

112TH CONGRESS
1ST SESSION

H.R. _____

To Provide for
Financing America's Swift Trains – FAST

IN THE HOUSE OF REPRESENTATIVES

A BILL

1) Clarify RRIF eligibility for high speed rail activities, including costs incurred prior to application.

Section 822(b)(1) of Title 45, USC, is amended by adding:

“(D) Carry out projects and activities that benefit high speed rail systems”; or

“(E) Carry out development phase activities related to rail projects, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities.”

2) For high speed rail projects, reduce RRIF interest rate and commence repayment of principal and interest up to five years after substantial completion of the project and provide subsidy for resulting Credit Risk Premium increase.

Section 501 of the Railroad Revitalization and Regulatory Act of 1976 (USC 821) is amended by adding at the end of the following new paragraph: (9) The term “substantial completion” means the opening of a project to passenger traffic.”

(1) In subsection (e) by adding at the end the following new paragraph: “(3) FUNDED LOANS – Subject to the availability of funds authorized by subsection (g), the Secretary shall reduce the interest to be paid on direct loans provided to high speed rail applicants to 1 percent per annum.”; and

(2) In subsection (j)(1) by adding at the end the following new sentence: “In the case of a high speed rail loan the Secretary shall establish a repayment schedule requiring principal and interest payments to commence on a date elected by the applicant no later than the fifth anniversary date of substantial completion of the project.”; and

(3) By adding at the end the following new subsection:

“(g) AUTHORIZATION OF APPROPRIATIONS – There are authorized to be appropriated to the Federal Railroad Administration for the purposes of carrying out subsections (e)(3) and (j)(1) \$***** for the period encompassing fiscal years FY 12 through 2017.”

3) Change the Collateral/ Credit Risk Premium/Repayability requirements for high speed rail projects by:

- Eliminate the collateral requirement (subsidize resulting Credit Risk Premium increase); and
- Require FRA to estimate the projected level of income of a future stream of taxes that are pledged to repay the RRIF loan and require FRA to accept the present value of that estimated stream as collateral
 - “Section 822(h)(2) of Title 45, USC, is amended by adding: “In the case of a railroad that is a local government authority as defined in 49 USC Section 5302 or a high speed rail system as defined in 49 USC Section 26105, the Secretary shall for purposes of making a finding under (g)(4) accept the net present value of a future stream of federal, state, or local funding or a dedicated revenue stream as collateral offered to secure the loan.”

Language similar to the 45 USC 822 amendments above (#2) would be needed to provide a subsidy for any of these options.