



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

Peter A. DeFazio
Chair

Katherine W. Dedrick
Staff Director

Sam Graves
Ranking Member

Paul J. Sass
Republican Staff Director

December 7, 2021

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM: Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials
RE: Subcommittee Hearing on “Leveraging IIJA: Plans for Expanding Intercity Passenger Rail”

PURPOSE

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will meet on Thursday, December 9, at 10:00 a.m. EDT in 2167 Rayburn House Office Building and via Zoom to hold a hearing titled “Leveraging IIJA: Plans for Expanding Intercity Passenger Rail.” The Subcommittee will hear testimony from witnesses from Amtrak, the California State Transportation Agency, the Northeast Corridor Commission, Southeast Corridor Commission/North Carolina Department of Transportation, the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency, and the Southern Rail Commission. The hearing witnesses will discuss expanding intercity passenger rail in their states, regions, and networks, and how the *Infrastructure Investment and Jobs Act* can support these efforts.

BACKGROUND

On November 15, 2021, President Biden signed into law the *Infrastructure Investment and Jobs Act* (IIJA, P.L. 117-58). This bipartisan legislation authorizes and appropriates more than \$100 billion for the country’s rail network and another at least \$30 billion in discretionary multimodal grants for which intercity passenger rail projects are eligible.¹ IIJA includes for the first time

¹ The \$100 billion is from the \$66 billion appropriated and the \$34.47 billion authorized for rail in it. National Infrastructure Project Assistance (49 USC 6701), authorized at \$10 billion and appropriated at \$5 billion over five years; Local and Regional Project Assistance (49 USC 6702) authorized at \$7.5 billion and appropriated at \$7.5 billion over five years. In addition, formula funded transportation programs include intercity passenger rail eligibility such as the Congestion Mitigation and Air Quality Improvement Program (23 USC 149). Furthermore, Railroad Rehabilitation and Improvement Financing (49 USC 224, et seq.) and Transportation Infrastructure Finance and Innovation Act (23 USC 601, et seq.) are two federal loan programs that include this eligibility.

dedicated, reliable federal support for states and entities seeking to improve and expand intercity passenger rail service. Witnesses will discuss their ongoing efforts and plans to expand intercity passenger rail in their states, regions, and networks.

RAILROAD FUNDING IN IJJA

The *IJJA* represents unprecedented investment levels and multi-year funding for intercity passenger rail development. The 2015 *Fixing America's Surface Transportation Act* (*FAST Act*, P.L. 114-94) marked the first time Congress included Amtrak and competitive intercity passenger rail funding programs in surface transportation reauthorization legislation. But the *FAST Act* maintained the mode's unpredictable funding levels. On average, appropriations bills were completed five months into the fiscal year over the life of the *FAST Act*, making the timing of the funding unpredictable as well.² The *IJJA* appropriates predictable funds over the next five years, providing funding for railroads in amounts that are nearly six times greater than what the federal government spent during the five-year *FAST Act* authorization period. In addition, *IJJA*'s authorized amounts represent more than triple the *FAST Act* authorized amounts and would allow for further investment beyond the appropriated amounts. *IJJA* funding and additional authorizations for rail are outlined in the chart below along with the amounts authorized and appropriated during the years of the *FAST Act*. Under the law, the Amtrak Northeast Corridor and National Network grant amounts are directed to Amtrak while the four competitive grant programs will be led by the U.S. Department of Transportation (DOT) and have multiple eligible applicants.

Comparison of *IJJA* to *FAST Act* Rail Funding

Program	<i>IJJA</i>		<i>FAST Act</i>	
	FY 22-26 Authorization ³	FY 22-26 Enacted Appropriation ⁴	FY 16-20 Authorization ⁵	FY 17-21 Enacted Appropriations ⁶
Amtrak – Northeast Corridor <i>NEC Commission Accessibility Upgrades</i>	\$6.57 billion \$30 million \$250 million	\$6 billion \$25 million -	\$2.60 billion \$25 million -	\$3.03 billion \$25 million \$275 million ⁷
Amtrak-National Network <i>Interstate Rail Compacts State-Amtrak Intercity Passenger Rail Comm. Accessibility Upgrades Corridor Development⁸</i>	\$12.65 billion \$15 million \$15 million \$250 million \$1.26 billion	\$16 billion \$15 million \$15 million - -	\$5.45 billion - \$10 million - -	\$6.35 billion - \$10 million - -
Subtotal Amtrak	\$19.22 billion	\$22 billion	\$8.05 billion	\$9.38 billion

² P.L. 115-31; P.L 115-141; P.L 116-6; P.L 116-94; P.L 116-260.

³ P.L. 117-58, Division B, Title II, Subtitle A-Authorization of Appropriations.

⁴ P.L. 117-58, Division J-Appropriations, Title VII.

⁵ P.L. 114-94, Division A, Title XI, Subtitle A - Authorizations.

⁶ FY 2016 appropriations not reflective of FAST Act due to timing. Appropriations column inclusive of FY 2021 one-year FAST extension at FY 2020 authorized levels. P.L. 115-31; P.L 115-141; P.L 116-6; P.L 116-94; P.L 116-260.

⁷ NEC or National Network split left to Amtrak discretion.

⁸ Authorized at 10% of Amtrak National Network appropriation to support Amtrak-operated corridors selected under 22306 for interstate compacts.

Federal-State Partnership for Intercity Passenger Rail Grants ⁹	\$7.5 billion	\$36 billion	\$997 million	\$1.08 billion
<i>Northeast Corridor</i>	<i>Not less than 45% reserved for NEC inventory projects</i>	<i>Not more than \$24 billion</i>	-	-
<i>National Network</i>	<i>Not less than 45% reserved for National Network of which at least 20% for long-distance routes</i>	-	-	-
Consolidated Rail Infrastructure and Safety Improvements Grants	\$5 billion	\$5 billion	\$1.10 billion	\$1.62 billion
RR Crossing Elimination Program Grants	\$2.5 billion	\$3 billion	-	-
<i>Planning</i> ¹⁰	<i>\$75 million</i>	-	-	-
<i>Highway-Rail Grade Crossing</i>				
<i>Safety Information and Education Program</i> ¹¹	<i>\$6.25 million</i>	-	-	-
Restoration & Enhancement Grants	\$250 million	\$250 million ¹²	\$100 million	\$37 million
Competitive Grants Subtotal	\$15.25 billion	\$44.25 billion	\$2.2 billion	\$2.73 billion
Five Year Total	\$34.47 billion	\$66.25 billion	\$10.25 billion	\$12.11 billion

ILLUSTRATIVE CORRIDOR DEVELOPMENT PROPOSALS

Amtrak Connects US

In June 2021, Amtrak proposed Amtrak Connects US to connect 160 additional communities through the creation of new corridor service in 16 states and expansion of existing corridor service in 20 states.¹³ The plan, which envisions building the expanded network over 15 years at a cost of \$75 billion, proposes to add 39 new routes and enhance service on 25 existing routes with an estimated 20 million additional riders annually.¹⁴ According to Amtrak, the proposal would add to Amtrak's existing network, to respond to increases in population and travel demands, demographic shifts, congestion, and Americans' changing travel preferences.¹⁵ Amtrak's proposal

⁹ Re-named program in IIJA, formerly Federal-State Partnership for State of Good Repair in FAST Act.

¹⁰ Authorized at 3% of Grade Crossing Elimination appropriation.

¹¹ Authorized at 0.25% of Grade Crossing Elimination appropriation.

¹² Appropriated from Amtrak NN emergency appropriation.

¹³ Amtrak, Amtrak Connects US, June 2021, page 9 https://www.amtrakconnectsus.com/wp-content/uploads/2021/06/Amtrak-2021-Corridor-Vision_2021-06-01_web-HR-maps-2.pdf

¹⁴ *Id.* at 20.

¹⁵ *Id.* at 8.

can only be realized through a partnership among Amtrak, the federal government, states, local leaders, and host railroads.¹⁶

CONNECT NEC 2035

In July 2021, the Northeast Corridor Commission (Commission) released CONNECT NEC 2035 (C35), a plan that details the sequencing of infrastructure investments and capital renewal projects to be made throughout the Northeast Corridor (Corridor) over 15 years.¹⁷ The Commission is comprised of 18 members, including representatives from each of the eight Corridor states from Maryland to Massachusetts, the District of Columbia, Amtrak, and the DOT. The implementation of C35 is intended to eliminate the state-of-good-repair backlog in the Corridor and create a modern and resilient system with safe, reliable, and more frequent service, connections to new markets, added capacity, and reduced travel times.¹⁸ The Commission partners worked collaboratively to produce the plan, which they estimate will total \$117 billion and generate nearly one million jobs and \$60 billion in earnings in the Northeast, and another 700,000 jobs and \$34 billion in earnings outside of the region.¹⁹ C35 is the first phase of implementing the long-term vision for the Corridor established in the Federal Railroad Administration's NEC FUTURE Record of Decision the agency issued in 2017.²⁰ The plan will be updated every two years.

California

The California State Transportation Agency (CalSTA) is the nation's largest state transportation agency responsible for maritime, highway, transit, and rail systems planning, investment, and oversight.²¹ The state has three long-standing intercity passenger rail corridors currently led by joint powers authorities serving markets in the San Diego-Los Angeles area, the San Joaquin valley to Bakersfield, and the Bay Area to Sacramento.²² CalSTA is also supporting two high-speed rail corridors that are expected to serve Los Angeles to San Francisco and Los Angeles to Las Vegas, NV. California pursues rail investments as part of its mobility, economic, safety, and environmental goals.²³

Southeast Corridor Commission, North Carolina

The Southeast Corridor Commission (SEC) consists of departments of transportation from Florida, Georgia, North Carolina, South Carolina, Tennessee, Virginia, and Washington, DC. The SEC issued the Southeast Regional Rail Plan in December 2020 which, if implemented, would provide access to intercity passenger rail services for more than 70% of residents in the region, an increase from the 55% of area residents with access to long distance rail service today.²⁴ The North Carolina Department of Transportation (NCDOT) serves as the SEC chair and has invested more than \$1 billion of state and federal funds over the last 25 years in two intercity passenger rail routes

¹⁶ *Id.* at 8.

¹⁷ Northeast Corridor Commission, CONNECT 2035, <https://nec-commission.com/app/uploads/2021/08/CONNECT-NEC-2035-Plan.pdf>.

¹⁸ *Id.* at 17.

¹⁹ Northeast Corridor Commission, CONNECT 2035, Frequently Asked Questions, pages 1-2, <https://nec-commission.com/app/uploads/2021/08/CONNECT-NEC-2035-Plan.pdf>

²⁰ Federal Railroad Administration, Record of Decision: NEC FUTURE, A Rail Investment Plan for the Northeast Corridor, July 2017.

²¹ <https://calsta.ca.gov/>

²² <https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan>

²³ 2018 California State Rail Plan. <https://dot.ca.gov/programs/rail-and-mass-transportation/california-state-rail-plan>

²⁴ Southeast Rail Plan Final Report, December 2020. <https://www.southeastcorridor-commission.org/copy-of-commission-reports-1>

serving Charlotte to Raleigh and connecting Charlotte to the Northeast Corridor.²⁵ Since 1990, NCDOT has renovated or constructed train stations, and made track and safety improvements.²⁶ Planned rail initiatives include the development of the Southeast High-Speed Rail Corridor, service in southeast and western North Carolina.²⁷

Southern Rail Commission

The Southern Rail Commission (SRC) is an interstate compact approved in 1982 by the legislatures of Louisiana, Mississippi, and Alabama. The SRC is composed of commissioners appointed by their respective governors, with a mission to promote the safe, reliable, and efficient movement of people and goods to enhance economic development, provide transportation choices, and facilitate emergency evacuation routes.²⁸ Restoring intercity passenger rail service between Mobile, Alabama, and New Orleans, Louisiana, has remained a priority for the SRC since the service east of New Orleans was suspended after Hurricane Katrina significantly damaged the rail infrastructure in 2005. Section 11304 of the *FAST Act* directed the DOT Secretary to convene a working group to evaluate the restoration of intercity rail passenger service between New Orleans, Louisiana and Orlando, Florida. The Working Group reported to Congress in July 2017 that approximately 1/20th of CSX's estimated required capital investment was needed to start service.²⁹ Resuming service is currently before the Surface Transportation Board.³⁰

CREATING QUALITY U.S. JOBS

Projects to expand intercity passenger rail service will likely need workers to perform a variety of jobs: build and rehab bridges and tunnels; install, upgrade, and maintain track, signal systems, and electric traction systems; build, operate, and maintain locomotives and passenger rolling stock; and assist the traveling public, among others.³¹ The rail industry has a history of high rates of union membership and with workers who earn strong wages and benefits,³² making the *IJA's* unprecedented level of intercity passenger rail investments an opportunity for investing in railroad careers. To help ensure federal investments support American workers, the *IJA* continues the application of grant conditions such as a “Buy America” requirement³³ that supports U.S. manufacturers and their employees, as well as the assurance that workers performing specified work are paid prevailing wages.³⁴ The *IJA* also maintains long-standing conditions that support railroad employees, including coverage under the *Railway Labor Act*, the *Railroad Retirement Act*, and the *Railroad Unemployment Insurance Act*, among others.³⁵

²⁵ North Carolina Rail Division. <https://www.ncdot.gov/divisions/rail/projects/Pages/future-service.aspx>

²⁶ North Carolina Comprehensive State Rail Plan. <https://www.ncdot.gov/divisions/rail/Pages/rail-plan.aspx>

²⁷ North Carolina Rail Division. <https://www.ncdot.gov/divisions/rail/projects/Pages/future-service.aspx>

²⁸ Southern Rail Commission, <https://www.southernrailcommission.org/mission>

²⁹ Gulf Coast Working Group, Report to Congress, July 2017, Page 7.

³⁰ Application of the National Railroad Passenger Corporation, Before the Surface Transportation Board, Docket No. FD 36496, Filed March 16, 2021.

³¹ Northeast Corridor Commission, Frequently Asked Question, <https://nec-commission.com/app/uploads/2021/07/C35-FAQ.pdf>

³² Regan, Greg, President of the Transportation Trades Department, AFL-CIO, Testimony before the Subcommittee on Railroads, Pipelines, and Hazardous Materials Hearing “Full Steam Ahead for Rail: Why Rail is More Relevant than Ever for Economic and Environmental Progress, March 10, 2021, page 2.

³³ 49 USC 22905(a).

³⁴ 49 USC 22905(c)(2)(A).

³⁵ 49 USC 22905(b)

WITNESS LIST

Mr. Stephen Gardner

President

Amtrak

Honorable David Kim

Secretary

California State Transportation Agency

Mr. Kevin Corbett

President and CEO of New Jersey Transit

Co-Chair, Northeast Corridor Commission

On behalf of the Northeast Corridor Commission

Ms. Julie White

Deputy Secretary for Multimodal Transportation, North Carolina Department of Transportation

Commission Chair, Southeast Corridor Commission

On behalf of the North Carolina Department of Transportation and the Southeast Corridor Commission

Ms. Donna DeMartino

Managing Director

Los Angeles–San Diego–San Luis Obispo Rail Corridor Agency

Mr. Knox Ross

Mississippi Commissioner

Chair

Southern Rail Commission