and revenues are allocated to either the Northeast Corridor or the National Network, including proportional shares of common and fixed costs."
2. Establishes a **new grant-making process**, intended to increase the transparency of rail investments, through which Amtrak may apply to the Secretary for funds for proposed projects.
3. Accounts
 - a. **Northeast Corridor Improvement Fund account**, which will include grant funds, compensation from commuter rail passenger transportation, and any operating surplus from



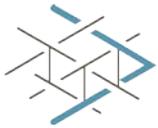
- travel within the corridor. These funds could be used for improvements and other expenses only in the Northeast Corridor.
- b. **National Network account**, which will include grant funds, compensation from States, and any operating surplus from travel within the corridor.
 - c. Funds may be transferred between these accounts upon notification of the Amtrak Board of Supervisors. Within 30 days, the Board of Supervisors must inform the Secretary and relevant Congressional committees as to the amount and reason for the transfer.
4. Requires Amtrak to prepare a **business case analysis** for the Secretary and relevant committees in advance of any purchase of rolling stock in excess of \$100M.
 5. **Northeast Corridor Planning** requires the preparation of a capital investment plan for the Northeast Corridor main line between Boston, MA and Washington, DC and branch lines connecting to Harrisburg, PA; Springfield, MA; and Spuyten Duyvil, NY. The plan is intended to establish a coordinated approach to capital spending; cover a period of five fiscal years; prioritize projects and investments along this corridor based on cost/benefit, available federal and non-federal funding, and the information contained in the asset management plans for the corridor; ensure coordination among various owners and users across the corridor; and establish a financial plan for the entire investment period.
 6. **Northeast Corridor Asset Management Plans** require Amtrak, States, and public transportation entities that own infrastructure that supports or provides for intercity rail passenger transportation in the Northeast Corridor to develop asset management plans, which will include a capital asset inventory; an assessment of the condition of those assets and how the condition has changed over time; and the resources and processes necessary to bring or maintain those assets into a state-of-good repair. These management plans would be required one year after passage of the legislation.
 7. **Northeast Corridor Service Development Plan Updates** – Requires an update of the development plan at least once every ten years.

Sec. 202 - 5-Year Capital and Operating Plan

Requires the Amtrak Board of Supervisors to prepare and transmit a **five-year capital and operating plan** for the Northeast Corridor and National Network, within 60 days of passage of this legislation. These plans would be prepared in consultation with the Federal Railroad Administration (FRA), Northeast Corridor Infrastructure and Operations Advisory Commission, and requisite States. The plans would include, among other factors: projected revenues and expenditures; projected ridership levels; projected capital and operational funding requirements to maintain passenger services to accommodate predicted ridership levels; projected capital and operating requirements for new passenger service operations or service expansions; and an assessment of the continuing financial stability of Amtrak. Amtrak would be required to provide monthly reports for the current fiscal year in electronic format to outline work completed to date, any differences from projections, and the reasons for such differences.

Sec. 203 – State-Supported Routes

Establishes State-Supported Route Advisory Committee, to "promote mutual cooperation and planning pertaining to the rail operations and related activities of trains operated on State-supported routes." Membership would include Amtrak, U.S. Department of Transportation including FRA, seven states that sponsor routes (selected by FRA). The Committee would be required to meet twice each year.

**Sec. 204 – Route and Service Planning Decisions**

Seeks to improve performance and reduce operating losses on Amtrak routes, by requiring that Amtrak contract with a third party to recommend methodologies it can use to make decisions about new routes, elimination of routes, and other service changes.

Sec. 205 – Competition

Establishes a pilot program that permits a rail carrier or carriers that own infrastructure over which Amtrak operates to petition the FRA to be considered as a passenger rail service provider over that route in lieu of Amtrak for a period of five years.

Sec. 206 – Food and Beverage Reform

Amtrak is required to develop and begin implementing a plan to eliminate the operating loss associated with food and beverage service within five years. After five years, federal funds could not be used to cover any operating loss from food and beverage services.

Sec. 207 – Right of Way Leveraging

Requires Amtrak to issue RFPs seeking private sector bids to utilize Amtrak-owned right-of-way for telecommunications, energy distribution, and other activities.

Sec. 208 – Station Development

Requires Amtrak to prepare a report on options to enhance development around Amtrak stations, and issue subsequent RFPs to carry out the options identified in the report.

Sec. 209 – Amtrak Debt

Reauthorizes a section from the 2008 PRIIA bill which allows for the restructuring of Amtrak's debt.

Sec. 210 – Amtrak Pilot Program for Passengers Transportation Domesticated Cats and Dogs

Amtrak would have one year to develop a pilot program that allows passengers to transport domesticated cats or dogs on certain trains.

Sec. 211 – Amtrak Boarding Procedures

Amtrak OIG would have six months to prepare a report that evaluates boarding procedures at its ten busiest stations; compare those procedures to commuter rail procedures at stations shared with Amtrak, international intercity passenger rail boarding procedures, and fixed guideway transit boarding procedures; and provide recommendations to improve Amtrak's boarding procedures.

Title III – Intercity Passenger Rail Policy**Sec. 301 – Federal-State Partnership for Northeast Corridor Development and Improvement**

Program to issue grants on a competitive basis for the purpose of financing capital projects included in the Northeast Corridor Priority Project List. Applicants could include States, group of States, Interstate Compact, or public agency with responsibility for providing intercity rail service. Federal share would be no more than 50 percent of the net project cost.

**Sec. 302 – RRIF Improvements**

Limits review period for the Railroad Rehabilitation & Improvement Financing (RRIF) program loan applications and provides additional flexibility to States in determining collateral to secure loans.

Sec. 303 – NEC Fast Forward

Directs the Secretary to provide, through the RRIF program, direct loans and loan guarantees to eligible entities for capital projects to improve the Northeast Corridor.

Sec. 304 – Large Capital Project Requirements

For grants in excess of \$1 billion, conditions shall apply: applicant has demonstrated it will be able to fulfill non-federal share requirement; a financial plan identifying the non-federal share has been submitted; and the projects benefits have been detailed.

Sec. 305 – Small Business Participation Study

Secretary shall conduct “a nationwide disparity and availability study on the availability and use of small business concerns owned and controlled by socially and economically disadvantaged individuals in publically [sic] funded intercity rail passenger transportation.” There is a two-year timeframe on this report, and \$6 million is provided for its completion.

Sec. 306 – Gulf Coast Rail Service Working Group

FRA is to convene a working group to evaluate the restoration of intercity rail passenger service in the Gulf Coast region between New Orleans, LA and Orlando, FL. Working group membership includes representatives of Amtrak, the States along the proposed route or routes, regional transportation and metropolitan planning organizations, municipalities, and communities along the proposed route or routes, Southern Rail Commission, freight railroad carriers whose tracks may be used for such service, and others determined appropriate by the FRA Administrator. The purpose of this group is to evaluate all options for restoring service, selecting a preferred option, developing a prioritized inventory of capital projects and other actions required to restore such service, and identifying federal and non-federal funding sources.

Sec. 307 – Miscellaneous

Makes technical corrections.

Title IV – Project Delivery**Sec. 401 – Project Delivery Rulemaking**

Requires a federal rulemaking to govern review, permitting, and approval or disapproval of freight rail and intercity rail passenger transportation infrastructure projects; and commuter rail passenger transportation infrastructure projects funded in whole or in part through a federal direct loan or loan guarantee.

Sec. 402 – Historic Preservation of Railroads

The Secretary, in consultation with appropriate federal agencies, including the Advisory Council on Historic Preservation, the National Conference of State Historic Preservation Officers, the National Association of Tribal Historic Preservation Officers, and nongovernmental stakeholders representing the railroad industry and historic preservation concerns, shall consider opportunities for consistent approach to treatment of railroad and rail-related properties for historic preservation and develop ways to streamline compliance.