

Federal Railroad Administration
Overview, Highlights and Summary of the
Passenger Rail Investment and Improvement Act of 2008 (PRIIA)
(Public Law No. 110-432, Division B, enacted Oct. 16, 2008, Amtrak/High-Speed Rail)
Prepared March 10, 2009

[NOTE: This document provides a general overview of the major provisions of the Rail Passenger Investment and Improvement Act of 2008. The Federal Railroad Administration (FRA) intends to issue periodic updates to aid interested individuals and organizations understand, anticipate, and plan for actions, decisions, activities, and initiatives required by the statute.]

Introduction

The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) reauthorizes the National Railroad Passenger Corporation, better known as Amtrak, and strengthens the US passenger rail network by tasking Amtrak, the U.S. Department of Transportation (US DOT), Federal Railroad Administration (FRA), States, and other stakeholders in improving service, operations, and facilities. PRIIA focuses on intercity passenger rail, including Amtrak's long-distance routes and the Northeast Corridor (NEC), state-sponsored corridors throughout the Nation, and the development of high-speed rail corridors.

Amtrak Authorizations of Appropriations and Financial Provisions

PRIIA authorizes the appropriation of funds to the US DOT for fiscal years 2009-2013 to award grants to Amtrak to cover operating costs, capital investments, including in part, efforts to bring the NEC to a state-of-good-repair, and repayment of Amtrak's long-term debt and capital leases [§101, §102]. Amtrak must implement a modern financial accounting and reporting system [§203]. Additionally, Amtrak's Board of Directors must submit a 5-year financial plan and an annual budget to the Secretary of Transportation and the US DOT's Office of the Inspector General (OIG) [§204]. The 5-year financial plan must at a minimum address sixteen categories of information, including projected revenues and expenditures, projected ridership, estimates of long-term and short-term debt, labor productivity statistics, and anticipated security needs.

Restructuring Long-Term Debt and Capital Leases

The Secretary of the Treasury, in consultation with the Secretary of Transportation and Amtrak, is authorized to enter into negotiations with the holders of Amtrak debt, including leases, outstanding as of the date of enactment of PRIIA, for the purpose of restructuring (including repayment) and repaying that debt [§205]. In restructuring Amtrak's debt, the Secretary of the Treasury and Amtrak are (1) to take into consideration repayment costs, the term of any loan or loans, and market conditions; and (2) ensure that the restructuring results in significant savings to Amtrak and the United States Government.

Rail Passenger Service Quality

FRA and Amtrak, in consultation with the Surface Transportation Board (STB), Amtrak's host railroads, States, Amtrak's labor organizations, and rail passenger associations are to develop metrics and minimum standards for measuring the performance and service quality of intercity passenger train service [§207]. FRA is to publish quarterly reports on a variety of performance and service quality factors including cost coverage, train delays, and on-board services. STB may investigate on its own initiative or upon receipt of a complaint from Amtrak, an intercity rail passenger operator, a host freight railroad over which Amtrak operates, or an entity for which Amtrak operates intercity passenger rail service of poor on time performance or other service quality deficiencies of intercity passenger rail based on the new standards to determine whether and to what extent delays or failure to achieve minimum standards are due to causes that could reasonably be addressed by the host freight railroad, Amtrak or other intercity passenger rail operators [§213]. If the STB determines that delays or failures to achieve minimum standards are attributable to a rail carrier's failure to provide preference to Amtrak over freight transportation, it could award damages to be paid by the host freight railroad to Amtrak or the service sponsor. The awarded damages would be used by Amtrak or the service sponsor for capital or operating expenditures on the route to help achieve the minimum standards. The STB will set up its process for receiving and addressing complaints. Following issuance of the metrics and standards, Amtrak is to develop and implement a plan to improve on-board service in accordance with the metrics and standards [§222].

Intercity Passenger Rail Route Structure

PRIIA emphasizes that Amtrak's long-distance routes are a vital part of the US intercity passenger rail network, and are a necessary part of the nation's intermodal transportation system and economy [§228]. Amtrak is required to evaluate and rank each of its long-distance trains according to its overall performance as belonging to the best performing third of such routes, the second best performing third of such routes or the worst performing third of such routes [§210]. Amtrak must then develop and post on its website performance improvement plans for its long-distance passenger routes and implement those plans for the worst performing routes in 2010, the second best performing routes in 2011, and the best performing routes in 2012. FRA must monitor Amtrak's development and implementation of Amtrak's performance improvement plans and can withhold appropriated funds for operation of a route or routes if it concludes that Amtrak is not making reasonable progress.

FRA is also charged with employing an independent entity to develop and recommend objective evaluation methodologies for Amtrak to use in determining what intercity passenger routes and services it will provide, including the establishment of new routes, the elimination of existing routes, and the reduction or expansion of services or frequencies over such routes [§208].

Northeast Corridor Facility and Service Improvement

Amtrak, in consultation with the Secretary of Transportation and the States that make up the Northeast Corridor, must prepare a capital spending plan for infrastructure projects needed to return the railroad right-of-way (including track, signals, and auxiliary structures), facilities, stations, and equipment of the NEC main line to a state-of-good-repair [§211]. Amtrak must submit the plan for the Secretary's approval. The Secretary must review Amtrak's capital expenditures to ensure they are consistent with the approved capital spending plan and that Amtrak is providing adequate project management oversight and fiscal controls.

US DOT is directed to establish an NEC Infrastructure and Operations Advisory Commission to promote mutual cooperation and planning for the NEC [§212]. The Commission members are to include representatives from Amtrak, US DOT, the States of the NEC, and non-voting representatives of the freight railroads who operate over the NEC. The Commission is to address commuter access fees and other aspects of the NEC improvement process.

To address specific safety and security improvements on the NEC main line, US DOT is to establish an NEC Safety Committee comprised of representatives of US DOT, Amtrak, freight carriers, commuter rail agencies, rail passengers, and rail labor organizations which will report to the Commission and Congress [§212].

Enhanced State Involvement

PRIIA tasks States with establishing or designating a State rail transportation authority that will develop Statewide rail plans to set policy involving freight and passenger rail transportation within their boundaries, establish priorities and implementation strategies to enhance rail service in the public interest, and serve as the basis for Federal and State rail investments within the State [§303]. State rail plans are to address a broad spectrum of issues, including an inventory of the existing rail transportation system, rail services and facilities within the State. They must also include an explanation of the State's passenger rail service objectives, an analysis of rail's transportation, economic, and environmental impacts in the State, and a long-range investment program for current and future freight and passenger infrastructure in the State. The plans are to be coordinated with other State transportation planning programs and clarify long-term service and investment needs and requirements. US DOT is to establish minimum standards for the preparation and periodic revision of State rail plans.

State-Supported Routes

The Amtrak Board of Directors, in consultation with US DOT, the governors of each relevant State, and the Mayor of the District of Columbia, or entities representing those officials, is required to develop and implement a single, nationwide standardized methodology for establishing and allocating the operating and capital costs of providing

intercity rail passenger service among the States and Amtrak for the trains operated on designated high-speed rail corridors (outside the Northeast Corridor), short-distance corridors, or routes of not more than 750 miles, and services operated at the request of a State, a regional or local authority or another person [§209].

The methodology should ensure equal treatment within five years in the provision of comparable services of all States and groups of States (including the District of Columbia) and allocate to each route the costs incurred only for the benefit of that route and a proportionate share, based upon factors that reasonably reflect relative use, of costs incurred for the common benefit of more than one route. If a State desires to select or selects an entity other than Amtrak to provide certain rail passenger services, the State may enter into an agreement with Amtrak to use facilities and equipment of, or have services be provided by, Amtrak under terms agreed to by the State and Amtrak [§217]. The STB is authorized to resolve any dispute that might arise between a State and Amtrak over such terms.

Federal Investments

PRIIA authorizes three new Federal intercity rail capital assistance programs:

- **Intercity Passenger Rail Service Corridor Capital Assistance Program:** In concert with the State Rail Plan requirement, PRIIA creates the framework for a new intercity passenger rail service corridor capital assistance program [§301]. Funds are authorized to be appropriated to US DOT to provide grants for capital investments benefiting intercity rail passenger service. Eligible applicants include States (including the District of Columbia), groups of States, Interstate Compacts, and public agencies with responsibility for providing intercity passenger rail service established by one or more States. US DOT is authorized to use appropriated funds to make grants to assist in financing the capital costs of facilities, infrastructure, and equipment necessary to provide or improve intercity passenger rail transportation. PRIIA describes project selection criteria and required grant conditions. This program is modeled on the capital assistance to states, intercity rail passenger rail service program the FRA implemented in fiscal year 2008 and is implementing in fiscal year 2009.
- **High-Speed Rail Corridor Development:** PRIIA also authorizes the appropriation of funds to US DOT to establish and implement a high-speed rail corridor development program [§501]. Eligible applicants include a State (including the District of Columbia), a group of States, an Interstate Compact, a public agency established by one or more States with responsibility for high-speed rail service or Amtrak. Eligible corridors include the [ten high-speed rail corridors](#) previously designated by the Secretary of Transportation. Grants could be used for capital projects which are broadly defined to include typical activities in support of acquiring, constructing, or improving rail structures and equipment.

- High-speed rail is defined to mean intercity rail passenger service that is reasonably expected to achieve operating speeds of at least 110 miles per hour. US DOT is authorized to specify grant application requirements and PRIIA identifies a number of grant selection evaluation criteria, including that the project be part of a State rail plan, that the applicant have the ability to carry out the project, and that the project result in significant improvements to intercity rail passenger service.
- **Congestion Relief:** PRIIA authorizes the appropriation of funds to US DOT to make grants to States or to Amtrak in cooperation with States for financing the capital costs of facilities, infrastructure, and equipment for high priority rail corridor projects necessary to reduce congestion or facilitate ridership growth in intercity rail passenger transportation [§302]. Eligible projects would be those identified by Amtrak to reduce congestion or facilitate ridership growth in heavily traveled rail corridors, those identified by the STB to improve on time performance and reliability, and those designated by US DOT as meeting the purpose of the program and being sufficiently advanced so as to be ready for implementation. US DOT is authorized to establish appropriate grant eligibility, qualification and administration conditions.

Enhanced Private Sector Involvement

PRIIA addresses opportunities for private sector interests to operate and improve intercity passenger rail services.

- **Additional High-Speed Rail Projects:** Prominent among these initiatives is a program to establish a public-private partnership for high-speed rail development [§502]. FRA published a [Request for Expressions of Interest in the Federal Register on December 16, 2008](#) for the financing, design, construction, operation, and maintenance of a high-speed intercity passenger rail system operating within a one of eleven specified corridors. Proposals are due to the FRA on or before September 14, 2009. Credible submissions that meet the content requirements and are likely to result in a positive impact on the Nation's transportation system are to be evaluated through the formation of separate dedicated review commissions and then reports to Congress.
- **Alternative Passenger Rail Service Pilot Program:** FRA is to complete a rulemaking to develop a pilot program that would allow rail carriers that own infrastructure over which Amtrak operates intercity passenger service to petition to be considered as a passenger rail service provider over the route in lieu of Amtrak for a period not to exceed 5 years [§214]. For Amtrak employees who are adversely affected by the cessation of the existing service in situations where a rail carrier takes over a route in lieu of Amtrak, US DOT is required to develop a program under which the Secretary of Transportation may, at the Secretary's discretion, provide grants for financial incentives to be provided to Amtrak employees who voluntarily terminate their employment with Amtrak and

relinquish any legal rights to receive termination-related payments under any previous contractual agreement with Amtrak [§215].

- **Special Passenger Trains**: Amtrak is encouraged to increase the operation of special trains funded by, or in partnership with private sector operators through the use of competitive contracting to minimize the need for Federal subsidies. [§216].

Amtrak's Board of Directors: PRIIA revises the composition of Amtrak's Board of Directors to establish a nine member board comprised of the Secretary of Transportation, the President of Amtrak and seven individuals appointed by the President of the United States by and with the advice and consent of the Senate with general business and financial experience, experience or qualifications in transportation, freight and passenger rail transportation, travel, hospitality, cruise line or passenger air transportation businesses, or representatives of employees or users of passenger rail transportation or a State government [§202].

Reports, Studies and Related Requirements

PRIIA contains requirements for a number of studies, reports and related requirements to be carried out by a number of different entities.

Amtrak studies or reports include

- Amtrak is directed to study the Americans with Disabilities Act (ADA) accessibility needs at the stations it serves and to identify improvements required to bring those stations into compliance with ADA requirements, including a detailed plan, schedule and recommendations for funding the necessary improvements [§219].
- Amtrak is required to conduct studies of certain routes to determine whether to reinstate certain routes, expand service, or add stops [§224].
- Amtrak is required to develop a plan for restoring passenger rail service between New Orleans, LA and Sanford, FL, including a projected timeline, projected costs and any needed legislative changes required to do so [§226].
- Amtrak is required to report to the Congress on the total cost of incomplete infrastructure maintenance on the rail line between New Haven, CT and Springfield, MA [§403].
- Amtrak is required to develop a strategic plan to facilitate expanded passenger rail service across the international border between the United States and Canada during the 2010 Olympic games on the Amtrak Cascades route and to develop recommendations for the Department of Homeland Security to efficiently process rail passengers traveling on this route [§406].

- Amtrak is tasked with establishing a Next Generation Corridor Equipment Pool Committee to design, develop specifications for, and procure standardized next-generation rail passenger equipment [§305].

US DOT studies or reports include

- The FRA is tasked with monitoring and conducting periodic reviews of Amtrak's compliance with applicable sections of the ADA and the Rehabilitation Act of 1974 to ensure that its services and facilities are accessible to individuals with disabilities to the extent required by law [§220].
- US DOT is required to conduct studies with respect to certain high-speed rail corridors and to establish a process for a State or group of States to petition the Secretary to re-designate or modify any previously designated high-speed rail corridors [§224].
- US DOT is to establish a rail cooperative research program to address intercity rail passenger and freight rail services, expansion of the transportation of international trade traffic by rail, improvements in the interconnectedness of commuter rail, passenger rail, freight rail and other rail networks, and consideration of regional concerns regarding rail passenger and freight transportation [§306]. US DOT is to create an advisory board to recommend research, technology, and technology transfer activities related to rail passenger and freight transportation and may work with the National Academy of Sciences to carry out economic, engineering, technological, and other research.
- US DOT is directed to study, in consultation with the Environmental Protection Agency and Department of Energy, the use of biofuel blends to power locomotives and also study use of biodegradable lubricants for locomotives and equipment [§404, 405].
- US DOT is to conduct a study in consultation with the Advisory Council on Historic Preservation, the National Conference of State Historic Preservation officers, the Department of the Interior, appropriate representatives of the railroad industry, and representative stakeholders on ways to streamline compliance with the requirements of section 303 of title 49 United States Code (dealing with uses of parks, wildlife refuges, historic sites, etc), and section 106 of the National Historic Preservation Act (16 U.S.C. 470f) for federally-funded railroad infrastructure repair and improvement projects [§407].

US DOT Office of Inspector General (OIG)

- The US DOT-OIG is to review the financial accounting system designed and implemented by Amtrak and report its findings and conclusions to the Congress [§203].

- The US DOT-OIG is to review Amtrak’s annual budget and its five-year spending plans and report to the Congress on whether they meet the requirements established by Congress to promote financial stability [§204].
- The US DOT-OIG is to report to Congress describing service delays and their sources or underlying causes as well as recommendations for improving on-time performance for Amtrak’s Coast Starlight and Cascades routes [§225].
- The US DOT-OIG is required to report to Congress on Amtrak’s utilization of its equipment maintenance and repair facilities, including the Beech Grove Mechanical facility in Indiana [§227].
- The US DOT OIG is required to complete by October 16, 2011, an overall assessment of the progress made by Amtrak management and US DOT in implementing the provisions of PRIIA [§221]

Commuter Rail Mediation

PRIIA also establishes a process whereby the STB would conduct nonbinding mediation in situations where a public transportation authority is unable to reach agreement with a rail carrier to use trackage of, and have related services provided by, the rail carrier for purposes of commuter rail passenger transportation [§401].

Capital and Preventive Maintenance Projects for Washington Metropolitan Area Transit Authority

Title VI of PRIIA authorizes the appropriation of funds for grants to the Washington Metropolitan Area Transit Authority to finance in part the capital and preventive maintenance projects included in the Capital Improvement Program approved by the Transit Authority’s Board of Directors [§601]. Title VI of the Act does not address intercity rail passenger service but local transit services and is within the jurisdiction of the Federal Transit Administration of US DOT rather than the FRA.

Note: The terms “FRA” and “US DOT” are sometimes used interchangeability in the above description, subject to delegations of responsibility that will be at the discretion of the Secretary of Transportation.