

**49 U.S.C. §24408 (RESTORATION AND ENHANCEMENT GRANTS) AS PROPOSED TO BE AMENDED BY THE SENATE FY17 TRANSPORTATION-HUD APPROPRIATIONS BILL**

(Language that would be stricken by the bill is in ~~striketrough type~~ and language that would be inserted by the bill is in ***boldface italic type.***)

**§24408. Restoration and enhancement grants**

(a) Applicant Defined.-Notwithstanding section 24401(1), in this section, the term "applicant" means-

- (1) a State, including the District of Columbia;
- (2) a group of States;
- (3) an Interstate Compact;
- (4) a public agency or publicly chartered authority established by 1 or more States;
- (5) a political subdivision of a State;
- (6) Amtrak or another rail carrier that provides intercity rail passenger transportation;
- (7) Any rail carrier in partnership with at least 1 of the entities described in paragraphs (1) through (5); and
- (8) any combination of the entities described in paragraphs (1) through (7).

(b) Grants Authorized.-The Secretary of Transportation shall develop and implement a program for issuing operating assistance grants to applicants, on a competitive basis, for the purpose of initiating, restoring, ~~or enhancing~~ ***enhancing, or supporting*** intercity rail passenger transportation.

(c) Application.-An applicant for a grant under this section shall submit to the Secretary-

- (1) a capital and mobilization plan that
  - (A) describes any capital investments, service planning actions (such as environmental reviews), and mobilization actions (such as qualification of train crews) required for initiation of intercity rail passenger transportation; and
  - (B) includes the timeline for undertaking and completing each of the investments and actions referred to in subparagraph (A);
- (2) an operating plan that describes the planned operation of the service, including
  - (A) the identity and qualifications of the train operator;
  - (B) the identity and qualifications of any other service providers;
  - (C) service frequency;
  - (D) the planned routes and schedules;
  - (E) the station facilities that will be utilized;
  - (F) projected ridership, revenues, and costs;
  - (G) descriptions of how the projections under subparagraph (F) were developed;
  - (H) the equipment that will be utilized, how such equipment will be acquired or refurbished, and where such equipment will be maintained; and
  - (I) a plan for ensuring safe operations and compliance with applicable safety regulations;

(3) a funding plan that-

(A) describes the funding of initial capital costs and operating costs for the first 3 years of operation;

(B) includes a commitment by the applicant to provide the funds described in subparagraph (A) to the extent not covered by Federal grants and revenues; and

~~(C) describes the funding of operating costs and capital costs, to the extent necessary, after the first 3 years of operation; and~~

(4) a description of the status of negotiations and agreements with-

(A) each of the railroads or regional transportation authorities whose tracks or facilities would be utilized by the service;

(B) the anticipated railroad carrier, if such entity is not part of the applicant group; and

(C) any other service providers or entities expected to provide services or facilities that will be used by the service, including any required access to Amtrak systems, stations, and facilities if Amtrak is not part of the applicant group.

(d) ~~Priorities.~~-In awarding grants under this section, the Secretary shall give priority to applications-

(1) for which planning, design, any environmental reviews, negotiation of agreements, acquisition of equipment, construction, and other actions necessary for initiation of service have been completed or nearly completed;

(2) that would restore service over routes formerly operated by Amtrak, including routes described in section 11304 of the Passenger Rail Reform and Investment Act of 2015;

(3) that would provide daily or daytime service over routes where such service did not previously exist;

(4) that include funding (including funding from railroads), or other significant participation by State, local, and regional governmental and private entities;

~~(5) that include a funding plan that demonstrates the intercity rail passenger service will be financially sustainable beyond the 3-year grant period;~~

(6) that would provide service to regions and communities that are underserved or not served by other intercity public transportation;

(7) that would foster economic development, particularly in rural communities and for disadvantaged populations;

(8) that would provide other non-transportation benefits; and

(9) that would enhance connectivity and geographic coverage of the existing national network of intercity rail passenger service.

~~(e) Limitations.-~~

~~—(1) Duration. Federal operating assistance grants authorized under this section for any individual intercity rail passenger transportation route may not provide funding for more than 3 years and may not be renewed.~~

~~—(2) Limitation. Not more than 6 of the operating assistance grants awarded pursuant to subsection (b) may be simultaneously active.~~

~~—(3) Maximum funding. Grants described in paragraph (1) may not exceed-~~

~~—(A) 80 percent of the projected net operating costs for the first year of service;~~

~~—(B) 60 percent of the projected net operating costs for the second year of service;~~

and

—(C) 40 percent of the projected net operating costs for the third year of service.

***(e) Grants made under this section may not exceed 80 percent of the projected net operating costs.***

(f) Use With Capital Grants and Other Federal Funding.-A recipient of an operating assistance grant under subsection (b) may use that grant in combination with other Federal grants awarded that would benefit the applicable service.

(g) Availability.-Amounts appropriated for carrying out this section shall remain available until expended.

(h) Coordination With Amtrak.-If the Secretary awards a grant under this section to a rail carrier other than Amtrak, Amtrak may be required consistent with [section 24711\(c\)\(1\) of this title](#) to provide access to its reservation system, stations, and facilities that are directly related to operations to such carrier, to the extent necessary to carry out the purposes of this section. The Secretary may award an appropriate portion of the grant to Amtrak as compensation for this access.

(i) Conditions.-

(1) Grant agreement.-The Secretary shall require a grant recipient under this section to enter into a grant agreement that requires such recipient to provide similar information regarding the route performance, financial, and ridership projections, and capital and business plans that Amtrak is required to provide, and such other data and information as the Secretary considers necessary.

(2) Installments; termination.-The Secretary may-

(A) award grants under this section in installments, as the Secretary considers appropriate; and

(B) terminate any grant agreement upon-

(i) the cessation of service; or

(ii) the violation of any other term of the grant agreement.

(3) Grant conditions.-The Secretary shall require each recipient of a grant under this section to comply with the grant requirements of section 24405.

(j) Report.-Not later than 4 years after the date of enactment of the Passenger Rail Reform and Investment Act of 2015, the Secretary, after consultation with grant recipients under this section, shall submit to Congress a report that describes-

(1) the implementation of this section;

(2) the status of the investments and operations funded by such grants;

(3) the performance of the routes funded by such grants;

(4) the plans of grant recipients for continued operation and funding of such routes;

and

(5) any legislative recommendations.