

BREAUX), the Senator from Kentucky (Mr. BUNNING), the Senator from Georgia (Mr. CHAMBLISS), the Senator from Mississippi (Mr. COCHRAN), the Senator from Ohio (Mr. DEWINE), the Senator from Connecticut (Mr. DODD), the Senator from North Carolina (Mr. EDWARDS), the Senator from California (Mrs. FEINSTEIN), the Senator from Florida (Mr. GRAHAM), the Senator from Utah (Mr. HATCH), the Senator from Texas (Mrs. HUTCHISON), the Senator from Massachusetts (Mr. KERRY), the Senator from Michigan (Mr. LEVIN), the Senator from Mississippi (Mr. LOTT), the Senator from Indiana (Mr. LUGAR), the Senator from Georgia (Mr. MILLER), the Senator from Alabama (Mr. SESSIONS), the Senator from Missouri (Mr. TALENT), the Senator from Ohio (Mr. VOINOVICH) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. Res. 30, a resolution expressing the sense of the Senate that the President should designate the week beginning September 14, 2003, as "National Historically Black Colleges and Universities Week".

S. RES. 98

At the request of Mr. CAMPBELL, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. Res. 98, a resolution expressing the sense of the Senate that the President should designate the week of October 12, 2003, through October 18, 2003, as "National Cystic Fibrosis Awareness Week".

S. RES. 170

At the request of Mr. DODD, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. Res. 170, a resolution designating the years 2004 and 2005 as "Years of Foreign Language Study".

S. RES. 201

At the request of Mr. SESSIONS, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. Res. 201, a resolution designating the month of September 2003 as "National Prostate Cancer Awareness Month".

S. RES. 202

At the request of Mr. CAMPBELL, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. Res. 202, a resolution expressing the sense of the Senate regarding the genocidal Ukraine Famine of 1932-33.

S. RES. 204

At the request of Mr. BIDEN, the names of the Senator from Nebraska (Mr. NELSON), the Senator from Minnesota (Mr. COLEMAN) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. Res. 204, a resolution designating the week of November 9 through November 15, 2003, as "National Veterans Awareness Week" to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

AMENDMENT NO. 1416

At the request of Mr. BROWNBACK, his name was added as a cosponsor of amendment No. 1416 proposed to S. 14,

a bill to enhance the energy security of the United States, and for other purposes.

AMENDMENT NO. 1416

At the request of Mr. BINGAMAN, his name was added as a cosponsor of amendment No. 1416 proposed to S. 14, supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL:

S. 1489. A bill to authorize the burial of Bob Hope at Arlington National Cemetery; to the Committee on Veterans' Affairs.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the text of the "Bob Hope Arlington Honors Act of 2003," legislation authorizing the burial of Bob Hope at Arlington National Cemetery, be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bob Hope Arlington Honors Act of 2003".

SEC. 2. AUTHORIZATION OF BURIAL OF BOB HOPE AT ARLINGTON NATIONAL CEMETERY.

The Secretary of the Army shall permit the burial of Leslie Townes (Bob) Hope of California, an honorary veteran of the Armed Forces of the United States, in Arlington National Cemetery, Virginia, upon the request therefor by the family of Leslie Townes Hope.

By Mr. MCCONNELL (for himself, Mrs. DOLE, Mr. BUNNING, Mr. HOLLINGS, Mr. EDWARDS, Mr. MILLER, Mr. FRIST, Mr. WARNER, Mr. ALLEN, Mr. CHAMBLISS, Mr. GRAHAM of South Carolina, Mr. ALEXANDER, and Mr. BAYH):

S. 1490. A bill to eliminate the Federal quota and price support programs for tobacco, to provide assistance to quota holders, tobacco producers, and tobacco-dependent communities, and for other purposes, read the first time.

Mr. EDWARDS. Mr. President, the introduction of the Tobacco Market Transition Act is an important milestone for tens of thousands of farmers. I am proud to have been part of the bipartisan working group that crafted this bill.

For decades, thousands of farmers in my state have depended on their tobacco quotas. They made significant investments in equipment and land. They paid into the no-net cost assessment program knowing that the quota system they were locked into would provide for them. They didn't get rich—most of the farmers in my State will tell you that their tobacco profits allowed them to send their children to college or just pay the bills.

But that financial security has been eroded. The Federal quota is at an all-

time low. In fact, just in the past five years tobacco farmers have seen their quotas cut in half. That same time has been particularly difficult for my farmers, who have had to adjust to the dwindling quota while losing their crops and in some cases their entire farms to three hurricanes, a massive ice storm and a severe drought.

It is time to end the Federal quota system. It is time to give these hard working men and women a chance to transition to other crops or to retire with dignity. And for those who want to continue to grow tobacco, we must end the antiquated quota system and give them a chance to compete with foreign producers just as if they were growing any other crop like corn or sweet potatoes.

Of course, this isn't just another crop. This is tobacco and the tobacco leaf is used to make addictive, deadly products. We must address that fact. I am certain that before the year is out, the Senate Health, Education and Labor Committee, of which I am a member, will consider relevant legislation to protect public health. I welcome that committee's efforts. But in the debate surrounding the tobacco industry, we cannot lose sight of the fact that thousands of honest, hard working people depend on the leaf for their economic livelihood.

People like Blythe and Gwendolyn Casey of Kinston, NC. and Ms. Casey began farming tobacco decades ago. They made a decent living doing what they loved. As the years passed, they increased their production and made substantial investments in equipment and regulation barns. They paid into the no-net cost assessment program and played by the rules. They never got rich, but they were confident their investments would allow them to one day retire and remain on their farm.

Through no fault of their own, they've watched the value of their quota essentially disappear. When they began farming, they never thought they would reach retirement age mired in debt. The Caseys, and thousands of tobacco farming families in eastern North Carolina face a bleak financial future unless Congress acts.

The Federal quota system has reached a crisis point and we must intervene. The Tobacco Market Transition Act is our best chance to stave off economic disaster for tens of thousands of farmers.

This bill represents a compromise literally years in the making. This bill is not perfect. But this bill could be the last hope for farmers.

Mr. ALEXANDER. Mr. President, I am proud to cosponsor the Tobacco Market Transition Act of 2003, which is a vital piece of legislation to farmers in Tennessee and other tobacco producing States. As our citizens and government respond to the dangers of cigarettes and tobacco, farmers and farm communities that have depended on this crop are contending with challenges greater than just the decrease in

demand. Tobacco growing quotas, the leasing of those quotas, and the Federal price support system have combined with decreasing demand to form the "perfect storm" to afflict tobacco farmers.

I grew up in east Tennessee, and small family tobacco farms were a part of the lifestyle and economic vitality in our region. Tobacco farmers are currently suffering because of government programs and declining demand for their crops. The number of tobacco farmers in Tennessee has decreased from more than 35,000 farms in 1980 to fewer than 15,000 today. Revenue from tobacco in Tennessee has declined by \$25 million over the same period.

This bill will provide a short term bridge to tobacco growers and quota holders, and the communities in which they live. Tennesseans who own quotas will receive a fair transition away from lease income they have received. Growers will receive transition payments as well. The buyout would last over six years and mean roughly \$2 billion to the family farmers, quota lease owners, and communities in Tennessee.

Tobacco farming will continue to be faced with challenges, but successful passage of this legislation will provide a safety net to farmers and their communities. I applaud the work of Senator MCCONNELL on this important legislation and will work with him and our other cosponsors to provide the transition our tobacco farming communities desperately need.

By Mr. CORNYN:

S. 1491. A bill to amend the Internal Revenue Code of 1986 to expand workplace health incentives by equalizing the tax consequences of employee athletic facility use; to the Committee on Finance.

Mr. CORNYN. Mr. President, over the past few months, the Medicare debate has focused our attention on a range of issues related to the future of health care in America. Central to our debate has been how to pay for the dramatically rising costs of health care and whether we can afford a prescription drug benefit to treat the disease of an aging population.

The Medicare and Medicaid programs currently spend \$84 billion annually on five major chronic diseases, diabetes, heart disease, depression, cancer and arthritis. We have discussed options for paying for the treatment of these diseases, but have spent far less time exploring ways to prevent them in the first place.

I believe that disease prevention and the promotion of healthier lifestyles offers us an excellent opportunity to begin reversing the steep rise in health care costs we are facing today. Public health experts unanimously agree that people who maintain active healthy lifestyles dramatically reduce their risk of contracting chronic diseases. A physically fit population results in a decrease in health care costs, reduced government spending, fewer illnesses and improved worker productivity.

Given the tremendous benefits exercise provides, I believe we have a duty to create as many incentives as possible to get Americans off the couch and up and moving. With this in mind, I have introduced the Workforce Health Improvement Program, WHIP Act. The WHIP Act mirrors similar legislation introduced by Rep. PAT TOOMEY, R-PA, in the House of Representatives and would allow for the favorable tax treatment of health club memberships as an employee benefit.

Specifically, it would clarify an employer's right to deduct the cost of subsidizing or providing health club benefits for their employees. In addition, this legislation would exclude the wellness benefit from being considered income for the employees, i.e., employer contributions to the cost of health club fees would not be taxable income for employees.

Current law already permits businesses to deduct the cost of on-site workout facilities, which are provided for the benefit of employees on a pre-tax basis. However, if a business wants, or needs, to outsource these health benefits, they and/or their employees are required to bear the full cost.

The WHIP Act would correct this inequity in the current tax code to the benefit of many smaller businesses and their employees. It also would be an important step in reversing the devastating health trend that our country is facing by promoting physical activity, reducing obesity and preventing disease.

According to the Surgeon General's "Call to Action to Prevent disease Overweight and Obesity," published in 2001, there are 300,000 deaths a year in the United States that are associated with overweight and obesity. Repair physical activity reduces the risk of developing or dying from some of the leading causes of illness and death in the United States.

Further, physical activity can: reduce the risk of dying prematurely; reduce the risk of dying prematurely of heart disease; reduce the risk of developing diabetes; reduce the risk of developing high blood pressure; help reduce blood pressure in people who already have high blood pressure; reduce the risk of developing colon and other types of cancer; reduce feelings of depression and anxiety; help control weight; help build and maintain healthy bones, muscles, and joints; help older adults become stronger and better able to move about without falling; promote psychological well-being.

Public Health experts unanimously agree that active lifestyles result in decreased health care costs, reduced governmental spending, fewer illnesses, and improved worker productivity.

I ask you to join me in supporting this preventive health and fitness bill.

By Mr. CHAMBLISS:

S. 1492. A bill to amend the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986,

and the Labor Management Relations Act, 1947 to provide special rules for Teamster plans relating to termination and funding; to the Committee on Health, Education, Labor, and Pensions.

Mr. CHAMBLISS. Mr. President, I rise today to introduce the Multi-employer Pension Security Act of 2003. This bill will strengthen and protect the defined pension benefits of thousands of workers. These workers have no other choice than to participate in the pension fund that their employer offers. However, it is not just the employees who need these plans to be reformed, but many employers realize that to be fiducially responsible that these reforms need to be made as well.

Nearly 44 million working Americans participate in defined benefit pension plans. Of that amount, almost ten million people, approximately 25 percent of all those who have defined pensions, participate in multi-employer plans. Single-employer plans are completely managed under a different system. Although recent policy debate has focused primarily on single-employer plans, my reasoning in introducing this legislation today is to broaden the pension plan debate by dealing with the myriad of problems facing multi-employer pension plans.

This bill, the "Multi-employer Pension Security Act," will provide millions of active and retired workers who participate in these plans with the long-term security of knowing their promised benefits will be funded and safeguarded. This reform legislation is necessary and long overdue.

The funding levels in single-employer pension plans have been greatly affected by stock market losses, a sluggish economy and record-low interest rates. These events have impacted multi-employer plans also. However, the issues affecting multi-employer plans are much broader than that. These plans operate under a fundamentally different structure. The main difference between single and multi-employer plans is that there is no minimum funding level required in multi-employer plans. Losses can mount until simply there is no more money and benefits cannot be paid to the participants in multi-employer pension plans. My bill will correct his deficiency in current law.

This proposed legislation would address the lack of adequate funding standards existing within the multi-employer pension plan system. Also hardworking employees who participate in these multi-employer pension funds do not currently have the guarantee of insurance. When a multi-employer pension plan is defunct or goes bankrupt, there is no Pension Benefit Guaranty Corporation (PBGC) to rely on—because multi-employer plans do not fall under the guise of the PBGC structure. My bill will address that and give the folks participating in a multi-employer plan the same governmental oversight as provided to participants of single-employer plans.

Again, I introduce the Multi-employer Pension Security Act today because we, as a nation, must tackle these issues now to prevent further deterioration of these plans and we must be willing to assure our constituents that their promised pensions are available to them as retirees currently and in the future. Single-employer plans must not be the only pension plan that Congress considers changes to because we are also responsible to the almost ten million Americans participating in multi-employer pension plans as well. I urge my colleagues to consider this legislation. We must engage in a discussion that will lead to positive changes in multi-employer pension plans now.

By Mr. CHAMBLISS:

S. 1493. A bill to promote freedom, fairness, and economic opportunity by repealing the income tax and other taxes, abolishing the Internal Revenue Service, and enacting a national sales tax to be administered primarily by the States; to the Committee on Finance.

Mr. CHAMBLISS. Mr. President, I rise today to introduce the Fair Tax Act of 2003. This bill will promote freedom, fairness, and economic opportunity by repealing the income tax and other taxes, abolishing the Internal Revenue Service, and enacting a national sales tax.

The Fair Tax, commonly referred to as a national sales tax, is a necessary piece of tax reform that, should it pass, upon its inception would uproot our current unjust progressive tax code and replace it with a simpler, fairer one.

I believe our antiquated tax code, that was implemented in 1913, and has since been modified numerous times, is overly complicated and desperately in need of an overhaul. We are well beyond rectifying the unfairness in our current system by tinkering around the edges. All Americans are in dire need of unbiased sweeping tax reform—and the fair tax is just that.

The Fair Tax Act of 2003 would repeal the individual income tax, the corporate tax, capital gains taxes, all payroll taxes, the self-employment tax and the estate and gift taxes in lieu of a 23 percent tax on the final sale of all goods and services. The eradication of these taxes will not only bring about equality within our tax system, it will also bring about simplicity.

This bill will also provide for tax relief for business-to-business transactions. These transactions, including used product transactions which have already been taxed, are not subject to the sales tax, thereby abrogating any double taxation.

Social Security and Medicare benefits would remain untouched under the Fair Tax bill. There would be no financial reductions to either one of these vital programs. Instead, the source of the trust fund revenue for these two programs would be replaced simply by a sales tax revenue instead of a payroll tax revenue.

And lastly, under this bill, every American would receive a monthly rebate check equal to spending up to the Federal poverty level according to the Department of Health and Human Services guidelines. This rebate would ensure that no American pays taxes on the purchase of necessities.

The Fair Tax creates a fairer, simpler code that allows every American the freedom to determine his or her own priorities and opportunities.

Ronald Reagan once said, "I believe we really can, however, say that God did give mankind virtually unlimited gifts to invent, produce and create. And for that reason alone, it would be wrong for governments to devise a tax structure or economic system that suppresses and denies those gifts."

I couldn't agree more.

And as long as we continue to operate under our current skewed tax code, we will continue to suppress and deny these unlimited gifts to the American people who would otherwise thrive boundlessly under the Fair Tax.

By Mr. BUNNING (for himself and Mr. CONRAD):

S. 1494. A bill to amend the Internal Revenue Code of 1986 to extend the special 5-year carryback of certain net operating losses to losses for 2003, 2004, and 2005; to the Committee on Finance.

Mr. BUNNING. Mr. President, today, Senator CONRAD and I are introducing legislation that would greatly benefit our domestic economy. Our legislation would increase the cash flow of many struggling American companies, thus helping them hire and retain workers and fund capital investments.

The legislation involves the "net operating loss" ("NOL") rules under the Internal Revenue Code. The NOL carryback and carryover rules are designed to allow taxpayers to smooth out swings in business income that result from business cycle fluctuations and unexpected financial losses.

Last year's economic stimulus bill, the "Job Creation and Worker Assistance Act of 2002," allowed NOLs arising in 2001 and 2002 to be carried back five years, rather than two years, as otherwise would be provided under the tax law. The 2002 Act also removed a limitation that the corporate alternative minimum tax ("AMT") unfairly places on these carrybacks. The 2002 Act thus gave taxpayers in many sectors of the economy an enhanced ability to increase their cash flow through refunds of income taxes paid in prior years.

Unfortunately, the same uncertain economic conditions that led to the enactment of last year's stimulus bill have continued. Many taxpayers are continuing to incur unexpected financial losses in 2003.

The legislation that we are introducing today would simply extend the 2002 Act's NOL carryback rules to cover NOLs arising in 2003 and to NOLs that may arise in 2004 and 2005.

I urge my colleagues to support this important legislation, which would

give much needed relief to U.S. employers and would provide an additional jump start to our economy.

By Mr. BUNNING (for himself and Mr. CONRAD):

S. 1495. A bill to amend the Internal Revenue Code of 1986 to permit the consolidation of life insurance companies with other companies; to the Committee on Finance.

Mr. BUNNING. Mr. President, I rise today to introduce legislation with my colleague, Senator CONRAD, which will allow affiliated life and non-life insurance companies to file consolidated tax returns. The rules currently on the books do not allow such consolidation, for reasons that are outdated and no longer applicable.

In general, consolidated return provisions under current law were enacted so that the members of an affiliated group of corporations could file a single tax return. The right to file a "consolidated" return is generally available irrespective of the nature or variety of the businesses conducted by the affiliated corporations. The purpose behind consolidated returns is simply to tax a complete business entity rather than its component parts individually. Whether an enterprise's businesses are operated as divisions within one corporation or as subsidiary corporations with a common parent company, a business entity should generally be taxed as a single entity and be allowed to file its return accordingly.

Corporate groups that include life insurance companies, however, are denied the ability to file a single consolidated return until they have been affiliated for a least five years. Even after this five year period, they are subject to two additional limitations that do not apply to any other type of group: first, non-life insurance companies must be members of the affiliated group for five years before their losses may be used to offset life insurance company income, and second, non-life insurance affiliated losses, including current year losses and any carryover losses, that may offset life insurance company taxable income are limited to the lesser of 35 percent of life insurance company's taxable income or 35 percent of the non-life insurance company's losses.

There are no sound reasons to deny affiliated groups that include life insurance companies the same unrestricted ability to file consolidated returns that is available to other financial intermediaries, and corporations in general. Allowing the members of an affiliated group of corporations to file a consolidated return prevents the business enterprise's structure from obscuring the fact that the true gain or loss of the business enterprise is the aggregate of each of the members of the affiliated group. The limitations contained in present law are so clearly without policy justification that they should be repealed.

Our legislation will repeal the two five-year limitations for taxable years

beginning after this year, and it will phase out the 35 percent limitation over seven years. The staff of the Joint Committee on Taxation has recommended repeal of two of the three limitations addressed by my bill—on the grounds of needless complexity. The third limitation is, in effect, merely a minimum tax on life insurance company income. That limitation should have been repealed when the alternative minimum tax was enacted, and certainly has no place in the tax laws today.

We hope our colleagues will join us as cosponsors of this bipartisan, much-needed legislation.

By Mrs. HUTCHISON (for herself, Mr. KENNEDY, Mrs. FEINSTEIN, and Mr. HARKIN):

S. 1496. A bill to provide for the expansion and coordination of activities of the National Institutes of Health and the Centers for Disease Control and Prevention with respect to research and programs on cancer survivorship, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mrs. HUTCHISON. Mr. President, today I would like to pay tribute to a great Texan and a great American, Lance Armstrong. Last weekend, Lance sailed to his fifth consecutive victory in the Tour de France. On the heels of his stunning victory, I am pleased to introduce the Cancer Survivorship Research and Quality of Life Act of 2003.

To some, Lance's victories might begin to seem routine, winning year after year after year. But when you dig beneath the surface, past the hype and drama of the Tour de France, you find that there's nothing routine about Lance Armstrong.

By now, nearly everyone knows that Lance is a cancer survivor. It has become common knowledge, not because Lance uses it as an excuse or to seek sympathy. We know it because Lance has used his megaphone as a sports hero to raise awareness of cancer research and survivorship. He has dedicated himself to helping others and turning his personal devastation into a legacy of hope for those afflicted with cancer. When he was diagnosed, he was given a 40 percent chance of living. His survival and amazing comeback have proved that cancer is not a death sentence.

Sixty-two percent of adults and 77 percent of children diagnosed with cancer this year will be alive 5 years from now. There are more than 9 million cancer survivors living today. These numbers are improving because of advances in detection and early diagnosis, effective treatments, and healthier lifestyles by survivors and those at risk.

We must continue our commitment to research so fewer people will experience cancer.

The bill I am introducing today expands cancer research by authorizing

the Office of Cancer Survivorship within the National Cancer Institutes to study the long- and short-term physical psychological, social and economic effects of cancer. Research has shown that cancer survivors are often susceptible to other diseases. Expanding on this research will allow scientists and physicians to improve patients' quality of life and help prevent other diseases and disabilities.

Additionally, the bill expands the Centers for Disease Control programs to improve cancer survivorship. For example, the CDC will track the status of survivors to identify what health risks they face and the successful course of treatment they have utilized. Other programs will demonstrate how to prevent and control cancer, especially in medically underserved populations.

This legislation has the support of CDC and NCI. It also has the support of Lance Armstrong.

I have been privileged to meet with Lance on several occasions. He has never boasted of his athletic feats or touted his ability to master the world's toughest bicycle race. He speaks with passion of the Lance Armstrong Foundation and the work it does on behalf of cancer survivors and their families. When he mounts his bike each summer it is a symbol of hope for cancer survivors the world over.

This year's Tour de France was no exception. Many predicted Lance's defeat and he had to overcome illness, fatigue and crashes to reach the finish line. But he never gave up. The trademark dedication and perseverance that characterize him as an athlete and a survivor kicked in once again. He pedaled to victory over the course of 3 weeks, more than 2,100 miles and 84 hours of cycling, winning with a lead of 1 minute and 1 second.

It was truly a stunning end to a remarkable race.

The record-tying fifth consecutive win places Lance among cycling's elite. Only four others can claim five-time winner of the Tour de France among their accolades. Only one other man has won it consecutively. If Lance wins the yellow jersey next year, it would be a world record. But whether he breaks the record or not, he is a hero to all of us.

I ask my colleagues to join me in congratulating Lance Armstrong on a great victory and signing on as cosponsors to this important legislation to help carry his message of survivorship to the Nation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cancer Survivorship Research and Quality of Life Act of 2003".

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) There are more than 9,600,000 individuals in the United States today who are cancer survivors (living with, through, and beyond cancer).

(2) 61 percent of cancer survivors are 65 years of age and older.

(3) 62 percent of adults diagnosed with cancer today will be alive 5 years from now.

(4) In 1960, 4 percent of children with cancer survived more than 5 years.

(5) 77 percent of children (age 0 through 14) diagnosed with cancer today will be living five years from now.

(6) Three out of every four American families will have at least one family member diagnosed with cancer.

(7) 24 percent of adults with cancer are parents who have a child 18 years or younger living in the home.

(8) One of every four deaths in the United States is from cancer. In 2002, 556,500 Americans will die of cancer—more than 1,500 people a day.

(9) The annual cost of cancer in the United States is \$180,000,000,000 in direct and indirect costs.

(10) In fiscal year 2001 the National Institutes of Health invested \$38,000,000 in survivorship—less than \$4.25 per survivor.

SEC. 3. CANCER CONTROL PROGRAMS.

Section 412 of the Public Health Service Act (42 U.S.C. 285a-1) is amended—

(1) in the first sentence, by inserting ", for survivorship," after "treatment of cancer";

(2) in paragraph (1)(B), by striking "cancer patients" and all that follows and inserting the following: "cancer patients, families of cancer patients, and cancer survivors, and"; and

(3) in paragraph (3), by inserting "and concerning cancer survivorship programs," after "control of cancer".

SEC. 4. EXPANSION AND COORDINATION OF ACTIVITIES OF NATIONAL INSTITUTES OF HEALTH WITH RESPECT TO CANCER SURVIVORSHIP RESEARCH.

(a) IN GENERAL.—

(1) TECHNICAL AMENDMENT.—Section 3 of Public Law 107-172 (116 Stat. 541) is amended by striking "section 419C" and inserting "section 417C".

(2) NEW SECTION.—Subpart 1 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.), as amended pursuant to paragraph (1) of this subsection, is amended by adding at the end the following:

"SEC. 417E. EXPANSION AND COORDINATION OF ACTIVITIES WITH RESPECT TO CANCER SURVIVORSHIP RESEARCH.

"(a) IN GENERAL.—

"(1) EXPANSION OF ACTIVITIES.—The Director of NIH shall expand and coordinate the activities of the National Institutes of Health with respect to cancer survivorship research.

"(2) ADMINISTRATION OF PROGRAM; COLLABORATION AMONG AGENCIES.—The Director of NIH shall carry out this section acting through the Director of the National Cancer Institute and in collaboration with any other agencies that the Director determines appropriate.

"(b) OFFICE ON SURVIVORSHIP.—

"(1) IN GENERAL.—The Director of NIH shall establish an Office on Cancer Survivorship within the National Cancer Institute through which the activities under subsection (a)(1) shall be implemented and directed.

"(2) ASSOCIATE DIRECTOR FOR CANCER SURVIVORSHIP; APPOINTMENT; FUNCTION.—There shall be in the National Cancer Institute an Associate Director for Cancer Survivorship to coordinate and promote the programs in the Institute concerning cancer survivorship

research. The Associate Director shall be appointed by the Director of the Institute from among individuals who, because of their professional training or experience, are equipped to address the breadth of needs associated with cancer survivorship."

(b) FUNDING.—Section 417B of the Public Health Service Act (42 U.S.C. 285a-8) is amended by adding at the end the following:

"(e) OFFICE ON CANCER SURVIVORSHIP.—Of the amounts appropriated for the National Cancer Institute for a fiscal year, the Director of the Institute shall reserve an amount for the Office of Cancer Survivorship under section 417E(b)(1)."

SEC. 5. EXPANSION OF CDC COMPREHENSIVE CANCER PROGRAMS; PROGRAMS TO IMPROVE CANCER SURVIVORSHIP.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the "Secretary"), acting through the Director of the Centers for Disease Control and Prevention, shall—

(1) expand and update the National Comprehensive Cancer Control Program;

(2) assist States, territories, tribal organizations, and the District of Columbia in developing and implementing a cancer prevention and control program so that each entity will have an active plan in place and so that States, territories, tribal organizations, and the District of Columbia will conduct activities to prevent and control cancer and so that disparities in specific populations will be addressed;

(3) establish programs that demonstrate how to prevent and control cancer and improve access to and the quality of cancer care among racial and ethnic minority and medically underserved populations with disproportionate incidence of or death from cancer;

(4) promote cancer education, prevention, and early detection of cancer; and

(5) award grants to public and nonprofit organizations for cancer control and prevention.

(b) CERTAIN STUDIES AND PROGRAMS.—

(1) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention and in collaboration with the Director of the Office of Cancer Survivorship within the National Cancer Institute, shall study the unique health challenges associated with cancer survivorship and carry out projects and interventions to improve the long-term health status of cancer survivors. Such projects shall be carried out directly and through the awards of grants or contracts.

(2) CERTAIN ACTIVITIES.—Activities under paragraph (1) include—

(A) the expansion, in collaboration with the Surveillance, Epidemiology, and End Results Program (SEER) at the National Cancer Institute and with the Agency for Healthcare Research and Quality, of current cancer surveillance systems to track the health status of cancer survivors and determine whether cancer survivors are at-risk for other chronic and disabling conditions;

(B) assess the unique public health challenges associated with cancer survivorship; and

(C) the development and implementation of a national public health cancer survivorship action plan, in partnership with health organizations focused on cancer survivorship, to be carried out in coordination with the State-based comprehensive cancer control program of the Centers for Disease Control and Prevention, in collaboration with the Office of Cancer Survivorship at the National Cancer Institute, and in consultation with other appropriate entities, to support and advance cancer survivorship through—

(i) surveillance and research;

(ii) communication, education, and training;

(iii) program, policies, and infrastructure; and

(iv) access to quality care and services.

(c) COORDINATION OF ACTIVITIES.—The Secretary shall assure that activities under this section are coordinated as appropriate with other agencies of the Public Health Service.

(d) REPORT TO CONGRESS.—Not later than October 1, 2004, the Secretary shall submit to the Congress a report describing the results of the evaluation under subsection (a), and as applicable, the strategies developed under such subsection.

(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2004 through 2008.

SEC. 6. MONITORING AND EVALUATING QUALITY CANCER CARE AND CANCER SURVIVORSHIP.

(a) IN GENERAL.—Part M of title III of the Public Health Service Act (42 U.S.C. 280e et seq.) is amended by inserting after section 399E the following:

"SEC. 399E-1. MONITORING AND EVALUATING QUALITY CANCER CARE AND CANCER SURVIVORSHIP.

"(a) IN GENERAL.—The Secretary shall make grants to eligible entities for the purpose of enabling such entities to monitor and evaluate quality cancer care, develop information concerning quality cancer care, and monitor cancer survivorship. The Secretary shall carry out this section jointly through the Director of the Centers for Disease Control and Prevention and the Director of the National Cancer Institute.

"(b) ELIGIBLE ENTITIES.—For purposes of this section, an entity is an eligible entity for a fiscal year if the entity—

"(1) operates a statewide cancer registry with funds from a grant made under section 399B for such fiscal year;

"(2) is certified by the North American Association of Central Cancer Registries;

"(3) has personnel scientifically qualified to conduct population-based epidemiology or analyze health services or outcomes research; and

"(4) has access to a broad-based clinical research cohort or an established clinical case base.

"(c) CONTRACTING AUTHORITY.—In carrying out the purpose described in subsection (a), an eligible entity may expend a grant under such subsection to enter into contracts with academic institutions, cancer centers, and other entities, when determined appropriate by the Secretary.

"(d) APPLICATION FOR GRANT.—A grant may be made under subsection (a) only if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

"(e) AUTHORITY OF SECRETARY REGARDING USE OF GRANT.—The Secretary shall determine the appropriate uses of grants under subsection (a) to achieve the purpose described in such subsection.

"(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2004 through 2008."

(b) CONFORMING AMENDMENT REGARDING AUTHORIZATION OF APPROPRIATIONS.—Section 399F(a) of the Public Health Service Act (42 U.S.C. 280e-4(a)) is amended in the first sentence by striking "this part," and inserting "this part (other than section 399E-1)."

Mr. KENNEDY. Mr. President, it is a privilege to join my colleagues Senator

HUTCHISON, Senator HARKIN and Senator FEINSTEIN in introducing the Cancer Survivorship and Quality of Life Act. It is fitting that we are introducing this important legislation today. Just three days ago, as the world knows, Lance Armstrong, the champion cyclist from Texas, won his 5th consecutive Tour de France. His triumph is an extraordinary achievement in and of itself, and it is even more extraordinary, because just 6 years ago, he was diagnosed with a form of cancer—testicular cancer—that is often curable when detected early, but that in his case had already spread to his abdomen, his lungs, and brain. Twenty-five years ago, he probably would not have survived. But with the treatment and therapy now available and the same fighting spirit that made him a winner yesterday, he won the battle against cancer and became a worldwide symbol of courage and achievement.

His success is also a vivid symbol of the rapid progress being made in the ongoing battle against cancer. Never before have there been such high rates of survival for what used to be an overwhelmingly deadly disease. Cancer research has brought new and more sensitive screening tests and more accurate and less invasive diagnostic procedures. Greater arrays of treatments are available that can cure cancer completely or keep it at bay for many years.

As a result of these medical and technological advances, over half of all adults and over three-quarters of all children diagnosed with cancer today will be living five years from now and often far longer. Experts now refer to many forms of cancer as "chronic diseases" illnesses that never go away, but can be treated in ways enabling patients to focus on living instead of preparing for death.

In the United States today, there are almost 10 million cancer survivors, and 40 percent of them are younger than 65. The financial cost is large. Direct costs for cancer care and the indirect costs to the economy are now estimated at \$180 billion dollars per year. But more important than the financial costs are the devastating personal and emotional costs to the patients, their families and loved ones, and their caregivers as well. Almost a quarter of adults with cancer are parents who have a child 18 years old or younger living at home. Nearly 1.3 million people will be diagnosed with cancer this year—3,500 persons each and every day.

The National Cancer Institute and other federal agencies now devote the majority of their funds to diagnosing and treating cancer, and we need to continue strong federal support for these purposes. Greater support is clearly needed to deal with the issues affecting survivors. Many cancer survivors say that equally important is the "non-medical" care that they have received, and that is the purpose of the bill we are introducing today.

The Cancer Survivorship Research and Quality of Life Act creates a Cancer Survivorship Office in the National Institutes of Health and a Cancer Control Center in the Centers for Disease Control and Prevention to develop effective ways to improve the quality of life for patients with cancer and their families. Such efforts include education of patients about their cancer, their options for treatment, and how and when to ask for a second opinion. They also include information about support networks and other services in their community.

Under our bill, the Centers for Disease Control and the National Cancer Institute will work together to expand their data collection to include information about survivors and improvements in the care of individuals newly diagnosed with cancer, such as successful treatments, rehabilitation, and nutritional and exercise programs. Currently, there is no effective way for new information to be widely shared. Patients who are cancer survivors or who have family members or loved ones with cancer understand the importance of this information. We introduce this bill with the full support of the Lance Armstrong Foundation, which has brought the issue of cancer survivorship to our national attention. I urge the Senate to give our legislation the priority it deserves.

By Mr. McCain (for himself, Mr. Feingold, and Mr. Durbin):

S. 1497. A bill to amend the Communications Act of 1934 to revise and expand the lowest unit cost provision applicable to political campaign broadcasts, to establish commercial broadcasting station minimum airtime requirements for candidate-centered and issue-centered programming before primary and general elections, to establish a voucher system for the purchase of commercial broadcast airtime for political advertisement, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. McCain. Mr. President, today I am introducing the "Our Democracy, Our Airwaves Act." This legislation is designed to increase the flow of political information in broadcast media and to reduce the cost to candidates of educating the electorate on their candidacy.

Consistent with broadcasters' obligations to serve the public interest in exchange for being licensed to use the public airwaves, the bill would require broadcast licensees to air a minimum of two hours per week of candidate-centered or issue-centered programming before a primary or general Federal election. This legislation also would establish a program to provide candidates and national committees of political parties vouchers that they may use for political advertisements on radio and television broadcast stations. An annual spectrum use fee paid by broadcasters would fund the voucher system. Finally, the bill would require

broadcast television and radio stations to provide candidates and parties with non-preemptible advertising time at the lowest rate provided to any other advertiser.

At a recent Committee hearing I chaired on the public interest obligations of broadcasters, it became apparent that local broadcasters are not adequately covering political campaigns as part of their local newscasts. The hearing examined the results of a study prepared by the Lear Center Local News Archive, which found that over a seven-week period from September 18, 2002 through November 4, 2002, 56 percent of the top-rated half-hour news broadcasts did not contain a single political campaign story. In the 44 percent of broadcasts that did contain campaign coverage, the average campaign story was 89 seconds long. When campaigned stories did air, only 28 percent contained stories where candidates spoke with the average sound bit being 12 seconds long.

This study illustrates the pressures on political candidates to raise money because they are forced to gain the public's attention through the use of costly advertisements. Our democracy is stronger when a candidate's success is achieved by ideas, not by dollars, and when an electorate is informed by facts, not 12-second sound bites. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.1497

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Our Democracy, Our Airwaves Act of 2003".

SEC. 2. MEDIA RATES.

(a) **LOWEST UNIT CHARGE; NATIONAL COMMITTEES.**—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking "to such office" in paragraph (1) and inserting "to such office, or by a national committee of a political party on behalf of such candidate in connection with such campaign,"; and

(2) by inserting "for pre-emptible use thereof" after "station" in subparagraph (A) of paragraph (1).

(b) **PREEMPTION; AUDITS.**—

(1) **IN GENERAL.**—Section 315 of such Act (47 U.S.C. 315) is amended—

(A) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively and moving them to follow the existing subsection (e);

(B) by redesignating the existing subsection (e) as subsection (c); and

(C) by inserting after subsection (c) the following:

"(d) **PREEMPTION.**—

"(1) **IN GENERAL.**—Except as provided in paragraph (2), and notwithstanding the requirements of subsection (b)(1)(A), a licensee shall not preempt the use of a broadcasting station by an eligible candidate or political committee of a political party who has purchased and paid for such use.

"(2) **CIRCUMSTANCES BEYOND CONTROL OF LICENSEE.**—If a program to be broadcast by a broadcasting station is preempted because of

circumstances beyond the control of the station, any candidate or party advertising spot scheduled to be broadcast during that program shall be treated in the same fashion as a comparable commercial advertising spot.

"(e) **AUDITS.**—During the 45-day period preceding a primary election and the 60-day period preceding a general election, the Commission shall conduct such audits as it deems necessary to ensure that each broadcaster to which this section applies is allocating television broadcast advertising time in accordance with this section and section 312.

(2) **CONFORMING AMENDMENT.**—Section 504 of the Bipartisan Campaign Reform Act of 2002 is amended by striking "315), as amended by this Act, is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and" and inserting "315) is amended by".

(c) **STYLISTIC AMENDMENTS.**—Section 315 of such Act (47 U.S.C. 315) is amended—

(1) by striking "For purposes of this section—" in subsection (e), as redesignated by subsection (b)(1)(A) of this section, and inserting "DEFINITIONS.—In this section:";

(2) by striking "the" in paragraph (1) of that subsection and inserting "BROADCASTING STATION.—The";

(3) by striking "the" in paragraph (2) of that subsection and inserting "LICENSEE; STATION LICENSEE.—The"; and

(4) by inserting "REGULATIONS.—" in subsection (f), as so redesignated, before "The Commission".

SEC. 3. MINIMUM TIME REQUIREMENTS FOR CANDIDATE-CENTERED OR ISSUE-CENTERED BROADCASTS BY BROADCASTING STATIONS.

(a) **IN GENERAL.**—

(1) **PROGRAM CONTENT REQUIREMENTS.**—In the administration of the Communications Act of 1934 (47 U.S.C. 151 et seq.), the Federal Communications Commission may not determine that a broadcasting station has met its obligation to operate in the public interest unless the station demonstrates to the satisfaction of the Commission that—

(A) it broadcast at least 2 hours per week of candidate-centered programming or issue-centered programming during each of the 6 weeks preceding a Federal election, including at least 4 of the weeks immediately preceding a general election; and

(B) not less than 1 hour of such programming was broadcast in each of those weeks during the period beginning at 5:00 p.m. and ending at 11:35 p.m. in the time zone in which the primary broadcast audience for the station is located.

(2) **NIGHTOWL BROADCASTS NOT COUNTED.**—For purposes of paragraph (1), any candidate-centered programming or issue-centered programming broadcast between midnight and 6:00 a.m. in the time zone in which the primary broadcast audience for the station is located shall not be taken into account.

(3) **NONPARTISAN VOTER REGISTRATION AND GET-OUT-THE-VOTE BROADCASTS.**—For purposes of paragraph (1), programming that constitutes nonpartisan activity designed to encourage individuals to vote or to register to vote, within the meaning of section 301(9)(B)(ii) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)(ii)), is deemed to be issue-centered programming to the extent it does not exceed—

(A) 30 minutes per week for purposes of paragraph (1)(A); and

(B) 15 minutes per week for purposes of paragraph (1)(B).

(b) **DEFINITIONS.**—In this section:

(1) **BROADCASTING STATION.**—The term "broadcasting station"—

(A) has the meaning given that term by section 315(e)(1) of the Communications Act of 1934.

(2) CANDIDATE-CENTERED PROGRAMMING.—The term “candidate-centered programming” —

(A) includes debates, interviews, candidate statements, and other program formats that provide for a discussion of issues by the candidate; but

(B) does not include paid political advertisements.

(3) FEDERAL ELECTION.—The term “Federal election” has the meaning given that term in section 315A(g)(2) of the Communications Act of 1934.

(4) ISSUE-CENTERED PROGRAMMING.—The term “issue-centered programming” —

(A) includes debates, interviews, statements, and other program formats that provide for a discussion of any ballot measure which appears on a ballot in a forthcoming election; but

(B) does not include paid political advertisements.

SEC. 4. POLITICAL ADVERTISEMENTS VOUCHER PROGRAM.

(a) IN GENERAL.—Title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by inserting after section 315 the following:

“SEC. 315A. POLITICAL ADVERTISEMENT VOUCHER PROGRAM.

“(a) IN GENERAL.—The Commission shall establish and administer a voucher program for the purchase of airtime on broadcast stations for political advertisements in accordance with the provisions of this section.

“(b) CANDIDATES.—

“(1) DISBURSEMENT OF VOUCHERS.—Beginning no earlier than January of each even-numbered year after 2003, the Commission shall disburse vouchers at least once each month for the purchase of radio or television broadcast airtime for political advertisements on broadcasting stations to each individual certified by the Federal Election Commission under paragraph (2) as an eligible candidate.

“(2) FEC TO CERTIFY ELIGIBLE CANDIDATES.—The Commission may not disburse vouchers under paragraph (1) to an individual, until the Federal Election Commission has made the following certifications with respect to that individual:

“(A) QUALIFICATION.—The individual is a legally-qualified candidate in a Federal election.

“(B) AGREEMENT.—The individual has agreed in writing—

“(i) to keep and furnish to the Federal Election Commission such records, books, and other information as it may require; and

“(ii) to repay to the Federal Communications Commission an amount equal to 150 percent of the dollar value of vouchers received from the Commission if the Federal Election Commission makes a final determination that the individual violated any term of the agreement.

“(C) HOUSE OF REPRESENTATIVES CANDIDATES.—For candidates for election to the House of Representatives, that—

“(i) the individual has received at least \$25,000 in contributions from individuals, not counting any amount in excess of \$250 received from any individual;

“(ii) the individual agrees not knowingly to make expenditures from the individual’s personal funds, or the personal funds of the individual’s immediate family, in connection with the campaign for election to the House of Representatives in excess of, in the aggregate, \$125,000; and

“(iii) the individual faces opposition by at least 1 other candidate who has received contributions or made expenditures of, in the aggregate, at least \$25,000 or who has been certified by the Federal Election Commission under this paragraph as eligible to receive vouchers under paragraph (1).

“(D) SENATE CANDIDATES.—For candidates for election to the Senate, that—

“(i) the individual has received at least \$25,000 in contributions from individuals, not counting any amount in excess of \$250 received from any individual, multiplied by the number of Representatives from the State in which the individual seeks election;

“(ii) the individual agrees not knowingly to make expenditures from the individual’s personal funds, or the personal funds of the individual’s immediate family, in connection with the campaign for election to the Senate in excess of, in the aggregate, \$500,000; and

“(iii) the individual faces opposition by at least 1 other candidate who has received contributions or made expenditures of, in the aggregate, at least \$25,000 multiplied by the number of Representatives from the State in which the individual seeks election or who has been certified by the Federal Election Commission under this paragraph as eligible to receive vouchers under paragraph (1).

“(E) PRESIDENTIAL CANDIDATES.—For candidates for nomination for election, or election, to the Office of President—

“(i) the term ‘Federal election’ includes a primary election (as defined in section 9032(7) of the Internal Revenue Code of 1986 (26 U.S.C. 9032(7))); and

“(ii) in order to be eligible to receive vouchers under this section, the candidate shall—

“(i) execute the agreement described in subparagraph (B); and

“(II) certify in writing under penalty of perjury that the candidate has qualified to receive payments under section 9006 or 9037 of the Internal Revenue Code of 1986.

“(3) CERTIFICATION PROCESS.—In carrying out its duties under paragraph (2), the Federal Election Commission shall—

“(A) provide the requested certification, if the individual meets the requirements for certification, within 7 days after it receives the information necessary therefor; and

“(B) shall comply with the requirements of chapter 35 of title 44, United States Code, (commonly known as the Paperwork Reduction Act) and take other appropriate steps to minimize the paperwork burden on candidates seeking certification under this subsection.

“(c) POLITICAL PARTIES.—

“(1) DISBURSEMENT OF VOUCHERS.—In January, 2004, and January of each even-numbered year thereafter, the Commission shall disburse vouchers for the purchase of radio or television broadcast airtime for political advertisements on broadcasting stations to each political party committee certified by the Federal Election Commission under paragraph (2) as an eligible committee.

“(2) FEC TO CERTIFY ELIGIBLE COMMITTEES.—The Commission may not disburse vouchers under paragraph (1) to a political party committee, until the Federal Election Commission has made the following certifications with respect to that committee:

“(A) NATIONAL PARTY COMMITTEES.—The committee is the national committee of a political party or the national congressional campaign committee of a political party (as those terms are used in section 323(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441i(a)(1))).

“(B) MINOR PARTY COMMITTEES.—In the case of a political party committee that is not described in subparagraph (A), the committee meets the candidate base requirement of subparagraph (C).

“(C) CANDIDATE BASE.—The committee has candidates—

“(i) for election to the House of Representatives who have been certified by the Federal Election Commission under subsection (b)(2) as eligible candidates in at least 22 districts; or

“(ii) for election to the Senate in at least 5 States who have been certified by the Federal Election Commission under subsection (b)(2) as eligible candidates.

“(D) AGREEMENT.—The committee agrees in writing—

“(i) to keep and furnish to the Federal Election Commission such records, books, and other information as it may require; and

“(ii) to repay to the Federal Communications Commission an amount equal to 150 percent of the dollar value of vouchers received from the Commission if the Federal Election Commission makes a final determination that the committee violated any term of the agreement.

“(d) AMOUNTS.—

“(1) CALENDAR YEAR 2004 AGGREGATES.—For calendar year 2004, the Commission shall disburse vouchers in the aggregate amount of not more than \$750,000,000, of which—

“(A) not more than \$650,000,000 shall be available for disbursement to candidates under subsection (b); and

“(B) not more than \$100,000,000 shall be available for disbursement to political parties under subsection (c).

“(2) PER-CANDIDATE AMOUNT.—

“(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the Commission shall disburse vouchers to an individual candidate under subsection (b)(1) with respect to a Federal election equal, in the aggregate, to \$3 multiplied by the contributions received by that individual with respect to that election, not counting any amount in excess of \$250 received from any individual.

“(B) MAXIMUM.—Except as provided in subparagraph (C), the Commission may not disburse vouchers to an individual candidate under subsection (b)(1) with respect to a Federal election of more than—

“(i) \$375,000, for a candidate for election to the House of Representatives; or

“(ii) \$375,000 multiplied by the number of Representatives from the State from which the individual seeks election, for a candidate for election to the Senate.

“(C) SPECIAL RULE FOR PRESIDENTIAL CANDIDATES.—The Commission shall disburse vouchers to a candidate for nomination for election, or election, to the Office of President who receives payments under section 9037 or 9006 of the Internal Revenue Code of 1986 (26 U.S.C. 9037 or 9006), respectively, equal to—

“(i) \$1 for each dollar received under section 9037 of such Code; and

“(ii) 50 cents for each dollar received under section 9006 of such Code.

“(3) PER-COMMITTEE AMOUNT.—

“(A) IN GENERAL.—The \$100,000,000 available to be disbursed to political parties shall be disbursed as follows:

“(i) The Commission shall reserve a percentage, determined by the Commission on the basis of the Commission’s good faith estimate of demand by minor party committees, of the amount available for disbursement as provided in subparagraph (B) to political party committees described in subsection (c)(2)(B) that have been or will be certified by the Federal Election Commission as eligible political party committees.

“(ii) The Commission shall disburse the remainder of the amount available for disbursement in equal amounts among political party committees described in subsection (c)(2)(A) that have been or will be certified by the Federal Election Commission as eligible political party committees.

“(B) MINOR PARTY COMMITTEE AMOUNT.—From the amount reserved under subparagraph (A)(i), the Commission shall disburse to political party committees described in subsection (c)(2)(B) certified by the Federal Election Commission as eligible political party committees—

“(i) the same amount as the Commission disburses to each political party committee under subparagraph (A)(ii) if the political party with which the political committee is affiliated has—

“(I) candidates for election to the House of Representatives certified by the Federal Election Commission under subsection (b)(2) as eligible candidates in 218 or more districts; or

“(II) candidates for election to the Senate certified by the Federal Election Commission under subsection (b)(2) as eligible candidates in 17 or more of the States in which elections for United States Senator are being held; and

“(ii) a percentage of such amount, determined under subparagraph (C), if the political party with which the political committee is affiliated does not qualify for the full amount under clause (i).

“(C) PROPORTIONATE AMOUNT DETERMINATION.—The amount the Commission shall disburse to a political party committee described in subparagraph (B)(ii) is a percentage of the amount disbursed to a political party committee under subparagraph (A)(2) equal to the greater of the following percentages:

“(i) A percentage—

“(I) the numerator of which is the number of districts in which the party has candidates for election to the House of Representatives certified by the Federal Election Commission under subsection (b)(2) as eligible candidates; and

“(II) the denominator of which is 435.

“(ii) A percentage—

“(I) the numerator of which is the number of States in which the party has candidates for election to the Senate certified by the Federal Election Commission under subsection (b)(2) as eligible candidates; and

“(II) the denominator of which is 33 (or 34 in any year in which there are 34 Senators for election).

“(e) INFLATION ADJUSTMENT.—Each dollar amount in this section shall be adjusted for even-numbered years after 2003 in the same manner as the limitations in section 315(b) and (d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(b) and (d)) are adjusted under section 315(c) of that Act (2 U.S.C. 441a(c)), except that, for the purpose of applying section 315(c)—

“(1) ‘(commencing in 2005)’ shall be substituted for ‘(commencing in 1976)’ in paragraph (1) of that section; and

“(2) ‘2003’ shall be substituted for ‘1974’ in paragraph (2)(B) of that section.

“(f) USE.—

“(1) EXCLUSIVE USE.—Vouchers disbursed by the Commission under this section may be used exclusively for the purpose described in subsection (b) by the candidate or political party committee to which the vouchers were disbursed, except that—

“(A) a candidate may exchange vouchers with a political party under paragraph (2); and

“(B) a political party may use vouchers to purchase broadcast airtime for political advertisements for its candidates in a general election for any Federal, State, or local office if it discloses the value of the voucher used as an expenditure under section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(d)).

“(2) EXCHANGE WITH POLITICAL PARTY COMMITTEE.—

“(A) IN GENERAL.—A individual who receives a voucher under this section may transfer the right to use all or a portion of the value of the voucher to a committee, described in subsection (c)(2)(A), of the political party of which the individual is a candidate in exchange for money in an amount

equal to the cash value of the voucher or portion exchanged.

“(B) CONTINUATION OF CANDIDATE OBLIGATIONS.—The transfer of a voucher, in whole or in part, to a political party committee under this paragraph does not release the candidate from any obligation under the agreement made under subsection (b)(2) or otherwise modify that agreement or its application to that candidate.

“(C) PARTY COMMITTEE OBLIGATIONS.—Any political party committee to which a voucher or portion thereof is transferred under subparagraph (A)—

“(i) shall account fully, in accordance with such requirements as the Commission may establish, for the receipt of the voucher; and

“(ii) may not use the transferred voucher or portion thereof for any purpose other than a purpose described in paragraph (1)(B).

“(D) VOUCHER AS A CONTRIBUTION UNDER FECA.—If a candidate transfers a voucher or any portion thereof to a political party committee under subparagraph (A)—

“(i) the value of the voucher or portion thereof transferred shall be treated as a contribution from the candidate to the committee, and from the committee to the candidate, for purposes of sections 302 and 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432 and 434);

“(ii) the committee may, in exchange, provide to the candidate only funds subject to the prohibitions, limitations, and reporting requirements of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.); and

“(iii) the amount, if identified as a ‘voucher exchange’ shall not be considered a contribution for the purposes of section 315 of that Act (2 U.S.C. 441a).

“(g) VALUE; ACCEPTANCE; REDEMPTION.—

“(1) VOUCHER.—Each voucher disbursed by the Commission under this section shall have a value in dollars, redeemable upon presentation to the Commission, together with such documentation and other information as the Commission may require, for the purchase of broadcast airtime for political advertisements in accordance with this section.

“(2) ACCEPTANCE.—A broadcasting station shall accept vouchers in payment for the purchase of broadcast airtime for political advertisements in accordance with this section.

“(3) REDEMPTION.—The Commission shall redeem vouchers accepted by broadcasting stations under paragraph (2) upon presentation, subject to such documentation, verification, accounting, and application requirements as the Commission may impose to ensure the accuracy and integrity of the voucher redemption system. The Commission shall use amounts in the Political Advertising Voucher Account established under subsection (h) to redeem vouchers presented under this subsection.

“(4) EXPIRATION.—

“(A) CANDIDATES.—A voucher may only be used to pay for broadcast airtime for political advertisements to be broadcast before midnight on the day before the date of the Federal election in connection with which it was issued and shall be null and void for any other use or purpose.

“(B) EXCEPTION FOR POLITICAL PARTY COMMITTEES.—A voucher held by a political party committee may be used to pay for broadcast airtime for political advertisements to be broadcast before midnight on December 31st of the odd-numbered year following the year in which the voucher was issued by the Commission.

“(5) VOUCHER AS EXPENDITURE UNDER FECA.—

“(A) CONGRESSIONAL CAMPAIGNS.—Except as provided in subparagraph (B), for purposes of the Federal Election Campaign Act of 1971

(2 U.S.C. 431 et seq.), the use of a voucher to purchase broadcast airtime constitutes an expenditure as defined in section 301(9)(A) of that Act (2 U.S.C. 431(9)(A)).

“(B) PRESIDENTIAL CAMPAIGNS.—Notwithstanding any provision of the Federal Election Campaign Act of 1971 or chapter 95 or 96 of the Internal Revenue Code of 1986 to the contrary, the use of a voucher by a candidate for nomination for election, or election, to the Office of President does not constitute an expenditure for purposes of that Act or chapter.

“(h) POLITICAL ADVERTISING VOUCHER ACCOUNT.—

“(1) IN GENERAL.—The Commission shall establish an account to be known as the Political Advertising Voucher Account, which shall be credited with commercial television and radio spectrum use fees assessed under this subsection, together with any amounts repaid or otherwise reimbursed under this section.

“(2) SPECTRUM USE FEE.—

“(A) IN GENERAL.—The Commission shall assess, and collect annually, a spectrum use fee based on a percentage of a broadcasting station's gross revenues in an amount necessary to carry out the provisions of this section.

“(B) LIMITATIONS.—The percentage under subparagraph (A) may not be—

“(i) greater than 1 percent; nor

“(ii) less than .05 percent.

“(C) AVAILABILITY.—Any amount assessed and collected under this paragraph shall be retained by the Commission as an offsetting collection for the purposes of making disbursements under this section, except that—

“(i) the salaries and expenses account of the Commission shall be credited with such sums as are necessary from those amounts for the costs of developing and implementing the program established by this section; and

“(ii) the Commission may reimburse the Federal Election Commission for any expenses incurred by the Commission under this section.

“(D) FEE DOES NOT APPLY TO PUBLIC BROADCASTING STATIONS.—Subparagraph (A) does not apply to a public telecommunications entity (as defined in section 397(12) of this Act).

“(3) ADMINISTRATIVE PROVISIONS.—Except as otherwise provided in this subsection, section 9 of this Act applies to the assessment and collection of fees under this subsection to the same extent as if those fees were regulatory fees imposed under section 9.

“(i) DEFINITIONS.—In this section:

“(1) BROADCASTING STATION.—The term ‘broadcasting station’ has the meaning given that term by section 315(e)(1) of this Act.

“(2) FEDERAL ELECTION.—The term ‘Federal election’ means any regularly-scheduled, primary, runoff, or special election held to nominate or elect a candidate to Federal office.

“(3) FEDERAL OFFICE.—The term ‘Federal office’ has the meaning given that term by section 301(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(3)).

“(4) LEGALLY-QUALIFIED CANDIDATE.—The term ‘legally-qualified candidate’ means a legally qualified candidate within the meaning of section 315 of this Act.

“(5) POLITICAL PARTY.—The term ‘political party’ means a major party or a minor party as defined in section 9002(3) or (4) of the Internal Revenue Code of 1986 (26 U.S.C. 9002(3) or (4)).

“(6) OTHER TERMS.—Except as otherwise provided in this section, any term used in this section that is defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) has the meaning given that term by section 301 of that Act.

“(j) REGULATIONS.—The Commission shall prescribe such regulations as may be necessary to carry out the provisions of this section. In developing the regulations, the Commission shall consult with the Federal Elections Commission.”.

(b) DELAYED EFFECTIVE DATE FOR PRESIDENTIAL CANDIDATES.—The provisions of subsections (b)(2)(E) and (d)(2)(C) of section 315A of the Communications Act of 1934, as added by subsection (a), shall take effect on January 1, 2008.

SEC. 5. FCC TO PRESCRIBE STANDARDIZED FORM FOR REPORTING CANDIDATE CAMPAIGN ADS.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Federal Communications Commission shall initiate a rulemaking proceeding to establish a standardized form to be used by broadcasting stations (as defined in section 315(e)(1) of the Communications Act of 1934; 47 U.S.C. 315(e)(1)) to record and report the purchase of advertising time by or on behalf of a candidate for nomination for election, or for election, to Federal elective office.

(b) CONTENTS.—The form prescribed by the Commission shall require, broadcasting stations to report, at a minimum—

(1) the station call letters and mailing address;

(2) the name and telephone number of the station's sales manager (or individual with responsibility for advertising sales);

(3) the name of the candidate who purchased the advertising time, or on whose behalf the advertising time was purchased, and the Federal elective office for which he or she is a candidate;

(4) the name, mailing address, and telephone number of the person responsible for purchasing broadcast political advertising for the candidate;

(5) notation as to whether the purchase agreement for which the information is being reported is a draft or final version; and

(6) the following information about the advertisement:

(A) The date and time of the broadcast.

(B) The program in which the advertisement was broadcast.

(C) The length of the broadcast airtime.

(c) INTERNET ACCESS.—In its rulemaking, the Commission shall require any broadcasting station reporting under this section that maintains an Internet website to make available a link to reports under this section on that website.

Mr. FEINGOLD. Mr. President, I am pleased to once again join with the Senator from Arizona, Senator MCCAIN, in introducing legislation that we believe will significantly improve media coverage of elections and reduce the negative impact that skyrocketing TV advertising costs have on Federal campaigns. And I am very glad that the Senator from Illinois, Senator DURBIN, has again joined us as an original cosponsor of this bill.

Although broadcast advertising is one of the most effective forms of communication in our democracy, it also diminishes the quality of our electoral process in two ways. First, broadcasters often fail to provide adequate coverage to the issues in elections, focusing instead on the horse race, if they cover elections at all. Second, the extraordinarily high cost of advertising time fuels the insatiable need for candidates to spend more and more time fundraising instead of talking with voters. These two problems interact to un-

dermine the great promise that television has for promoting democratic discourse in our country.

It need not be this way. The public owns the airwaves and licenses them to broadcasters. Broadcasters pay nothing for their use of this scarce and very valuable public resource. Their only “payment” is a promise to serve the public interest, a promise that often goes unfulfilled. A study by the Committee for the Study of the American Electorate found that only 18 percent of gubernatorial, senatorial and congressional debates held in 2000 were televised by network TV and an additional 18 percent were covered by PBS or small independent TV stations. More than 63 percent were not televised at all. This is shocking in a democracy that depends on information and open debate.

The bill we introduce today addresses these problems by requiring broadcast stations to devote a reasonable amount of air time to election programming. It would also direct the FCC to create a voucher system in which candidates and parties would receive vouchers they could use for paid radio or TV advertising time, financed by a broadcast spectrum usage fee. Candidates would qualify for vouchers based on a ratio matched to the amount of small dollar donations they raise.

Our proposal would allow candidates to leverage their grassroots fundraising and would provide greater campaign resources to candidates without requiring them to become more beholden to special interests. The proposal would also make air time available to political parties, which could be directed to underfunded candidates and challengers who have a harder and harder time getting their message out under the current system as the costs of advertising continue to rise.

Senator MCCAIN and I remain devoted to improving the way our electoral process functions and reducing the impact of big money on our democracy. This bill will advance that cause in a very significant and necessary way. I look forward to working with my colleagues to fine tune this bill and enact it into law. Together we can make campaigns less expensive, and more informative, using the public airwaves as a tool to improve our democracy.

By Mr. BINGAMAN (for himself,
Mr. COCHRAN, Ms. LANDRIEU,
and Mr. KERRY):

S. 1498. A bill to provide for the establishment of a Health Workforce Advisory Commission to review Federal health workforce policies and make recommendations on improving those policies; to the Committee on Health, Education, Labor, and Pensions.

Mr. BINGAMAN. Mr. President, the legislation I am introducing today with Senators COCHRAN, LANDRIEU, and KERRY entitled “The Health Workforce Advisory Commission Act of 2003” is designed to create a Health Workforce

Advisory Commission to review Federal health workforce policies and make recommendations on improving those policies.

In my own State of New Mexico, over 9 percent of our total workforce is employed in the health sector. The New Mexico work force is not dissimilar to the rest of the Nation, where the total health workforce comprises 10.5 percent of the total U.S. labor force.

By 2020, the total population of New Mexico is projected to grow 32 percent and the population over 65 is projected to grow 80 percent, compared to national growth projections of 18 percent and 53 percent, respectively. But who will care for these burgeoning populations? New Mexico ranks 33rd among States in physicians per capita, and we graduate fewer new physicians per 1,000,000 population than the entire United States.

The problem is not simply one of too few physicians however. New Mexico ranks 7th lowest among the States in per capita employment of Licensed Practical/Vocational Nurses and we have 7 nurse anesthetists per 100,000 population, while the national average is close to 9 per 100,000 population. New Mexico ranks 49th in the Nation in then number of dentists per capita. In fact, while the State's population grew in the 1990s by 12 percent, the number of dentists in New Mexico declined 7 percent in the same time period. Among the 50 States, New Mexico ranks 42nd in the number of pharmacists per 100,000 population.

We are reflection of a crisis occurring in States across the Nation: a critical shortage in multiple areas of the health workforce in the face of a changing population whose health care needs are only going to grow and increase in complexity.

It is estimated that by 2050 the U.S. will need to more than triple its number of long-term care workers; enrollment in nursing education programs has been declining of the last 8 years; vacancy rates for pharmacists in Federal facilities is up to 18 percent and 11 percent in public hospitals. At the same time, the number of practitioners other than physician grew rapidly in the 1990s. How does this growth interact with the simultaneous shortages in other areas? How should the workforce of the future best be structured to meet the rise in baby boomers and how should we prepare for this?

These are the issues that health workforce policies attempt to address. There has been, and continues to be, a significant investment on the part of Federal and State governments in measuring, monitoring, and analyzing the numbers and types of health professionals who are trained and practice in the U.S. but despite such efforts, there remain significant problems in determining the appropriate number, type, and distribution of such personnel needed to provide access to appropriate care for Americans. The underlying problem is that health workforce policies developed by various State and

Federal entities tend to be profession or position specific. What is lacking is a perspective on health workforce policies that is both interactive and global in nature. As health care becomes increasingly complex, and as the health needs of the Nation changes, it is imperative to have a means with which the dynamics of a changing health care market and health care workforce can be assessed and addressed.

We are all aware of the critical nursing shortages so many areas face now, the increasing difficulty in recruiting and retaining rural based physicians, the shortages of pharmacists and pharmacy techs, and of skilled laboratory technicians. And there are organizations focused on each of these specific issues; but these issues overlap in the marketplace and impact each other in ways we cannot currently define. It is as if there were a giant health care workforce machine with 500 interacting mechanisms and while there is a specific mechanic for each of these components, there is no mechanic looking at the machine as a whole. The health workforce is more than the sum of its individual parts, and in order to enact effective Federal workforce policies, this must be reflected in the analysis and creation of such policies. HWAC is designed to do that.

For these reasons, we have introduced legislation that will create a new health workforce commission, or HWAC for short. This legislation requires the creation of a national advisory commission to review and make recommendations pertaining to Federal health workforce policies. Specifically, it will: Review federal health workforce policy under the following Acts and their titles: Social Security Act, titles 18 & 19; Public Health Service Act Titles 7 & 8, NIH, DOD, and VA and other pertinent Acts and titles; Analyze and make recommendations to improve the methods used to measure and monitor the U.S. health workforce and the relationship between numbers and mix of such personnel and access to appropriate health care; Review health workforce policies and other factors and their impact on the ability of the health care system to provide optimal medical and health care services; Analyze and make recommendations pertaining to federal incentives, financial, regulatory, and otherwise, and federal programs currently in place to promote the education of an appropriate number and mix of health professionals to provide access to appropriate health care for U.S. citizens; Analyze and make recommendations about the appropriate supply and distribution of physicians, nurses, and other health professionals and personnel to achieve a health care system that is safe, effective, patient centered, timely, equitable, and efficient; Analysis of the role(s) and global implications of internationally trained physicians, nurses, and other health professionals and personnel in the U.S. workforce; Analyze and make recommenda-

tions about achieving the appropriate diversity of the U.S. health workforce.

The Commission will be represented by national experts in health workforce issues, the commissioned corps of the Public Health Service, a wide spectrum of health professionals and personnel, and be geographically balanced in its representation. The Commission will work closely with other state and Federal advisory panels that deal with professional or work specific issues of health workforce policy. Membership in the Commission will be chosen by the Comptroller General, with representation from a diverse group of fields in health care, including members who are recognized for their policy expertise in health workforce measurement, monitoring, and analysis, health services, economic and other workforce related research and technology assessments. At least 25 percent of the members are to be health care providers from rural areas, in order to ensure a geographic balance in representation. Through the creation of HWAC, a nodal focus of information gathering, sharing, analysis, and implementation of the knowledge created about the dynamics of the U.S. health workforce will be put into place.

This legislation was created with significant input and assistance from a variety of national organizations representing a cross section of the spectrum of the U.S. health workforce. Organizations that have expressed support for this bill include: American College of Physicians—American Society of Internal Medicine, the American Clinical Laboratory Association, the National Organization of Nurse Practitioner Faculties, the American Society of Health-System Pharmacists, the American Chiropractic Association, the National Rural Health Association, the Commissioned Officers Association of the USPHS, and the Therapeutic Communities of America.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1498

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Workforce Advisory Commission Act of 2003".

SEC. 2. HEALTH WORKFORCE ADVISORY COMMISSION.

(a) ESTABLISHMENT.—The Comptroller General shall establish a commission to be known as the Health Workforce Advisory Commission (referred to in this Act as the "Commission").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall be composed of 18 members to be appointed by the Comptroller General not later than 90 days after the date of enactment of this Act.

(2) QUALIFICATIONS.—In appointing members to the Commission under paragraph (1), the Comptroller General shall ensure that—

(A) the Commission includes individuals with national recognition for their expertise

in health care workforce issues, including workforce forecasting, undergraduate and graduate training, economics, health care and health care systems financing, public health policy, and other fields;

(B) the members are geographically representative of the United States and maintain a balance between urban and rural representatives;

(C) the members includes a representative from the commissioned corps of the Public Health Service;

(D) the members represent the spectrum of professions in the current and future healthcare workforce, including physicians, nurses, and other health professionals and personnel, and are skilled in the conduct and interpretation of health workforce measurement, monitoring and analysis, health services, economic, and other workforce related research and technology assessment;

(E) at least 25 percent of the members who are health care providers are from rural areas; and

(F) a majority of the members are individuals who are not currently primarily involved in the provision or management of health professions education and training programs.

(3) TERMS AND VACANCIES.—

(A) TERMS.—The term of service of the members of the Commission shall be for 3 years except that the Comptroller General shall designate staggered terms for members initially appointed under paragraph (1).

(B) VACANCIES.—Any member who is appointed to fill a vacancy on the Commission that occurs before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

(4) CHAIRPERSON.—

(A) DESIGNATION.—The Comptroller General shall designate a member of the Commission, at the time of the appointment of such member—

(i) to serve as the Chairperson of the Commission; and

(ii) to serve as the Vice Chairperson of the Commission.

(B) TERM.—A member shall serve as the Chairperson or Vice Chairperson of the Commission under subparagraph (A) for the term of such member.

(C) VACANCY.—In the case of a vacancy in the Chairpersonship or Vice Chairpersonship, the Comptroller General shall designate another member to serve for the remainder of the vacant member's term.

(c) DUTIES.—The Commission shall—

(1) review the health workforce policies implemented—

(A) under titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395, 1396 et seq.);

(B) under titles VII and VIII of the Public Health Service Act (42 U.S.C. 292, 296 et seq.);

(C) by the National Institutes of Health;

(D) by the Department of Health and Human Services;

(E) by the Department of Veterans Affairs; and

(F) by other departments and agencies as appropriate;

(2) analyze and make recommendations to improve the methods used to measure and monitor the health workforce and the relationship between the number and make up of such personnel and the access of individuals to appropriate health care;

(3) review the impact of health workforce policies and other factors on the ability of the health care system to provide optimal medical and health care services;

(4) analyze and make recommendations pertaining to Federal incentives (financial, regulatory, and otherwise) and Federal programs that are in place to promote the education of an appropriate number and mix of

health professionals to provide access to appropriate health care in the United States;

(5) analyze and make recommendations about the appropriate supply and distribution of physicians, nurses, and other health professionals and personnel to achieve a health care system that is safe, effective, patient centered, timely equitable, and efficient;

(6) analyze the role and global implications of internationally trained physicians, nurses, and other health professionals and personnel in the United States health workforce;

(7) analyze and make recommendations about achieving appropriate diversity in the United States health workforce;

(8) conduct public meetings to discuss health workforce policy issues and help formulate recommendations for Congress and the Secretary of Health and Human Services;

(9) in the course of meetings conducted under paragraph (8), consider the results of staff research, presentations by policy experts, and comments from interested parties;

(10) make recommendations to Congress concerning health workforce policy issues;

(11) not later than April 15, 2004, and each April 15 thereafter, submit a report to Congress containing the results of the reviews conducted under this subsection and the recommendations developed under this subsection;

(12) periodically, as determined appropriate by the Commission, submit reports to Congress concerning specific issues that the Commission determines are of high importance; and

(13) carry out any other activities determined appropriate by the Secretary of Health and Human Services.

(d) ONGOING DUTIES CONCERNING REPORTS AND REVIEWS.—

(1) COMMENTING ON REPORTS.—

(A) SUBMISSION TO COMMISSION.—The Secretary of Health and Human Services shall transmit to the Commission a copy of each report that is submitted by the Secretary to Congress if such report is required by law and relates to health workforce policy.

(B) REVIEW.—The Commission shall review a report transmitted under subparagraph (A) and, not later than 6 months after the date on which the report is transmitted, submit to the appropriate committees of Congress written comments concerning such report. Such comments may include such recommendations as the Commission determines appropriate.

(2) AGENDA AND ADDITIONAL REVIEWS.—

(A) IN GENERAL.—The Commission shall consult periodically with the chairman and ranking members of the appropriate committees of Congress concerning the agenda and progress of the Commission.

(B) ADDITIONAL REVIEWS.—The Commission may from time to time conduct additional reviews and submit additional reports to the appropriate committees of Congress on topics relating to Federal health workforce-related programs and as may be requested by the chairman and ranking members of such committees.

(3) AVAILABILITY OF REPORTS.—The Commission shall transmit to the Secretary of Health and Human Services a copy of each report submitted by the Commission under this section and shall make such reports available to the public.

(e) POWERS OF THE COMMISSION.—

(1) GENERAL POWERS.—Subject to such review as the Comptroller General determines to be necessary to ensure the efficient administration of the Commission, the Commission may—

(A) employ and fix the compensation of the Executive Director and such other personnel as may be necessary to carry out its duties;

(B) seek such assistance and support as may be required in the performance of its du-

ties from appropriate Federal departments and agencies;

(C) enter into contracts or make other arrangements as may be necessary for the conduct of the work of the Commission.

(D) make advance, progress, and other payments that relate to the work of the Commission;

(E) provide transportation and subsistence for personnel who are serving without compensation; and

(F) prescribe such rules and regulations at the Commission determined necessary with respect to the internal organization and operation of the Commission.

(2) INFORMATION.—To carry out its duties under this section, the Commission—

(A) shall have unrestricted access to all deliberations, records, and nonproprietary data maintained by the General Accounting Office;

(B) may secure directly from any department or agency of the United States information necessary to enable the Commission to carry out its duties under this section, on a schedule that is agreed upon between the Chairperson and the head of the department or agency involved;

(C) shall utilize existing information (published and unpublished) collected and assessed either by the staff of the Commission or under other arrangements;

(D) may conduct, or award grants or contracts for the conduct of, original research and experimentation where information available under subparagraphs (A) and (B) is inadequate;

(E) may adopt procedures to permit any interested party to submit information to be used by the Commission in making reports and recommendations under this section; and

(F) may carry out other activities determined appropriate by the Commission.

(f) ADMINISTRATIVE PROVISIONS.—

(1) COMPENSATION.—While serving on the business of the Commission a member of the Commission shall be entitled to compensation at the per diem equivalent of the rate provided for under level IV of the Executive Schedule under title 5, United States Code.

(2) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(3) EXECUTIVE DIRECTOR AND STAFF.—The Comptroller General shall appoint an individual to serve as the interim Executive Director of the Commission until the members of the Commission are able to select a permanent Executive Director under subsection (e)(1)(A).

(4) ETHICAL DISCLOSURE.—The Comptroller General shall establish a system for public disclosure by members of the Commission of financial and other potential conflicts of interest relating to such members.

(5) AUDITS.—The Commission shall be subject to periodic audit by the Comptroller General.

(g) FUNDING.—

(1) REQUESTS.—The Commission shall submit requests for appropriations in the same manner as the Comptroller General submits such requests. Amounts appropriated for the Commission shall be separate from amounts appropriated for the Comptroller General.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, \$6,000,000 for fiscal year 2004, and such sums as may be necessary for each subsequent fiscal year, of which—

(A) 80 percent of such appropriated amount shall be made available from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i); and

(B) 20 percent of such appropriation shall be made available for amounts appropriated to carry out title XIX of such Act (42 U.S.C. 1396 et seq.).

(h) DEFINITION.—In this Act, the term “appropriate committees of Congress” means the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

By Mr. LEAHY:

S. 1499. A bill to adjust the boundaries of Green Mountain National Forest; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. LEAHY. Mr. President, today I am introducing a bill to expand the boundaries of the Green Mountain National Forest. This will allow for the inclusion of lands that have already been purchased using Land and Water Conservation Fund dollars to be brought into the boundaries of the national forest providing them full statutory protection. The Forest Service supports this administrative action and has been extremely helpful in providing the information needed for this legislation.

It is with pride that I can say that since I came to Congress in 1975 and began to seek funding for land acquisition in 1977 we Vermonters have seen the Green Mountain National Forest expand from approximately 264,100 acres to over 387,500 acres in size. This 123,400 acre expansion will provide unmeasured opportunities for the American public.

While there is much debate over the future management of our Nation's national forests today, this should not diminish their importance. In Vermont, where approximately five percent of land base is in federal ownership, these lands are treasured for the opportunities they provide not only to Vermonters, but to all who enjoy the Green Mountain National Forest. This includes recreational activities from camping, hiking, mountain biking, and skiing to job opportunities provided through timber management activities, the ski industry, and other support services, as well as for their intrinsic value by providing that certain lands are set aside for in their natural state through wilderness protection and other special designations.

I am concerned that some will argue that we need to reduce our land acquisition dollars and to better manage what we already have. I do not dispute the need for better management, but I wholeheartedly disagree with reducing our land acquisition efforts. At one time this Nation believed that our boundaries were limitless. Today we realize that land is a finite resource and as more is acquired for development less will be available for the American public to acquire for Federal ownership. There will come a time when the only land one can freely access, thereby avoiding the “No Trespassing” signs, will be our Federal, State, and county lands. Visionaries see what tomorrow will bring and prepare for that today—those who are still building upon our public land base have that vision.

At the turn of the century, the 20th century that is, there existed that vision, between then Chief of the Forest

Service Gifford Pinchot and President Theodore Roosevelt who together expanded the boundaries of the national forests immensely. We continue to need that vision, as seen by the efforts by those on the Green Mountain National Forest, in continuing to fund land acquisition into the future.

This need, for providing the American public with unfettered access to open lands, is of significant importance to those who live east of the Mississippi; where more than 50 percent of the American public are within three hours of their national forests, but only have access to approximately one-quarter of the national forest land. I hope that my colleagues will join me in supporting this bill and continue to carry that vision on the future to build upon our national forest system as we start the 21st century.

By Mr. McCAIN (by request):

S. 1501. A bill to amend title 49, United States code, to provide for stable, productive, and efficient passenger rail service in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. McCAIN. Mr. President, today, by request, I am introducing the Passenger Rail Investment Reform Act, the Administration's long-awaited legislative proposal for restructuring Amtrak and the intercity passenger rail program. In doing so, I want to express my appreciation to Transportation Secretary Mineta and departing Deputy Secretary Michael Jackson for meeting their commitment to me in April to deliver the Administration's proposal before the August recess. I also want to credit the work of the Amtrak Reform Council, the basis for several elements of the Administration's plan.

Amtrak began operation in 1971 as a for-profit corporation and was to be free of all Federal support by 1973. Throughout its history, including between 1997 and 2001, Amtrak led Congress to believe that profitability, or at least operational self-sufficiency was achievable. But 32 years after its establishment, Amtrak is running annual deficits exceeding \$1 billion; has run up a debt of nearly \$5 billion; continues to operate trains that lose over \$400 per passenger; and yet still has less than 1 percent of the intercity travel market. Clearly, reform is needed.

I hope the legislation I am introducing today will serve as the basis for developing a consensus about the future of Amtrak and intercity rail passenger service. Even Amtrak supporters should admit that without significant restructuring, the passenger rail program cannot be entrusted with billions of dollars of additional financial support from the taxpayers, as some are proposing, particularly financing outside of the annual appropriations process, which at least gives Congress the ability to adjust Amtrak's funding based on its perform-

ance and use of taxpayer dollars. Nor, in my view, should high-speed rail projects go forward until the Amtrak problem is solved.

My priority is to establish a network of train service that makes economic sense, minimizes subsidies at all levels of government, and provides fair and open competition for Amtrak. The Administration's proposal is a good start. Federal support for intercity passenger rail service would be modeled after the existing transit program and consist of capital funding matched by the States and managed through a "full funding grant agreement" process. States, rather than the Federal Government, would be responsible for funding operating losses after a transition period.

Following the recommendation of the Amtrak Reform Council, the legislation would divide Amtrak into an operating company which would operate train services, and an infrastructure company which would maintain the Northeast Corridor (NEC). After a transition period, the services provided by both companies would be subject to competition through competitive bidding. The NEC would be restored to a state of good repair, and leased to and managed by an interstate compact. Amtrak would not be privatized but would have to compete with companies in the private sector, ensuring a lower-cost solution for the taxpayers.

I intend to hold a hearing on the Administration's bill and the bill being introduced today by Senator HUTCHISON, the Chairman of the Subcommittee on Surface Transportation and Merchant Marine. If a consensus can be reached on a responsible proposal to fund and reform Amtrak and provide for an improved rail passenger program, the Committee will mark up legislation in the fall.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1501

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Passenger Rail Investment Reform Act".

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purposes; Definitions.

TITLE I—NATIONAL PASSENGER RAIL SERVICE RESTRUCTURING

Sec. 101. Board of directors of Amtrak.
Sec. 102. Passenger rail service restructuring.
Sec. 103. Northeast Corridor Compact.
Sec. 104. Assistance to address capital needs.
Sec. 105. Employee transition assistance; authorization.
Sec. 106. Limit on operating assistance for long-distance routes.
Sec. 107. Definitions.
Sec. 108. Repeal of obsolete and executed provisions of law; other.

TITLE II—FINANCIAL REFORM

Sec. 201. Limitations on availability of grants.

Sec. 202. Spending plans for capital backlog reduction.

Sec. 203. Redemption of common stock.

Sec. 204. Retirement of preferred stock; transfer of assets.

Sec. 205. Real estate and asset sales.

Sec. 206. Management and transfer of secured debt.

Sec. 207. Transition assistance.

TITLE III—GRANTS AND OTHER ASSISTANCE FOR INTERCITY PASSENGER RAIL SERVICE

Sec. 301. Capital assistance for intercity passenger rail service.

Sec. 302. Final regulations on applications by States for corridor development grants.

Sec. 303. Authority for interstate compacts for corridor development.

SEC. 2. PURPOSES; DEFINITIONS.

(a) **PURPOSES.**—The purposes of this Act are to—

(1) preserve an intercity passenger rail service system in the United States that is driven by sound economics;

(2) provide a transition from the existing structure for providing such service to a structure that is more aligned with existing and emerging transportation needs;

(3) develop a system that provides high quality passenger rail service at a reasonable cost;

(4) establish a long-term partnership among the states and the Federal government to support intercity passenger rail service; and

(5) create an effective public-private partnership, after a reasonable transition, to manage the capital assets of the Northeast Corridor.

(b) **DEFINITIONS.**—In this Act:

(1) **YEAR 1.**—The term "year 1" means the earlier of—

(A) the fiscal year in which this Act is enacted if the fiscal year began less than 61 days before such date; or

(B) the first fiscal year beginning after the date of enactment of this Act.

(2) **YEARS 2, 3, 4, 5, AND 6.**—The terms "year 2", "year 3", "year 4", "year 5", and "year 6", mean, respectively, the first, second, third, fourth, and fifth fiscal years following year 1.

TITLE I—NATIONAL PASSENGER RAIL SERVICE RESTRUCTURING

SEC. 101. BOARD OF DIRECTORS OF AMTRAK.

Section 24302 of title 49, United States Code, is amended to read as follows:

"§ 24302. Board of directors

"(a) MEMBERSHIP.—

"(1) IN GENERAL.—Until the board of directors provided for in subsection (f) assumes operational responsibility and control, the board of directors of Amtrak shall be the transition board provided for by this subsection.

"(2) TRANSITION BOARD.—The transition board of directors of Amtrak shall consist of 11 voting members, including—

"(A) the Secretary of Transportation, or an officer of the United States within the Department of Transportation compensated under the Executive Schedule under title 5, who is designated by the Secretary; and

"(B) 10 other members appointed by the President, by and with the advice and consent of the Senate.

"(3) PRESIDENT OF AMTRAK.—The President of Amtrak shall serve as an ex officio, non-voting, member of the transition board of directors.

"(b) COMPENSATION.—Members of the transition board of directors shall serve without pay, but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5.

“(c) TERM OF OFFICE.—Members serving un-expired terms on the date of enactment of the Passenger Rail Investment Reform Act may continue to serve until the earlier of the expiration of their terms or the date on which the restructuring mandated under section 24310 of this title is implemented. Members appointed by the President under subsection (a)(1)(B) shall serve for a term that expires on the date the restructuring mandated in section 24310 of this title is implemented. At the expiration of their terms, members of the Board shall be eligible to serve as members of the boards of successor corporations to Amtrak.

“(d) QUORUM.—At any time after the date of enactment of the Passenger Rail Investment Reform Act, a majority of the transition board members who have been lawfully appointed shall constitute a quorum for purposes of conducting board meetings and making all necessary decisions regarding the operations, structure, and business affairs of Amtrak.

“(e) ASSET TRANSITION COMMITTEE.—

“(1) IN GENERAL.—The transition board of directors shall form an asset transition committee comprised of the Secretary or the Secretary’s designee, and 2 other members, or 1 other member if 2 other members are not lawfully appointed.

“(2) POWERS AND DUTIES.—In addition to other powers and duties assigned by the board, the Asset Transition Committee has the duty to ensure that the public interest is served in board decisions and Amtrak management actions that change the use or status of—

“(A) the contractual right of access of Amtrak to rail lines of other railroads;

“(B) Amtrak secured debt;

“(C) Northeast Corridor real property and assets; and

“(D) rolling stock.

“(3) APPROVAL REQUIRED.—The board may not take an action with regard to the assets or secured debt specified in paragraph (2), or permit an Amtrak management action with regard to those assets, that is not approved by the asset transition committee.

“(f) BOARD AFTER RESTRUCTURING COMPLETED.—

“(1) IN GENERAL.—Upon the commencement of operations of the Passenger Rail Service Provider and the Passenger Rail Infrastructure Manager established under section 24310 of this title, the board of directors of Amtrak shall consist of—

“(A) the Secretary of Transportation;

“(B) the Federal Railroad Administrator or another officer of the United States within the Department of Transportation compensated under the Executive Schedule under title 5, United States Code, who is designated by the Secretary; and

“(C) the Federal Transit Administrator or another officer of the United States within the Department of Transportation compensated under the Executive Schedule under title 5, who is designated by the Secretary.

“(2) TRANSITION BOARD DIRECTORS SHIFTED.—When the board of directors provided for in paragraph (1) takes office, the members of the transition board of directors, with the exception of the Secretary of Transportation, shall—

“(A) cease to serve as appointees of the President to the transition board of directors; and

“(B) become members of the board of directors of the Passenger Rail Service Provider or the Passenger Rail Infrastructure Manager established under section 24310 of this title.”

SEC. 102. PASSENGER RAIL SERVICE RESTRUCTURING.

(a) IN GENERAL.—Chapter 243 of title 49, United States Code, is amended by inserting after section 24309 the following:

“§ 24310. Amtrak restructuring mandate

“(a) IN GENERAL.—Within 6 months after year 1 begins, and notwithstanding any other provision of this title, the transition board of directors shall prepare a plan to restructure Amtrak management, personnel, assets, operations, and other activities and relationships to conform to the requirements of this section. The board shall transmit the completed plan to the Committee on Commerce, Science, and Transportation of the Senate, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committees on Appropriations of the House of Representatives and Senate.

“(b) MINIMUM REQUIREMENTS.—At a minimum, the restructuring plan shall provide for the following:

“(1) ARTICLE OF INCORPORATION FOR 2 NEW ENTITIES.—The filing of appropriate articles of incorporation under State law for 2 business corporations that are entirely independent of Amtrak, 1 of which shall be known as the ‘Passenger Rail Service Provider’ and the other of which shall be known as the ‘Passenger Rail Infrastructure Manager’, and referred to collectively as the ‘successor corporations’.

“(2) TRIFURCATION OF AMTRAK.—The division of Amtrak into 3 functionally independent entities as follows:

“(A) A corporation, hereinafter referred to as ‘Amtrak’, that shall provide overall supervision of Amtrak restructuring and subsequent management of residual responsibilities, including succeeding to the legal rights of the National Railroad Passenger Corporation, and including specifically Amtrak’s legal right of access to other railroads, following transfer of rail operations and infrastructure management to the successor corporations established under paragraph (1).

“(B) A corporation that shall provide passenger rail operating services nationwide, including operation of the reservation centers and ownership and management of existing rolling stock and its maintenance.

“(C) A corporation that shall provide passenger rail infrastructure management.

“(3) ASSIGNMENT OF AMTRAK PERSONNEL.—The assignment of all Amtrak personnel by name to one of the entities specified in paragraph (2), with no loss of pay or benefits, including seniority rights to employment within any entity, except that an employee who elects employment with the corporation described in paragraph (2)(A) shall become an employee of that corporation, with only such rights regarding pay and benefits as the corporation shall determine.

“(4) The division of accounting, finance, budget, assets, and personnel to provide for the operation and funding of each entity independently.

“(5) A transition schedule that provides for completion of the restructuring not later than the last day of year 1.

“(c) SUCCESSOR CORPORATIONS.—

“(1) Consistent with the business corporation law of the State of incorporation of the successor corporations under subsection (b)(1), each of the successor corporations shall be qualified to undertake railroad activities of an operational or infrastructure nature on a contractual basis with Amtrak or any other entity.

“(2) The Passenger Rail Service Provider—

“(A) shall have the exclusive right, until the last day of year 3, to continue to provide the intercity passenger service that is being provided by Amtrak on the date of enactment of the Passenger Rail Investment Re-

form Act, but after the last day of year 1, may operate such passenger rail service only under a contract; and

“(B) shall provide interline reservations services to any other provider of intercity passenger rail services on the same basis and rates as services are provided to the operational entities that provide service within Amtrak on the date of enactment of that Act.

“(3) The Passenger Rail Infrastructure Manager—

“(A) shall have the exclusive right, until the last day of year 6, to continue to provide the dispatching, maintenance, and infrastructure services that are being provided by Amtrak on the date of enactment of the Passenger Rail Investment Reform Act, but after the last day of year 1, may provide these services only under a contract; and

“(B) shall carry out the multi-year infrastructure plan prepared by Amtrak to the extent that funds are made available.

“(4)(A) The successor corporations are not a department, agency, or instrumentality of the United States Government nor are they Government corporations (as defined in section 103 of title 5).

“(B) Chapter 105 of this title does not apply to the successor corporations, except that—

“(i) laws and regulations governing safety, employee representation for collective bargaining purposes, the handling of disputes between carriers and employees, employee retirement, annuity, and unemployment systems, and other dealings with employees that apply to a rail carrier providing transportation subject to chapter 105 apply to the successor corporations; and

“(ii) the employee retirement, annuity, and unemployment systems that apply to a rail carrier providing transportation subject to chapter 105 apply to the corporation described in subsection (b)(2)(A).

“(C) Subsections (c) through (l) of section 24301 of this title shall apply to the successor corporations.

“(5) Subject to further action by the board of directors, the president of Amtrak on the date of enactment of the Passenger Rail Investment Reform Act shall be offered the position of chief executive officer of the Passenger Rail Service Provider.

“(6) The contractual rights of successor corporations to provide services may not be extended beyond the dates set forth in paragraphs (2) and (3), as applicable, without competitive bid.

“(7) The Passenger Rail Service Provider shall provide to the Secretary of Transportation not later than the end of year 2, recommendations on the feasibility, advantages, and disadvantages of separation of the reservation centers into a free-standing entity that can become an element of an intermodal reservations service.

“(8) The corporation described in subsection (b)(2)(A) shall retain all legal rights pertaining to the name ‘Amtrak,’ and may, at its option, license or otherwise make the name ‘Amtrak’ commercially available in connection with intercity passenger rail and related services.

“(d) ROLLING STOCK AND SHOPS.—

“(1) With respect to any route on which intercity passenger rail service is provided on the date of enactment of the Passenger Rail Investment Reform Act, the Passenger Rail Service Provider shall make available to any replacement operator the legacy equipment that is associated with the service on the route.

“(2) Such equipment and services shall be made available on such terms as Amtrak determines are fair, reasonable, and in the public interest.

“(e) FREIGHT AND COMMUTER OPERATIONS.—

“(1) Amtrak shall ensure that the implementation of the restructuring prescribed in this section gives due consideration to the needs of freight and commuter rail operations that, as of the effective date of the Passenger Rail Investment Reform Act, operate in the Northeast Corridor on Amtrak right of way.

“(2) Notwithstanding paragraph (1), commuter services headquartered in a State or Commonwealth that is not a member of the Northeast Corridor Compact after the last day of year 2, shall pay the fully allocated costs incurred by the successor corporation or any successor entity for access to and use of the Northeast Corridor for such services.

“(3) The right of access by Amtrak to rail lines owned by other carriers is, as of the date of enactment of the Passenger Rail Investment Reform Act, restricted as follows:

“(A) The terms and conditions for operation of an intercity passenger rail route or frequency to be added after that date shall be determined by negotiation and mutual agreement between the host railroad and the operator of the route or frequency sought to be added, with no preferential right of access.

“(B) If not utilized by Amtrak, Amtrak’s right of access to any segment of rail line owned by another rail carrier may be assigned to no more than 1 intercity passenger rail operator during the term of the assignment, except by agreement among Amtrak, its assignee, and the owner of the rail line.”.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 243 of title 49, United States Code, is amended by inserting the following after the item relating to section 24309:

“24310. Amtrak restructuring mandate”.

SEC. 103. NORTHEAST CORRIDOR COMPACT.

(a) CONSENT TO COMPACT.—

(1) IN GENERAL.—The States and the District of Columbia that constitute the Northeast Corridor, as defined in section 24102 of title 49, United States Code, may enter into a multistate compact, not in conflict with any other law of the United States, to be known as the Northeast Corridor Compact, to provide passenger rail service and to conduct related activities in the Northeast Corridor.

(2) CONGRESSIONAL APPROVAL REQUIRED.—The Northeast Corridor Compact shall be submitted to Congress for its consent. It is the sense of the Congress that rapid consent to the Compact is a priority matter for the Congress.

(b) COMPACT COMMISSION.—

(1) IN GENERAL.—There is hereby established a commission to be known as the Northeast Corridor Compact Commission. The Commission shall be composed of—

(A) 2 members (or their designees), to be selected by the Secretary of Transportation;

(B) 2 members (or their designees), to be selected by agreement of—

(i) the governors of Maryland, Delaware, Pennsylvania, New Jersey, New York, Connecticut, Rhode Island, and Massachusetts (hereinafter referred to as the “participating States”); and

(ii) the mayor of the District of Columbia; and

(C) 1 member to be selected by the 4 members selected under subparagraphs (A) and (B).

(2) ADMINISTRATIVE PROVISIONS.—

(A) Members of the Commission shall be appointed for the life of the Commission.

(B) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(C) Members shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance

with sections 5702 and 5703 of title 5, United States Code.

(D) The Chairman of the Commission shall be elected by the members.

(E) The Commission may appoint and fix the pay of such personnel as it considers appropriate.

(F) Upon the request of the Commission, the head of any department or agency of the United States may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(G) Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(c) FUNCTIONS.—

(1) The Commission shall prepare for the consideration of and adoption by participating States, the District of Columbia, and the Secretary of Transportation an interstate compact that provides for—

(A) full authority for 99 years to succeed to the responsibilities of the National Railroad Passenger Corporation as operator of the Northeast Corridor, subject to the provisions of a lease from the Department of Transportation;

(B) execution of a lease of the Northeast Corridor from the Department of Transportation, for a period of 99 years, subject to appropriate provisions protecting the lessor’s interests, including reversion of all lease interests to the lessor in the event the lessee fails to meet its financial obligations or otherwise assume financial responsibility for Northeast Corridor functions;

(C) responsibility for Corridor maintenance and improvement;

(D) operation of intercity passenger rail service;

(E) arrangements for operation of freight railroad operations and commuter operations;

(F) assumption of financial responsibility for Northeast Corridor functions;

(G) authority to make use of the Corridor for non-rail purposes; and

(H) participation by the Department of Transportation, as the non-voting representative of the United States.

(2) The compact terms shall, at a minimum, conform to the requirements of subsections (e) through (i) of this section.

(d) FINAL COMPACT PROPOSAL.—

(1) The Commission shall submit a final compact proposal to participating States, the District of Columbia, and the Federal Government not later than the last day of year 1.

(2) The Commission shall terminate on the 180th day following the date of transmittal of the final compact proposal under this subsection. All records and papers of the Commission shall thereupon be delivered to the Administrator of General Services for deposit in the National Archives.

(e) GOVERNANCE AND FUNDING REQUIREMENTS FOR COMPACT.—

(1) The governance provisions of the compact shall provide a mechanism to ensure voting representation for the participating States and the District of Columbia and for non-voting representation for the Secretary of Transportation as an ex officio member participating in all Compact affairs.

(2) The provisions of the compact shall establish the financial obligations of each compact member and shall provide for its management of rail services in the Northeast Corridor.

(f) EMPLOYEE INTEREST REQUIREMENTS FOR COMPACT.—The employee provisions of the compact shall, at a minimum, provide the

following with regard to employees in the Northeast Corridor if the Compact chooses to replace the successor corporations for operation and maintenance of the physical plant or operation of passenger trains, or both:

(1) Payment of any labor protection payments owed and not paid by the successor corporations established under section 24310(b) of title 49, United States Code.

(2) In the case of an employee who is employed by the National Railroad Passenger Corporation on the date of enactment of the Passenger Rail Investment Reform Act and who accepts employment by a successor corporation, a right of first refusal to accept a substantially similar position with the replacement operator when the successor corporation is replaced.

(g) FEDERAL INTEREST REQUIREMENTS FOR COMPACT.—The provisions of the Compact shall hold the United States Government harmless as to the actions of the Compact under the lease of rights to the Northeast Corridor by the United States Government.

(h) COMPACT BORROWING AUTHORITY.—

(1) The borrowing authority provisions of the Compact may authorize it to issue bonds or other debt instruments from time to time at its discretion for purposes that include paying any part of the cost of rail service improvements, construction, and rehabilitation and the acquisition of real and personal property, including operating equipment, except that debt issued by the Compact may be secured only by revenues to the Compact and may not be a debt of a participating State, the District of Columbia, or the Federal Government.

(2) The debt authorized by this subsection shall under no circumstances be backed by the full faith and credit of the United States, and a grant made under the authority of this Act or under the authority of part C of subtitle V of title 49, United States Code, shall include an express acknowledgement by the grantee that the debt does not constitute an obligation of the United States.

(i) ADOPTION OF COMPACT; TURNOVER.—

(1) The participating States and the District of Columbia shall adopt a final compact agreement not later than the last day of year 2, and the Compact shall thereafter assume responsibility for all Northeast Corridor operations from the successor corporations on a date that is not later than 8 months following adoption of the Compact.

(2) In the event that the participating States and the District of Columbia do not adopt the final compact agreement and make it operational under the schedule set forth in this section, the Secretary of Transportation shall assume control of the corporation described in section 24310(b)(2)(A) of title 49, United States Code, and shall make such legislative recommendations as the President judges necessary and expedient to Congress that address the monetary contributions by Northeast Corridor states and the District of Columbia that would be necessary to provide continued intercity passenger rail service in the Northeast Corridor.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out the purposes of this section.

SEC. 104. ASSISTANCE TO ADDRESS CAPITAL NEEDS.

(a) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation, for capital expenditures in compliance with capital spending plans developed under section 202 of this Act, including the Secretary’s expenses related thereto, the following amounts:

(1) Such sums as may be necessary for year 3.

- (2) Such sums as may be necessary for year 4.
- (3) Such sums as may be necessary for year 5.
- (4) Such sums as may be necessary for year 6.

(b) OBLIGATION OPTIONS.—

(1) Subject to paragraph (2), the Secretary may obligate the funds authorized by this section through grants to or cooperative agreements with States, the Passenger Rail Service Provider, the Northeast Corridor Compact or another qualified Compact, or through contracts with private companies.

(2) Funds appropriated under this section shall not be obligated and not be disbursed from the Treasury for the Northeast Corridor Compact until it has been established and is empowered and qualified to enter into contracts for the expenditure of the funds.

(c) ELIGIBILITY OF EXPENDITURES.—

(1) The Federal share of expenditures for capital improvements under this section may be not more than 100 percent and is solely authorized for the purpose of funding deferred maintenance, safety, and security projects. Expenditures for capacity expansion are not authorized by this section.

(2) Funds appropriated under this section may be obligated for an expenditure only if the Secretary has determined in writing that the expenditure on any railroad infrastructure investments is limited to a route or routes with a useful life of at least 5 years.

SEC. 105. EMPLOYEE TRANSITION ASSISTANCE; AUTHORIZATION.

(a) PROVISION OF FINANCIAL INCENTIVES.—To facilitate the restructuring required by this title, the Secretary is authorized to develop a program under which the Secretary may, at the Secretary's discretion, provide grants for financial incentives to be provided to employees of the National Railroad Passenger Corporation who voluntarily terminate their employment with the Corporation or the successor corporations (as such term is used in section 24310(b)(1) of title 49, United States Code) and relinquish any legal rights to receive termination-related payments under any contractual agreement with the Corporation or the successor corporations.

(b) CONDITIONS FOR FINANCIAL INCENTIVES.—As a condition for receiving financial assistance grants under this section, the Corporation or the successor corporations shall certify that—

(1) the financial assistance results in a net reduction in the total number of employees equal to the number receiving financial incentives;

(2) the financial assistance results in a net reduction in total employment expense equivalent to the total employment expenses associated with the employees receiving financial incentives; and

(3) the total number of employees eligible for termination-related payments will not be increased without the express written consent of the Secretary.

(c) AMOUNT OF FINANCIAL INCENTIVES.—The financial incentives authorized under this section may not exceed \$50,000 per employee.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary such sums as may be necessary to make grants to the National Railroad Passenger Corporation or the successor corporations to fund termination-related payments to employees under existing contractual agreements from the first day of year 1 through the last day of year 4.

SEC. 106. LIMIT ON OPERATING ASSISTANCE FOR LONG-DISTANCE ROUTES.

(a) IN GENERAL.—Chapter 243 of title 49, United States Code, is amended by adding at the end the following:

“§ 24316. Limit on operating assistance for long-distance routes

“(a) GENERAL AUTHORITY.—

“(1) GRANT AUTHORITY.—After the last day of year 1, the Secretary of Transportation may make grants for operating assistance under the authority of this section, and not under any other provision of law, to reimburse operators of long-distance routes and corridor feeder routes for the operating expenses incurred in operating those routes to provide intercity passenger rail transportation.

“(2) CONDITIONS.—A grant under this section shall be subject to the terms, conditions, requirements, and provisions the Secretary decides are necessary or appropriate for the purposes of this section, including limitations on what operating expenses are eligible for reimbursement and documentation of eligible operating losses on a quarterly basis.

“(b) FEDERAL SHARE OF OPERATING EXPENSES.—

“(1) IN GENERAL.—No funds appropriated to carry out this section may be used to fund operating expenses of a long-distance route after the last day of year 1, except as provided in paragraph (2).

“(2) REIMBURSABLE AMOUNT FOR YEARS 2, 3, AND 4.—The Secretary may reimburse an operator of a long-distance route or a corridor feeder route for operating expenses on that route that do not exceed the operating losses on that route and are not more than—

“(A) \$0.40 per-passenger mile during year 2;

“(B) \$0.20 per-passenger mile during year 3; or

“(C) \$0.10 per-passenger mile during year 4.

“(3) TERMINATION AFTER YEAR 4.—The Secretary may not reimburse an operator of a long-distance route or a corridor feeder route for operating expenses under this section after year 4.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section, including administrative costs.”.

(b) CONFORMING AMENDMENTS.—The chapter analysis for chapter 243 of title 49, United States Code, is amended by adding at the end the following:

“24316. Limit on operating assistance for long-distance routes”.

SEC. 107. DEFINITIONS.

Section 24102 of title 49, United States Code, is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively;

(2) by inserting after paragraph (4) the following:

“(5) ‘corridor feeder route’ means a portion of a long distance train or route that provides services between regional corridors by connecting to endpoints of the corridors.”;

(3) by redesignating paragraphs (7) through (10), as redesignated, as paragraphs (9) through (12), respectively;

(4) by inserting after paragraph (6), as redesignated, the following:

“(7) ‘legacy equipment’ means the rolling stock required to provide intercity passenger rail service owned or leased by the National Railroad Passenger Corporation on the date of enactment of the Passenger Rail Investment Reform Act.

“(8) ‘long distance train’ or ‘long distance route’ means all or a portion of the following trains or routes operated by the National Railroad Passenger Corporation on the date of enactment of the Passenger Rail Investment Reform Act:

“(A) The Silver Star.

“(B) The Three Rivers.

“(C) The Cardinal.

“(D) The Silver Meteor.

“(E) The Empire Builder.

“(F) The Capitol Limited.

“(G) The California Zephyr.

“(H) The Southwest Chief.

“(I) The City of New Orleans.

“(J) The Texas Eagle.

“(K) The Sunset Limited.

“(L) The Coast Starlight.

“(M) The Lake Shore Limited.

“(N) The Palmetto.

“(O) The Crescent.

“(P) The Pennsylvanian.

“(Q) The Auto Train.; and

(5) by adding at the end the following:

“(13) ‘year 1’ means the earlier of—

“(A) the fiscal year in which the Passenger Rail Investment Reform Act is enacted if the fiscal year began less than 61 days before such date; or

“(B) the first fiscal year beginning after the date of enactment of that Act.

“(14) ‘year 2’, ‘year 3’, ‘year 4’, ‘year 5’, and ‘year 6’, mean, respectively, the first, second, third, fourth, and fifth fiscal years following year 1.”.

SEC. 108. REPEAL OF OBSOLETE AND EXECUTED PROVISIONS OF LAW.

(a) IN GENERAL.—Title 49, United States Code, is amended by repeal of the following sections:

(1) Section 24701.

(2) Section 24706.

(3) Section 24901.

(4) Section 24902.

(5) Section 24904.

(6) Section 24906.

(7) Section 24909.

(b) AMENDMENT OF SECTION 24305.—Section 24305 of title 49, United States Code, is amended—

(1) by striking paragraph (2) of subsection (a) and redesignating paragraph (3) as paragraph (2);

(2) by striking paragraph (4) of subsection (b) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively; and

(3) by inserting “With regard to items acquired with funds provided by the Federal Government,” before “Amtrak” in subsection (f)(2).

(c) CONFORMING AMENDMENTS.—The chapter analyses for chapters 243, 247, and 249 or title 49, United States Code, are amended, as appropriate, by striking the items relating to sections 24307, 24701, 24706, 24901, 24902, 24904, 24906, 24908, and 24909.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of year 1.

TITLE II—FINANCIAL REFORMS

SEC. 201. LIMITATIONS ON AVAILABILITY OF GRANTS.

(a) IN GENERAL.—Chapter 43 of title 49, United States Code, is amended by inserting after section 24313 the following:

“§ 24314. Transitional limitations on availability of grants

“(a) REQUIREMENTS PRIOR TO RESTRUCTURING.—A grant made to the National Railroad Passenger Corporation under the authority of this part between the first day of year 1, and the establishment and commencement of operations by the successor corporations under section 24310 of this title may only be made subject to the following limitations:

“(1) The Secretary of Transportation shall not disburse funding to cover operating losses on a long-distance train route without first receiving and approving a grant request for that specific train route.

“(2) Each such grant request shall be accompanied by a detailed financial analysis and revenue projection justifying the Federal support to the Secretary's satisfaction.

“(3) The Secretary of Transportation and the board of directors of the Corporation

shall ensure that, of the amount made available by appropriations for capital and operating assistance to the Corporation in a fiscal year, sufficient sums are reserved to satisfy the contractual obligations of the Corporation to provide commuter and intrastate passenger rail service.

“(4) Not later than December 31 prior to each fiscal year in which grants are made to the Corporation, the Corporation shall transmit to the Secretary of Transportation, the Committee on Commerce, Science, and Transportation of the Senate, the Committee on Transportation and Infrastructure of the House of Representatives, and the House of Representatives and Senate Committees on Appropriations a business plan for operating and capital improvements to be funded in the fiscal year under section 24104(a) of this title 49.

“(5) The business plan shall include a description of the work to be funded, along with cost estimates and an estimated timetable for completion of the projects covered by the business plan.

“(6) Each month of each fiscal year in which grants are made to the Corporation, the Corporation shall submit to the Secretary of Transportation, the Committee on Commerce, Science, and Transportation of the Senate, the Committee on Transportation and Infrastructure of the House of Representatives, and the House of Representatives and Senate Committees on Appropriations a supplemental report regarding the business plan, which shall describe the work completed to date, any changes to the business plan, and the reasons for such changes.

“(7) A grant that is not approved by the Secretary of Transportation and an element of the Corporation's current fiscal year business plan may not be used for operating expenses or capital projects, and may not be obligated or expended unless the Corporation certifies, as part of the grant agreement, that it has complied with and will abide by the following requirements:

“(A) The Corporation's management will maintain financial controls and accounting transparency to the satisfaction of the Secretary, including developing or enhancing any existing capacity separately to report—

“(i) all revenue and expenses associated with rail operations by route; and

“(ii) budgeted and actual expenditures for all capital investments.

“(B) The Corporation's management will provide a monthly performance report to the board of directors, the Secretary of Transportation, and the committees of Congress described paragraph (6). The Corporation shall also make available to the Secretary the same details and reports on its financial performance that it makes available to Amtrak management, at the same time that it provides those reports and details to Amtrak management.

“(C) The Corporation shall expend funds only for the continuation of existing plants and services. With the exception of expenditures for which it obtains written approval from the Secretary of Transportation, the Corporation will not use of any of its funds for expansion or planning for expansion of rail service, including high speed rail service.

“(D) The Corporation has negotiated with its employees substantial operating cost reductions needed to make its operations competitive with private-sector service providers.

“(b) REQUIREMENTS FOLLOWING RESTRUCTURING.—Any grant made directly to a successor corporation (as such term is used in section 24310(b)(1)) under the authority of this part may only be made subject to the following limitations:

“(1) The Secretary of Transportation shall not disburse funding to cover operating losses on a long-distance train route without first receiving and approving a grant request for that specific train route.

“(2) Each such grant request shall be accompanied by a detailed financial analysis and revenue projection justifying the Federal support to the Secretary's satisfaction.

“(3) The Secretary shall ensure that, of the amount made available by appropriations for capital and operating assistance in a fiscal year, sufficient sums are reserved to satisfy the successor corporation's contractual obligations, if any, with respect to commuter and intrastate passenger rail service.

“(4) Not later than December 31 prior to each fiscal year in which grants are made, the successor corporations shall each transmit to the Secretary of Transportation a business plan for operating and capital improvements to be funded in the fiscal year.

“(5) The business plan shall include a description of the work to be funded, along with cost estimates and an estimated timetable for completion of the projects covered by the business plan.

“(6) Each month of each fiscal year in which grants are made, the successor corporations shall each submit to the Secretary a supplemental report regarding the business plan, which shall describe the work completed to date, any changes to the business plan, and the reasons for such changes.

“(7) A grant that is not approved by the Secretary of Transportation and an element of the Corporation's current fiscal year business plan may not be used for operating expenses or capital projects, and may not be obligated or expended unless the Corporation certifies, as part of the grant agreement, that it has complied with and will abide by the following requirements:

“(A) Management will maintain financial controls and accounting transparency to the satisfaction of the Secretary, including developing or enhancing any existing capacity separately to report—

“(i) all revenue and expenses associated with rail operations by route; and

“(ii) budgeted and actual expenditures for all capital investments.

“(B) Management of each successor corporation shall make available to the Secretary the same details and reports on its financial performance that it makes available internally, at the same time that it provides those reports and details internally.

“(C) Funds will be spent only on existing plants and services.”.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 243 of title 49, United States Code, is amended by inserting after the item relating to section 24313 the following:

“24314. Transitional limitations on availability of grants”.

SEC. 202. SPENDING PLANS FOR CAPITAL BACKLOG REDUCTION.

(a) IN GENERAL.—Within 6 months after year 1 begins, and as a condition of grants to the National Railroad Passenger Corporation between that date and the implementation of the restructuring required under section 24310 of title 49, United States Code, the Corporation shall prepare a capital spending plan that addresses capital needs, consistent with the funding levels authorized to be provided for year 1 and each fiscal year thereafter through year 6, for—

(1) Northeast Corridor capital assets;

(2) capital assets on long-distance routes other than on the Northeast Corridor; and

(3) capital assets on short-distance routes other than the Northeast Corridor.

(b) APPROVAL BY THE SECRETARY AND THE COMPACT.—

(1) IN GENERAL.—The Corporation shall submit the capital spending plan prepared under subsection (a) to the Secretary of Transportation for review and approval. The plan shall be implemented only after approval by the Secretary, and with any modifications specified by the Secretary.

(2) ANNUAL UPDATES.—The plan shall be updated and resubmitted at least annually.

(3) NO PLAN NO GRANT.—After creation of Northeast Corridor Compact, the Secretary may not make a grant to the Compact for capital investments except in accordance with a capital spending plan prepared by the Compact and approved by both the Compact and the Secretary. The same requirements shall apply to grants made to States and other Compacts under this section.

SEC. 203. REDEMPTION OF COMMON STOCK.

(a) VALUATION.—The Secretary of Transportation shall arrange, at the National Railroad Passenger Corporation's expense, for a valuation of all assets and liabilities of the Corporation to be performed by the Secretary of the Treasury, or by a contractor selected by the Secretary of the Treasury. The valuation shall be conducted in accordance with criteria and requirements to be determined by the Secretary in the Secretary's discretion and shall be completed within 6 months after year 1 begins.

(b) REDEMPTION.—

(1) Prior to the transfer of assets to the Secretary directed by section 204 of this Act, and within 9 months after year 1 begins, the Corporation shall redeem all common stock in the Corporation issued prior to the date of enactment of this Act at the value of such stock, based on the valuation performed under subsection (a).

(2) No provision of this Act, or amendments made by this Act, provide to the owners of the common stock a priority over holders of indebtedness or other stock of the Corporation.

(c) ACQUISITION THROUGH EMINENT DOMAIN.—In the event that the Corporation and the owners of its common stock have not completed the redemption of such stock by a date that is within 9 months after year 1 begins, the Corporation shall exercise its right of eminent domain under section 24311 of title 49, United States Code, to acquire that stock. The valuation performed under subsection (a) shall be deemed to constitute just compensation except to the extent that the owners of the common stock demonstrate that the valuation is less than the constitutional minimum value of the stock.

(d) AMENDMENT OF SECTION 24311.—Section 24311(a)(1) of title 49, United States Code, is amended—

(1) by striking “or” at the end of subparagraph (A);

(2) by striking “Amtrak.” in subparagraph (B) and inserting “Amtrak; or”; and

(3) by adding at the end the following:

“(C) necessary to redeem the Corporation's common stock from any holder thereof, including a rail carrier.”.

(e) CONVERSION OF PREFERRED STOCK TO COMMON.—

(1) Subsequent to the redemption of the common stock in the corporation issued prior to the date of enactment of this Act, the Secretary of Transportation shall convert the one share of the preferred stock of the Corporation retained under section 204 of this Act for 10 shares of common stock in the Corporation.

(2) The Corporation shall not issue any other common stock without the express written consent of the Secretary.

SEC. 204. RETIREMENT OF PREFERRED STOCK; TRANSFER OF ASSETS.

(a) TRANSFER.— Not later than 30 days after the redemption or acquisition of stock

under section 203 of this Act, the Corporation shall, in return for the consideration specified in subsection (c), transfer to the Secretary of Transportation title to the following assets:

(1) The portions of the Northeast Corridor currently owned or leased by the Corporation as well as any improvements made to these assets, including the rail right-of-way, stations, track, signal equipment, electric traction facilities, bridges, tunnels and all other improvements owned by Amtrak between Boston, Massachusetts, and Washington, District of Columbia (including the route through Springfield, Massachusetts, and the routes to Harrisburg, Pennsylvania, and Albany, New York, from the Northeast Corridor mainline).

(2) Chicago Union Station and rail-related assets in the Chicago metropolitan area.

(3) All other track and right-of-way, stations, repair facilities, and other real property owned or leased by the Corporation.

(b) EXISTING ENCUMBRANCES.—(1) With regard to any assets described in subsection (a) that the Corporation has provided as security or collateral for a debt entered into prior to the date of enactment of this Act, the Corporation shall transfer its underlying legal interest in such asset to the Secretary, but the Corporation shall remain liable for the debt secured by the asset.

(2) The obligation of the National Railroad Passenger Corporation to repay in full any indebtedness to the United States incurred since January 1, 1990, is not affected by this Act or an amendment made by this Act.

(c) CONSIDERATION.—In consideration for the assets transferred to the United States under subsection (b), the Secretary shall—

(1) deliver to the Corporation all but 1 share of the preferred stock of the Corporation held by the Secretary and forgive the Corporation's legal obligation to pay any dividends, including accrued but unpaid dividends as of the date of transfer, evidenced by the preferred stock certificates; and

(2) Release the Corporation from all mortgages and liens held by the Secretary that were in existence on January 1, 1990.

(d) AGREEMENT.—Prior to accepting title to the assets transferred under this section, the Secretary shall enter into an agreement with the Corporation under which the Corporation will exercise on behalf of the Secretary care, custody, and control of the assets to be transferred. The agreement shall identify in detail the specific functions of the Corporation's employees and equipment, and the specific numbers and locations of the employees and equipment associated with each function, that would be needed for continuation of commuter and freight rail service in the event that the Corporation were to cease operation, and identify those actions that would be required to ensure that such functions can be continued on an interim basis to avoid any interruption in commuter or freight rail service on the Northeast Corridor.

(e) FURTHER TRANSFERS.—

(1) The Secretary may, for appropriate consideration, transfer title to all or part of Chicago Union Station and rail-related assets in the Chicago metropolitan area acquired under this section to a regional public transportation agency that has significant operations in Chicago Union Station on the date of enactment of this Act.

(2) The Secretary may, for appropriate consideration, transfer to the underlying States title to real estate properties owned by the Corporation between Boston, Massachusetts, and Washington, District of Columbia, that constitute the route through Springfield, Massachusetts, and the routes to Harrisburg, Pennsylvania, and Albany, New York, from the Northeast Corridor mainline.

(3) The Secretary may, for appropriate consideration, transfer title to all or part of the assets acquired under subsection (a)(3) to a State, a public agency, a railroad, or other entity deemed appropriate by the Secretary.

(4) All financial consideration determined by the Secretary to be appropriate consideration for the transfer of the assets described in paragraphs (1) through (3) shall be used exclusively to reduce the Corporation's long-term debt that exists on the date of enactment.

SEC. 205. REAL ESTATE AND ASSET SALES; OTHER.

(a) IN GENERAL.—The Amtrak board of directors shall undertake and complete not later than the last day of year 3, the disposition of all stations, track, and other facilities outside the Northeast Corridor mainline, including property conveyed to the Secretary of Transportation under section 204 of this Act.

(b) PROCEEDS OF LIQUIDATION.—Notwithstanding section 3302 of title 31, United States Code, any proceeds from the liquidation of assets under this section shall—

(1) be credited as an offsetting collection to the account that finances grants for debt and interest payments under section 206 of this Act to the Passenger Rail Service Provider established under section 24310 of title 49, United States Code; and

(2) remain available until expended.

SEC. 206. MANAGEMENT AND TRANSFER OF SECURED DEBT.

(a) NEW DEBT PROHIBITION.—Except as approved by the Secretary of Transportation to refinance existing secured debt, the Corporation shall not enter into any obligation secured by assets of the Corporation after the date of enactment of this Act. This section does not prohibit unsecured lines of credit used by the Corporation or any subsidiary for working capital purposes.

(b) SECURED DEBT TRANSFER.—

(1) Upon establishment of the Passenger Rail Service Provider established under section 24310 of title 49, United States Code, and the transfer of ownership of the existing rolling stock, all debt secured by the rolling stock shall be transferred to and become a liability solely of, the Passenger Rail Service Provider.

(2) Upon establishment of the Northeast Corridor Compact under section 103 of this Act, the secured debt associated with fixed assets in the Northeast Corridor shall be transferred to, and become a liability solely of, the Northeast Corridor Compact.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation for grants to the Passenger Rail Service Provider established under section 24310 of title 49, United States Code, to pay principal and interest payments on secured debt existing on the date of enactment of this Act the following amounts:

(A) Such sums as may be necessary in year 2.

(B) Such sums as may be necessary in year 3.

(C) Such sums as may be necessary in year 4.

(D) Such sums as may be necessary in year 5.

(E) Such sums as may be necessary in year 6.

(2) LEGAL EFFECT OF PAYMENTS UNDER THIS SECTION.—The payment of principal and interest secured debt with the proceeds of grants under paragraph (1) on funding authorized by this section shall not—

(A) modify the extent or nature of any indebtedness of the National Railroad Passenger Corporation to the United States in existence of the date of enactment of this Act;

(B) change the private nature of Amtrak's or its successors' liabilities; or

(C) imply any Federal guarantee or commitment to amortize Amtrak's outstanding indebtedness.

SEC. 207. TRANSITION ASSISTANCE.

(a) YEAR 1 ASSISTANCE.—There are authorized to be appropriated to the Secretary of Transportation for grants to the National Railroad Passenger Corporation for operating and capital expenses such sums as may be necessary in year 1.

(b) YEAR 2 SUCCESSOR CORPORATION OPERATING ASSISTANCE.—There are authorized to be appropriated to the Secretary such sums as may be necessary for grants to—

(1) the Passenger Rail Service Provider established under section 24310 of title 49, United States Code, for operating expenses of all services except long-distance trains and routes in year 2; and

(2) the Passenger Rail Infrastructure Manager established under that section for capital expenses in year 2.

(c) ADMINISTRATIVE EXPENSES OF COMPACTS.—There are authorized to be appropriated to the Secretary such sums as may be necessary for grants for the administrative expenses of interstate compacts in years 1 through 3.

(d) EXPENSES OF AMTRAK.—There are authorized to be appropriated to the Secretary such sums as may be necessary for grants for the administrative expenses of Amtrak in years 2 through 6.

(e) GRANTS MADE AFTER YEAR 2.—After the last day of year 2, the Secretary may not enter into a grant agreement under this Act, other than section 206(c), or part C of title V of title 49, United States Code, unless each other party to the grant agreement is a State, regional compact, or other public entity.

TITLE III—GRANTS AND OTHER ASSISTANCE FOR INTERCITY PASSENGER RAIL SERVICE

SEC. 301. CAPITAL ASSISTANCE FOR INTERCITY PASSENGER RAIL SERVICE.

(a) IN GENERAL.—Part C of subtitle V of title 49, United States Code, is amended by inserting after chapter 243 the following:

“CHAPTER 244—INTERCITY PASSENGER RAIL SERVICE CORRIDOR CAPITAL ASSISTANCE

“Sec.

“24401. Definitions; effective date

“24402. Capital investment grants to support intercity passenger rail service

“24403. Project management oversight

“24404. Use of capital grants to finance first-dollar liability of grant project

“24405. Authorization of appropriations

“§ 24401. Definitions; effective date.

“(a) DEFINITIONS.—In this chapter:

“(1) APPLICANT.—The term ‘applicant’ means a State, an Interstate Compact (including the Northeast Corridor Compact as specified in section 103 of the Passenger Rail Investment Reform Act), or a public agency established by one or more States and having responsibility for providing intercity passenger rail service.

“(2) CAPITAL PROJECT.—The term ‘capital project’ means a project within a corridor plan or program for—

“(A) acquiring, constructing, supervising or inspecting equipment or a facility for use in intercity passenger rail service, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, environmental studies, and acquiring rights-of-way), payments for the capital portions of rail trackage rights agreements, passenger rail-related intelligent transportation systems, highway-rail grade crossing improvements on routes used

for intercity passenger rail service, relocation assistance, acquiring replacement housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;

“(B) rehabilitating, remanufacturing or overhauling rail rolling stock and facilities used primarily in intercity passenger rail service; or

“(C) the first-dollar liability costs for insurance related to the provision of intercity passenger rail service.

“(3) INTERCITY PASSENGER RAIL SERVICE.—The term ‘intercity passenger rail service’ means transportation services with the primary purpose of passenger transportation between towns, cities, and metropolitan areas by rail, including high-speed rail.

“(b) EFFECTIVE DATE.—This chapter is effective on the first day of year 2.

“§ 24402. Capital investment grants to support intercity passenger rail service

“(a) GENERAL AUTHORITY.—

“(1) GRANTS.—The Secretary of Transportation may make grants under this section to an applicant to assist in financing the capital costs of facilities and equipment necessary to provide intercity passenger rail transportation.

“(2) TERMS AND CONDITIONS.—The Secretary shall require that a grant under this section be subject to the terms, conditions, requirements, and provisions the Secretary decides are necessary or appropriate for the purposes of this section, including requirements for the disposition of net increases in value of real property resulting from the project assisted under this section.

“(3) LIMITATION.—A grant under this section may not be made for a project or program of projects that qualifies for financial assistance under chapter 53 of this title.

“(b) PROJECT AS PART OF APPROVED PROGRAM.—

“(1) IN GENERAL.—The Secretary may not approve a grant for a project under this section unless the Secretary finds that the project is part of an approved corridor plan and program developed under section 5303 of this title and that the applicant or recipient has or will have the legal, financial, and technical capacity to carry out the project (including safety and security aspects of the project), satisfactory continuing control over the use of the equipment or facilities, and the capability and willingness to maintain the equipment or facilities.

“(2) ELIGIBILITY INFORMATION.—An applicant shall provide sufficient information upon which the Secretary can make the findings required by this subsection.

“(3) PROPOSED OPERATOR JUSTIFICATION.—If an applicant has not selected the proposed operator of its service competitively, the applicant shall provide written justification to the Secretary showing why the proposed operator is the best, taking into account price and other factors, and that use of the proposed operator will not increase the capital cost of the project.

“(4) RAIL AGREEMENT.—An applicant shall demonstrate that it has agreed with the railroad over which the intercity passenger rail service will operate concerning the applicant’s operating and capital plans.

“(c) LETTERS OF INTENT, FULL FUNDING GRANT AGREEMENTS, AND EARLY SYSTEMS WORK AGREEMENTS.—

“(1) LETTER OF INTENT.—

“(A) The Secretary may issue a letter of intent to an applicant announcing an intention to obligate, for a major capital project under this section, an amount from future available budget authority specified in law that is not more than the amount stipulated as the financial participation of the Secretary in the project.

“(B) At least 30 days before issuing a letter under subparagraph (A) of this paragraph or entering into a full funding grant agreement, the Secretary shall notify in writing the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and the House of Representatives and Senate Committees on Appropriations of the proposed letter or agreement. The Secretary shall include with the notification a copy of the proposed letter or agreement as well as the evaluations and ratings for the project.

“(C) The issuance of a letter is deemed not to be an obligation under sections 1108(c) and (d), 1501, and 1502(a) of title 31, or an administrative commitment.

“(D) An obligation or administrative commitment may be made only when amounts are appropriated.

“(2) FULL FUNDING AGREEMENT.—

“(A) The Secretary may make a full funding grant agreement with an applicant. The agreement shall—

“(i) establish the terms of participation by the United States Government in a project under this section;

“(ii) establish the maximum amount of Government financial assistance for the project;

“(iii) cover the period of time for completing the project, including a period extending beyond the period of an authorization; and

“(iv) make timely and efficient management of the project easier according to the law of the United States.

“(B) An agreement under this paragraph obligates an amount of available budget authority specified in law and may include a commitment, contingent on amounts to be specified in law in advance for commitments under this paragraph, to obligate an additional amount from future available budget authority specified in law. The agreement shall state that the contingent commitment is not an obligation of the Government and is subject to subject to the availability of appropriations made by Federal law and to Federal laws in force on or enacted after the date of the contingent commitment. Interest and other financing costs of efficiently carrying out a part of the project within a reasonable time are a cost of carrying out the project under a full funding grant agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms.

“(3) EARLY SYSTEMS WORK AGREEMENT.—

“(A) The Secretary may make an early systems work agreement with an applicant if a record of decision under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) has been issued on the project and the Secretary finds there is reason to believe—

“(i) a full funding grant agreement for the project will be made; and

“(ii) the terms of the work agreement will promote ultimate completion of the project more rapidly and at less cost.

“(B) A work agreement under this paragraph obligates an amount of available budget authority specified in law and shall provide for reimbursement of preliminary costs of carrying out the project, including land acquisition, timely procurement of system elements for which specifications are decided, and other activities the Secretary decides are appropriate to make efficient, long-term project management easier. A work agreement shall cover the period of time the

Secretary considers appropriate. The period may extend beyond the period of current authorization. Interest and other financing costs of efficiently carrying out the work agreement within a reasonable time are a cost of carrying out the agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms. If an applicant does not carry out the project for reasons within the control of the applicant, the applicant shall repay all Government payments made under the work agreement plus reasonable interest and penalty charges the Secretary establishes in the agreement.

“(4) LIMIT ON TOTAL OBLIGATIONS AND COMMITMENTS.—The total estimated amount of future obligations of the Government and contingent commitments to incur obligations covered by all outstanding letters of intent, full funding grant agreements, and early systems work agreements may be not more than the amount authorized under section 24405 of this title, less an amount the Secretary reasonably estimates is necessary for grants under this section not covered by a letter. The total amount covered by new letters and contingent commitments included in full funding grant agreements and early systems work agreements may be not more than a limitation specified in law.

“(d) FEDERAL SHARE OF NET PROJECT COST.—

“(1) IN GENERAL.—

“(A) Based on engineering studies, studies of economic feasibility, and information on the expected use of equipment or facilities, the Secretary shall estimate the net project cost.

“(B) A grant for the project shall not exceed the specified percentage of the project net capital cost established for the year the grant is approved, as follows:

“(i) 100 percent in the case of approval for year 2.

“(ii) 80 percent in the case of approval for year 3.

“(iii) 60 percent in the case of approval for year 4.

“(iii) 50 percent in the case of approval for year 5, and thereafter.

“(C) The Secretary shall give priority in allocating future obligations and contingent commitments to incur obligations to grant requests seeking a lower federal share of the project net capital cost.

“(2) ADDITIONAL FUNDING.—Up to an additional 30 percent of project net capital cost may be funded from amounts appropriated to or made available to a department or agency of the Federal Government that are eligible to be expended for transportation.

“(e) UNDERTAKING PROJECTS IN ADVANCE.—

“(1) IN GENERAL.—The Secretary may pay the Federal share of the net capital project cost to an applicant that carries out any part of a project described in this section according to all applicable procedures and requirements if—

“(A) the applicant applies for the payment;

“(B) the Secretary approves the payment; and

“(C) before carrying out a part of the project, the Secretary approves the plans and specifications for the part in the same way as other projects under this section.

“(2) INTEREST COSTS.—The cost of carrying out part of a project includes the amount of interest earned and payable on bonds issued by the applicant to the extent proceeds of the bonds are expended in carrying out the part. The amount of interest includable as cost under this paragraph may not be more

than the most favorable interest terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a manner satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financial terms.

“(3) USE OF COST INDICES.—The Secretary shall consider changes in capital project cost indices when determining the estimated cost under paragraph (2) of this subsection.

“§ 24403. Project management oversight

“(a) PROJECT MANAGEMENT PLAN REQUIREMENTS.—To receive Federal financial assistance for a major capital project under this chapter, an applicant shall prepare and carry out a project management plan approved by the Secretary of Transportation. The plan shall provide for—

“(1) adequate recipient staff organization with well-defined reporting relationships, statements of functional responsibilities, job descriptions, and job qualifications;

“(2) a budget covering the project management organization, appropriate consultants, property acquisition, utility relocation, systems demonstration staff, audits, and miscellaneous payments the recipient may be prepared to justify;

“(3) a construction schedule for the project;

“(4) a document control procedure and recordkeeping system;

“(5) a change order procedure that includes a documented, systematic approach to handling the construction change orders;

“(6) organizational structures, management skills, and staffing levels required throughout the construction phase;

“(7) quality control and quality assurance functions, procedures, and responsibilities for construction, system installation, and integration of system components;

“(8) material testing policies and procedures;

“(9) internal plan implementation and reporting requirements;

“(10) criteria and procedures to be used for testing the operational system or its major components;

“(11) periodic updates of the plan, especially related to project budget and project schedule, financing, and ridership estimates; and

“(12) the recipient’s commitment to submit a project budget and project schedule to the Secretary each month.

“(b) SECRETARIAL OVERSIGHT.—

“(1) IN GENERAL.—The Secretary may use no more than 0.5 percent of amounts made available in a fiscal year for capital projects under this chapter to enter into contracts to oversee the construction of such projects.

“(2) USE OF FUNDS.—The Secretary may use amounts available under paragraph (1) of this subsection to make contracts for safety, procurement, management, and financial compliance reviews and audits of a recipient of amounts under paragraph (1).

“(3) FEDERAL SHARE.—The Federal Government shall pay the entire cost of carrying out a contract under this subsection.

“(c) ACCESS TO SITES AND RECORDS.—Each recipient of assistance under this chapter shall provide the Secretary and a contractor the Secretary chooses under subsection (b) of this section with access to the construction sites and records of the recipient when reasonably necessary.

“(d) REGULATIONS.—The Secretary shall prescribe regulations necessary to carry out this section. The regulations shall include—

“(1) a definition of ‘major capital project’ for this section;

“(2) a requirement that oversight begin during the preliminary engineering stage of a project, unless the Secretary finds it more

appropriate to begin oversight during another stage of a project, to maximize the transportation benefits and cost savings associated with project management oversight;

“(3) a deadline by which all grant applications for a fiscal year shall be submitted that is early enough to permit the Secretary to evaluate all timely applications thoroughly before making grants;

“(4) a formula based on population, track miles of railroad, and passenger miles traveled in the prior fiscal year by which one-half of the funds appropriated for capital grants for each fiscal year are to be allocated among the States;

“(5) a requirement that, if a State does not timely apply for its share of formula grant funds under paragraph (4) of this subsection, those funds will be made available to other States under paragraph (6) of this subsection; and

“(6) criteria by which the Secretary will allocate one-half of the funds appropriated for capital grants for each fiscal year, including at least projected ridership, passenger rail and intermodal connections, congestion and air quality mitigation, underserved communities, and the effect of the grant on whether existing service will continue.

“§ 24404. Use of capital grants to finance first-dollar liability of grant project.

“Notwithstanding the requirements of section 24402 of this title, the Secretary of Transportation may approve the use of capital assistance under this chapter to fund self-insured retention of risk for the first tier of liability insurance coverage for rail passenger service associated with the capital assistance grant, but the coverage may not exceed \$20,000,000 per occurrence or \$20,000,000 in aggregate per year.

“§ 24405. Authorization of appropriations.

“There are authorized to be appropriated to the Secretary of Transportation to make capital financial assistance grants under this chapter, including administrative expenses, the following amounts:

“(1) Such sums as may be necessary in year 2.

“(2) Such sums as may be necessary in year 3.

“(3) Such sums as may be necessary in year 4.

“(4) Such sums as may be necessary in year 5.

“(5) Such sums as may be necessary in year 6.”

(b) CONFORMING AMENDMENTS.—

(1) The table of chapters for title 49, United States Code, is amended by inserting the following after the item relating to chapter 243:

“244. INTERCITY PASSENGER RAIL SERVICE CAPITAL ASSISTANCE 24401”.

(2) The chapter analysis for subtitle V of title 49, United States Code, is amended by inserting the following after the item relating to chapter 243:

“244. Intercity Passenger Rail Service Capital Assistance 24401”.

SEC. 302. FINAL REGULATIONS ON APPLICATIONS BY STATES FOR DEVELOPMENT GRANTS.

Not later than June 1 of year 1, the Administrator of the Federal Railroad Administration shall issue final regulations setting forth procedures for application and minimum requirements for the award of grants on and after the first day of year 2, under chapter 244 of title 49, United States Code.

SEC. 303. AUTHORITY FOR INTERSTATE COMPACTS FOR CORRIDOR DEVELOPMENT.

(a) CONSENT TO COMPACTS—

(1) 2 or more States with an interest in a specific form, route, or corridor of intercity

passenger rail service (including high speed rail service) may enter into interstate compacts to implement the service, including—

(A) retaining an existing service or commencing a new service;

(B) assembling rights-of-way; and

(C) performing capital improvements, including—

(i) the construction and rehabilitation of maintenance facilities;

(ii) the purchase of rolling stock; and

(iii) operational improvements, including communications, signals, and other systems.

(2) A compact entered into under the authority of this section shall be submitted to Congress for its consent. It is the sense of Congress that rapid consent to the Compact is a priority for the Congress.

(b) FINANCING.—

(1) An interstate compact established by States under subsection (a) may provide that, in order to carry out the compact, the States may—

(A) accept contributions from a unit of State or local government or a person;

(B) use any Federal or State funds made available for intercity passenger rail service (except funds made available for Amtrak);

(C) on such terms and conditions as the States consider advisable—

(i) borrow money on a short-term basis and issue notes for the borrowing; and

(ii) issue bonds; and

(D) obtain financing by other means permitted under Federal or State law.

(2) Bonds and other indebtedness incurred under the authority of this subsection shall under no circumstances be backed by the full faith and credit of the United States.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1502. A bill to amend title XXI of the Social Security Act to make a technical correction with respect to the definition of qualifying State; to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1503. A bill to amend title XXI of the Social Security Act to make a technical correction with respect to the definition of qualifying State; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I am introducing two bills today with Senator DOMENICI to address a technical problem with H.R. 2854 that potentially causes problems for the State of New Mexico. We continue to believe that New Mexico meets the definition of a “qualifying state” under the legislative language but introduce these two bills to clarify that New Mexico is such a State. I ask unanimous consent that the text of both bills to be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL CORRECTION RELATING TO THE DEFINITION OF QUALIFYING STATE UNDER TITLE XXI OF THE SOCIAL SECURITY ACT.

Effective as if included in the enactment of H.R. 2854, 108th Congress, section 2105(g)(2) of the Social Security Act, as added by section 1(b) of H.R. 2854, 108th Congress, as passed by the House of Representatives on July 25,

2003, is amended by inserting before the period “, and includes New Mexico”.

S. 1503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TECHNICAL CORRECTION RELATING TO THE DEFINITION OF QUALIFYING STATE UNDER TITLE XXI OF THE SOCIAL SECURITY ACT.

Effective as if included in the enactment of H.R. 2854, 108th Congress, section 2105(g)(2) of the Social Security Act, as added by section 1(b) of H.R. 2854, 108th Congress, as passed by the House of Representatives on July 25, 2003, is amended by inserting “(as determined by rounding to nearest whole percentage)” after “percent” the first place it appears.

By Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. BURNS, and Ms. SNOWE):

S. 1505. A bill to establish a National Passenger Rail Office, and for other purposes; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, I support Amtrak and believe we can have a viable national passenger rail system. Unfortunately, we are far from realizing that goal. Outside the Northeast Corridor (NEC), trains seldom run on time, and service is abysmal. Lateness is often measured in days, not hours. Several years ago, when the airlines on-time rate fell below 75 percent it was considered a national emergency. At Amtrak, on-time records under 50 percent are business as usual. Rail critics point to low ridership as the reason why we starve the national system. I contend that starvation is the reason for low ridership.

In the Northeast, a passenger can board a train here at Union Station and reasonably expect to be in New York City, about 225 miles away, in less than three hours. If one of my constituents buy a ticket from Austin to Fort Worth, a trip thirty-eight miles shorter than DC to New York, the best he can expect is that it will take four and one-half hours. Of course, the Texas Eagle makes its schedule only 35 percent of the time, so my constituent will likely waste even more time on this short trip. An Austin businessman may prefer not to deal with airport hassles for such a short flight, and he may want to avoid the traffic on I-35, but the train is not a reasonable option if he has a meeting in Fort Worth at a time certain.

This inequity cannot continue. Either we commit to building a rail transportation alternative for the entire Nation, or we abandon the pretense of Amtrak and turn it over to the States and private companies. Our motto for Amtrak is “National or Nothing!”

Improving service on the national system will require creative thinking and innovative financing. We cannot continue to fund Amtrak just enough to keep it going until the next crisis. That is a road map for failure. Private investment, State participation, and the cooperation of the freight railroads

are all essential to achieving service upgrades.

In Texas, most passenger trains are forced to operate at less than thirty miles per hour due to track conditions and freight operations. The national system needs at least \$38 billion in capital improvements to allow trains to meet a reasonable schedule. Safety improvements alone will cost \$13.8 billion. The Northeast Corridor needs roughly \$10 billion to avoid an increased risk of accidents and a systemwide slowdown. Postponing these upgrades and repairs will only make them more expensive.

In the 1950s, President Eisenhower convinced the Nation to pay for the construction of the National Highway System. Fiscal realities have changed since then, and we must find a way to creatively finance the rail infrastructure needs of the nation without draining resources from alternative modes of transportation and other federal priorities. Municipal bonding and private investment are necessary components of any plan to restore and improve rail infrastructure.

Making this investment will not only improve passenger service, but also upgrade freight operations throughout the country. Outside the NEC, freight and passenger trains must run on the same tracks. In exchange for an investment in upgrading those tracks, the freight must agree to allow Amtrak to meet its schedule. I realize the critical role played by freight railroads in the American economy, and I know this industry has seen better days. That is why I urge them to work with us to achieve a mutually beneficial agreement. If we cooperate, freight railroads will enjoy capital improvements they could not otherwise hope to afford, as we secure the future of passenger rail in this country. It can be a win-win situation.

I was deeply disappointed to see Amtrak's proposed 5-year capital plan call for \$9.1 billion in Federal funding, with more than \$8 billion spent in the Northeast Corridor. The national system must receive more than the crumbs left over after the needs of the NEC have been met.

We will never have a better opportunity to accomplish this goal than right now. That is why I am introducing legislation along with Senators LOTT, BURNS, SNOWE and SMITH to begin to bring the national system up to Northeast Corridor standards. My bill will strengthen the Federal role by creating a National Passenger Rail Office at DOT, responsible for coordinating with States and the railroads to assure the national system receive the improvements necessary to operate an effective inter-city passenger rail system. The legislation authorizes \$12 billion for Amtrak in operating assistance. Amtrak will be required to bring the national system up to an 80 percent on-time arrival rate. Once a route has enjoyed reasonable on-time performance, it can be fairly evaluated from a cost-benefit perspective. 80 percent is a

modest goal, but it is not going to be easy to attain. If Amtrak is unable to meet performance requirements on a route, that route should be opened for bidding by other operators.

If we fail to enact real change in this reauthorization bill, we may run out of chances to obtain the elusive intermodal transportation system we profess to seek. We must decide whether we want to create a viable national system, or settle for a single rail corridor providing ever-deteriorating service to only one sector of the country. I will not support any proposal that does not put the national system on par with the Northeast Corridor. Today marks a new beginning, or the beginning of the end. It's national or nothing.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “American Rail Equity Act of 2003”.

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Amendment of title 49, United States Code.

Sec. 3. Table of contents.

TITLE I—NATIONAL PASSENGER RAIL OFFICE

Sec. 101. Establishment of National Passenger Rail Office.

TITLE II—NATIONAL PASSENGER RAIL SYSTEM

SUBTITLE A—NATIONAL PASSENGER RAIL SYSTEM

Sec. 201. National passenger rail system.

SUBTITLE B—HIGH-SPEED CORRIDORS FOR PASSENGER RAIL

Sec. 211. Interstate railroad passenger high-speed transportation policy.

Sec. 212. High-speed rail corridor planning.

Sec. 213. Assistance for establishment of corridors for high-speed rail service.

TITLE III—RAIL INFRASTRUCTURE IMPROVEMENT

SUBTITLE A—RAIL INFRASTRUCTURE FINANCE CORPORATION

Sec. 301. Establishment of corporation.

Sec. 302. Board of directors.

Sec. 303. Officers and employees.

Sec. 304. Nonprofit and nonpolitical nature of the corporation.

Sec. 305. Purpose and activities of corporation.

Sec. 306. Report to Congress.

Sec. 307. Administrative matters.

Sec. 308. Rail infrastructure finance trust.

SUBTITLE B—RAIL DEVELOPMENT GRANT PROGRAM

Sec. 311. National system improvement grant program.

Sec. 312. Grant program requirements and limitations.

SUBTITLE C—RAIL INFRASTRUCTURE TAX CREDIT BONDS

Sec. 321. Credit to holders of qualified rail infrastructure bonds.

Sec. 322. Annual report by Treasury on rail infrastructure trust account.

Sec. 323. Issuance of regulations.

Sec. 324. Effective date.

TITLE IV—RAIL INFRASTRUCTURE AND INTERMODAL TRANSPORTATION

Sec. 401. Intermodal transportation policy.

Sec. 402. State rail plans.

TITLE I—NATIONAL PASSENGER RAIL OFFICE

SEC. 101. ESTABLISHMENT OF NATIONAL PASSENGER RAIL OFFICE.

(a) ESTABLISHMENT.—(1) Chapter 1 of title 49, United States Code, is amended by inserting after section 107 the following new section:

“§ 107A. National Passenger Rail Office

“(a) IN GENERAL.—The National Passenger Rail Office is an office in the Department of Transportation.

“(b) HEAD OF OFFICE.—The head of the Office is the Director of the National Passenger Rail Office who is appointed by the President, by and with the advice and consent of the Senate.

“(c) ADMINISTRATIVE MATTERS.—

“(1) ADMINISTRATIVE LOCATION.—The Office is located within the Federal Transit Administration for administrative purposes.

“(2) SUPERVISION.—The Director of the National Passenger Rail Office reports directly to the Administrator of the Federal Transit Administration.

“(d) DUTIES.—The duties of the Office are as follows:

“(1) To carry out the responsibilities of the Office with respect to the national passenger railroad system under chapter 251 of this title, including—

“(A) the allocation of funds to the National Passenger Rail Corporation for the operations of the Corporation under section 25005 of this title;

“(B) the responsibilities for the national passenger railroad system set forth under section 25006 of this title;

“(C) the responsibilities for the national passenger railroad system route map set forth under section 25007 of this title; and

“(D) the quarterly identification of infrastructure improvement projects for the national passenger railroad system under section 25008 of this title.

“(2) To carry out such other responsibilities as may be provided by the Secretary of Transportation or by law.

“(e) FUNDING OF ADMINISTRATIVE EXPENSES.—The amount available under section 25010(c)(1) of this title each fiscal year shall be available for the administrative costs of the Office in such fiscal year.”

(2) The table of section at the beginning of such chapter is amended by inserting after the item relating to section 107 the following new item:

“107A. National Passenger Rail Office.”

(b) RATE OF PAY OF DIRECTOR OF OFFICE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following: “Director, National Passenger Rail Office.”

TITLE II—NATIONAL PASSENGER RAIL SYSTEM

Subtitle A—National Passenger Rail System

SEC. 201. NATIONAL PASSENGER RAIL SYSTEM.

(a) IN GENERAL.—Part C of subtitle V of title 49, United States Code, is amended by adding at the end the following new chapter:

“CHAPTER 251—NATIONAL PASSENGER RAIL SYSTEM

“Sec.

“25001. Purpose.

“25002. National passenger rail system.

“25003. Designation of Amtrak as National Passenger Rail Corporation.

“25004. National Passenger Rail Corporation: responsibility for national passenger rail system; status.

“25005. National Passenger Rail Office: allocation of operating funds to National Passenger Rail Corporation.

“25006. National Passenger Rail Office: responsibility for national passenger rail system.

“25007. National Passenger Rail Office: responsibility for national passenger rail system route map.

“25008. National Passenger Rail Office: identification of rail infrastructure improvement projects for national passenger rail system.

“25009. Rail infrastructure improvements grant program.

“25010. Construction with other law; preservation and allocation of authorities.

“25011. Authorizations.

“§ 25001. Purpose

“The purpose of this chapter is to improve rail passenger service in the United States by—

“(1) redesignating Amtrak as the National Passenger Rail Corporation; and

“(2) reallocating the responsibilities of Amtrak for intercity and commuter rail passenger transportation (and related transportation) among the National Passenger Rail Corporation and the National Rail Passenger Office so that—

“(A) the National Passenger Rail Corporation retains the responsibilities of Amtrak for the provision of such transportation; and

“(B) the National Rail Passenger Office assumes the responsibilities of Amtrak for the equipment and facilities of Amtrak and for the route map of the national passenger rail system.

“§ 25002. National passenger rail system

“(a) IN GENERAL.—The system of intercity rail passenger transportation (and related transportation), known as the national passenger rail system, includes—

“(1) the segment of the Northeast Corridor between Boston, Massachusetts, and Washington, D.C.;

“(2) rail corridors that have been designated by the Secretary of Transportation as high-speed corridors, but only after they have been improved to permit operation of high-speed service;

“(3) long-distance routes of more than 750 miles between endpoints operated by Amtrak as of the date of enactment of the American Rail Equity Act of 2003; and

“(4) short-distance corridors or routes operated by Amtrak.

“(b) TRANSPORTATION REQUESTED BY STATES, AUTHORITIES, AND OTHER PERSONS.—

“(1) CONTRACTS FOR TRANSPORTATION.—Amtrak and a State, a regional or local authority, or another person may enter into a contract for Amtrak to operate an intercity rail service or route not included in the national rail passenger transportation system upon such terms as the parties thereto may agree.

“(2) DISCONTINUANCE.—Upon termination of a contract entered into under this subsection, or the cessation of financial support under such a contract, Amtrak may discontinue such service or route, notwithstanding any other provision of law.

“§ 25003. Designation of Amtrak as National Passenger Rail Corporation

“Effective as of the date of the enactment of the American Rail Equity Act of 2003, the

portion of Amtrak that is responsible for the operations relating to intercity rail passenger transportation and commuter rail passenger transportation (and related transportation) specified in section 25004(b) of this title is hereby redesignated as the National Passenger Rail Corporation.

“§ 25004. National Passenger Rail Corporation: responsibility for national passenger rail system; status

“(a) TERMINATION OF FOR-PROFIT STATUS.—The National Passenger Rail Corporation shall not be required to be operated or managed as a for-profit corporation.

“(b) LIMITATION OF RESPONSIBILITIES TO TRANSPORTATION AND CERTAIN MAINTENANCE FACILITIES.—The Corporation shall have responsibility only for the following:

“(1) Operations relating to the provision of intercity rail passenger transportation.

“(2) Operations relating to the provision of commuter rail passenger transportation.

“(3) Operations relating to the transportation of mail and express.

“(4) Operations relating to auto-ferry transportation.

“(5) Marketing relating to transportation provided under paragraphs (1) through (4).

“(6) Facilities for the maintenance of the rolling stock necessary to provide transportation under paragraphs (1) through (4).

“(c) TRANSFER OF OTHER ASSETS AND RESPONSIBILITIES TO NATIONAL PASSENGER RAIL OFFICE.—The Corporation shall transfer to the National Passenger Rail Office jurisdiction of all equipment and facilities of the Corporation as of the date of the enactment of the American Rail Equity Act of 2003 that are not the responsibility of the Corporation under subsection (b).

“§ 25005. National Passenger Rail Office: allocation of operating funds to National Passenger Rail Corporation

“(a) IN GENERAL.—The National Passenger Rail Office shall, from amounts available for a fiscal year under section 25010(c)(2)(A) of this title, allocate amounts to the National Passenger Rail Corporation in order to permit the Corporation carry out operations for the provision of transportation under section 25004(b) of this title.

“(b) ALLOCATION ON ROUTE-BY-ROUTE BASIS.—The Office shall allocate amounts to the Corporation under subsection (a) on a route-by-route basis.

“(c) OVERSIGHT OF EXPENDITURES.—The Office shall oversee and review expenditures of amounts allocated to the Corporation under subsection (a) in order to ensure that the Corporation is utilizing amounts so allocated in an appropriate manner.

“§ 25006. National Passenger Rail Office: responsibility for national passenger rail system

“(a) NORTHEAST CORRIDOR EQUIPMENT AND FACILITIES.—The National Passenger Rail Office shall have responsibility for all equipment and facilities relating to the Northeast Corridor route that are transferred to the Office under section 25003(c) of this title.

“(b) PENNSYLVANIA STATION, NEW YORK.—The Office shall treat Pennsylvania Station, New York, and the electric power generation facilities at Pennsylvania Station for the Northeast Corridor route, as a part of the Northeast Corridor route under subsection (a).

“(c) OTHER EQUIPMENT AND FACILITIES.—

“(1) OPERATION THROUGH LEASE REQUIRED.—The Office shall provide for the operation of any equipment and facilities transferred to the Office under section 25004(c) of this title that are not the responsibility of the Office under subsections (a) and (b) through the lease of such equipment and facilities to 1 or more appropriate persons or entities.

“(2) FULL AND OPEN COMPETITION.—The Office shall identify any lessee of equipment and facilities under paragraph (1) utilizing procedures for full and open competition.

“§ 25007. National Passenger Rail Office: responsibility for national passenger rail system route map

“(a) IN GENERAL.—The National Passenger Rail Office shall have responsibility for the modification of routes of the National Passenger Rail Corporation.

“(b) FAILURE OF ON-TIME PERFORMANCE.—

“(1) SURVEYS OF ON-TIME PERFORMANCE.—Not later than 12 months after the date of the enactment of this American Rail Equity Act of 2003 and every year thereafter, the Office shall determine for each route of the Corporation whether the Corporation met the on-time performance goal for such route during the most recent performance period.

“(2) CONTINGENT REQUIREMENT TO PRESERVE ROUTES.—The Office may not discontinue a route of the Corporation as in effect on the date of the enactment of that Act unless the Office determines under paragraph (1) in any year that the Corporation did not meet the on-time performance goal for such route in 3 out of the 5 years immediately preceding the year in which the determination is made.

“(3) TRANSPORTATION RIGHTS FOLLOWING FAILURE ON ON-TIME PERFORMANCE.—

“(A) FORFEITURE OF RIGHTS.—If the Office determines (in the determination under paragraph (2) that is required to be completed 5 years after the date of the enactment of the American Rail Equity Act of 2003) that the Corporation did not meet the on-time performance goal for a route of the Corporation during the most recent performance period, the Corporation shall forfeit to the Office the right to provide passenger rail transportation on such route (including the right to use the tracks of such route to provide such transportation).

“(B) LEASE OF FORFEITED RIGHTS.—The Office shall lease to an appropriate person or entity the right to provide passenger rail transportation on a route (including the right to use the tracks of such route to provide such transportation) that is forfeited under subparagraph (A). The Office shall identify any lessee of such right to provide rail passenger transportation on a route utilizing procedures for full and open competition.

“(C) TRANSPORTATION.—A person or entity leasing the right to provide rail passenger transportation on a route under subparagraph (B) shall provide such rail passenger transportation on the route as is specified by the Office in the lease under subparagraph (B). The rail passenger transportation so specified for a route shall be equivalent to the rail passenger transportation scheduled to be provided by the Corporation on the route before the forfeiture of the right to provide transportation on the route under subparagraph (A).

“(D) ASSISTANCE.—A person or entity providing rail passenger transportation on a route under subparagraph (B) shall be entitled to such assistance under this part, and under any other provision of law, for the provision of such rail passenger transportation as would otherwise have been provided to the Corporation if the Corporation had provided such rail passenger transportation on such route.

“(E) BONUS.—If the Office determines that a person or entity providing rail passenger transportation on a route under subparagraph (B) has met the on-time performance goal for that route during the most recent performance period, the Office may pay such person or entity a bonus in an amount determined appropriate by the Office.

“(4) FAILURE OF ON-TIME PERFORMANCE BASED ON LACK OF ACCESS.—

“(A) NOTICE.—The Corporation shall notify the Office of each allegation of the Corporation that the failure of the Corporation to meet the on-time performance goal for a route is due to the denial of access to the tracks of the route by the rail carrier owning the route.

“(B) TRANSMITTAL.—Amtrak shall transmit to the Surface Transportation Board each allegation received by the Office under subparagraph (A).

“(C) INVESTIGATION.—The Board shall investigate each allegation transmitted under subparagraph (B).

“(D) CIVIL PENALTIES.—If as a result of an investigation under subparagraph (C) the Board verifies an allegation under subparagraph (A), the Board may impose a civil penalty on the rail carrier that is the subject of the allegation in such amount as the Board considers appropriate.

“(5) DEFINITIONS.—In this subsection:

“(A) ON-TIME PERFORMANCE GOAL.—Within 12 months after the date of enactment of the American Rail Equity Act of 2003, the National Rail Office, after consultation with Amtrak, shall establish criteria for determining what attributes characterize an ‘on-time performance goal’. In the case of a route, the criteria shall be based upon at least 80 percent of the trains scheduled to provide passenger rail transportation on the route during the most recent performance period arriving not later than their scheduled arrival time.

“(B) PERFORMANCE PERIOD.—The term ‘performance period’ means the 12-month period ending on the date a determination is made regarding whether the trains scheduled to provide passenger rail transportation on a route met their on-time performance goal.

“(c) ADDITIONAL ROUTES.—

“(1) ADDITIONAL ROUTES.—The Office may establish 1 or more additional routes for the national rail passenger system if the Office determines pursuant to the study under section 502 of the American Rail Equity Act of 2003 that the establishment of such route or routes is feasible and advisable.

“(2) CORRIDORS FOR HIGH-SPEED RAIL SERVICE.—The Office may add to the national passenger rail system any corridor for high-speed rail service established pursuant to section 26104 of this title.

“§ 25008. National Passenger Rail Office: identification of rail infrastructure improvement projects for national passenger rail system

“(a) IDENTIFICATION OF RAIL INFRASTRUCTURE IMPROVEMENT PROJECTS.—

“(1) IN GENERAL.—The National Passenger Rail Office shall, on a quarterly basis, identify the rail infrastructure improvement projects that are advisable to improve or enhance the operations of the national passenger rail system, including operations in the Northeast Corridor.

“(2) NATURE OF IMPROVEMENTS.—The infrastructure improvements covered by rail infrastructure improvement projects under paragraph (1) may include—

“(A) track and other capital improvements;

“(B) the acquisition of rights-of-way; and

“(C) such other improvements as the Office considers advisable to improve or enhance the operations of the national passenger rail system.

“(3) STATE INPUT.—Recommendations of States for projects for identification under paragraph (1) shall be submitted to the National Passenger Rail Office in accordance with such requirements as the Director of the Office may prescribe.

“(b) INFORMATION ON POTENTIAL PROJECTS.—A rail carrier seeking to carry out a rail infrastructure improvement

project for purposes of subsection (a) shall submit to the Office such information on the project as the Director of the Office shall require, including—

“(1) the nature of the infrastructure improvements under the project;

“(2) the cost of the infrastructure improvements; and

“(3) an assessment of the extent to which the infrastructure improvements will improve or enhance the operations of the national passenger rail system.

“(c) REPORTS TO NATIONAL RAIL TRANSPORTATION FINANCING CORPORATION.—

“(1) IN GENERAL.—The Director of the Office shall, on a quarterly basis, submit to the National Rail Transportation Financing Corporation a report setting forth the rail infrastructure improvement projects identified under subsection (a) during the preceding quarter.

“(2) REPORT ELEMENTS.—Each report under paragraph (1) shall contain such information as the Director of the Office and the Corporation jointly consider appropriate in order—

“(A) to fully inform the Corporation of the nature, cost, benefits, and priority of each rail infrastructure improvement project identified in such report; and

“(B) to permit the Corporation to evaluate the advisability of making a grant for each such rail infrastructure improvement project under 306 of the American Rail Equity Act of 2003.

“§ 25009. Rail infrastructure improvements grant program

“The National Passenger Rail Office may make grants for rail infrastructure improvement projects identified under section 25008 of this title.

“§ 25010. Construction with other law; preservation and allocation of authorities

“(a) CONSTRUCTION.—The provisions of this chapter supersede any provisions of this part, and any other provisions of law, that are inconsistent with the provisions of this chapter.

“(b) PRESERVATION OF AUTHORITIES.—

“(1) NATIONAL PASSENGER RAIL OFFICE.—For purposes of carrying out its responsibility under this chapter, including the operation and maintenance of facilities under section 25005(c) of this title, the National Passenger Rail Office may utilize any power or authority of Amtrak under this part, or under any other provision of law, to the extent that such power or authority is not inconsistent with a provision of this chapter, as if the Office were Amtrak.

“(2) NATIONAL PASSENGER RAIL AUTHORITY.—For purposes of carrying out its responsibilities under section 25004(b) of this title, the National Passenger Rail Corporation may utilize any power or authority of Amtrak under this part, or under any other provision of law, to the extent that such power or authority is not inconsistent with a provision of this chapter, as if the Corporation were Amtrak.

“(c) MEMORANDUM OF UNDERSTANDING.—The Office and the Corporation shall, subject to the supervision and concurrence of the Administrator of the Federal Transit Administration, enter into a memorandum of understanding allocating among the Office and the Corporation the authorities, powers, and responsibilities of Amtrak under this part, and under any other provision of law, in a manner consistent with the provisions of this chapter.

“(d) REFERENCES.—

“(1) NATIONAL PASSENGER RAIL AUTHORITY.—Any reference to Amtrak in any law, regulation, map, document, record, or other paper of the United States with respect to the performance of any function or activity that is retained by the National Passenger

Rail Corporation under this chapter shall be considered to be a reference to the National Passenger Rail Corporation.

“(2) NATIONAL PASSENGER RAIL OFFICE.—Any reference to Amtrak in any law, regulation, map, document, record, or other paper of the United States with respect to the performance of any function or activity that is assumed by the National Passenger Rail Office under this chapter shall be considered to be a reference to the National Passenger Rail Office.

“§ 25011. Authorizations

“(a) IN GENERAL.—There are authorized to be appropriated \$2,000,000,000 for each of fiscal years 2004 through 2009 for the operations of the National Passenger Rail Corporation under this chapter.

“(b) ALLOCATIONS.—To the extent provided in appropriations Acts, \$3,000,000 of the amount appropriated pursuant to the authorization of appropriations in subsection (a) in any fiscal year shall be available for the National Passenger Rail Office for the administrative expenses of the Office in such fiscal year.”.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of subtitle V of title 49, United States Code, is amended by inserting after the item relating to chapter 249 the following new item:

“251. NATIONAL PASSENGER RAILROAD SYSTEM 25001”.

Subtitle B—High-Speed Corridors for Passenger Rail

SEC. 211. INTERSTATE RAILROAD PASSENGER HIGH-SPEED TRANSPORTATION POLICY.

(a) IN GENERAL.—Chapter 261 is amended by inserting before section 26101 the following:

“§ 26100. Policy.

“The Congress declares that it is the policy of the United States that designated high-speed railroad passenger transportation corridors are the building blocks of an interconnected interstate railroad passenger system that serves the entire Nation.”.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 261 is amended by inserting before the item relating to section 26101 the following:

“26100. Policy”.

SEC. 212. HIGH-SPEED RAIL CORRIDOR PLANNING.

(a) IN GENERAL.—Section 26101(a) is amended to read as follows:

“(a) PLANNING.—

“(1) IN GENERAL.—The Secretary of Transportation shall provide planning assistance to States or group of States and other public agencies promoting the development of high-speed rail corridors designated by the Secretary under section 104(d) of title 23.

“(2) SECRETARY MAY PROVIDE DIRECT OR FINANCIAL ASSISTANCE.—The Secretary may provide planning assistance under paragraph (1) directly or by providing financial assistance to a public agency or group of public agencies to undertake planning activities approved by the Secretary. Not less than 20 percent of the publicly financed planning costs associated with projects assisted under this chapter shall come from non-Federal sources. State matching contributions may not be derived, directly or indirectly, from Federal funds.”.

(b) CONFORMING AND OTHER AMENDMENTS TO SECTION 26101.—Section 26101 is further amended—

(1) by striking subsection (c)(2) and inserting the following:

“(2) the extent to which the proposed planning focuses on high-speed rail systems, giving a priority to systems which will achieve sustained speeds of 125 miles per hour or

greater and projects involving dedicated rail passenger rights-of-way;”;

(2) by inserting “and” after the semicolon in subsection (c)(12);

(3) by striking “completed; and” in subsection (c)(13) and inserting “completed.”; and

(4) by striking subsection (c)(14).

(c) CONFORMING AMENDMENT.—Section 26105(2)(A) is amended by striking “more than 125 miles per hour;” and inserting “90 miles per hour or more;”.

(d) FINANCIAL ASSISTANCE TO INCLUDE LOANS AND LOAN GUARANTEES.—Section 26105(1) is amended by inserting “loans, loan guarantees,” after “contracts,”.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary for each of fiscal years 2004 through 2008 to provide planning assistance under section 26101(a) of title 49, United States Code, as amended by subsection (a).

SEC. 213. ASSISTANCE FOR ESTABLISHMENT OF CORRIDORS FOR HIGH-SPEED RAIL SERVICE.

(a) IN GENERAL.—Chapter 261 of title 49, United States Code, is amended—

(1) by redesignating sections 26104 and 26105 as sections 26105 and 26106, respectively; and

(2) by inserting after section 26103 the following new section 26104:

“§ 26104. Additional support for establishment of high-speed rail corridors

“(a) PURPOSE.—The purpose of this section is to facilitate the establishment of a national network of corridors for high-speed rail service.

“(b) CORPORATION TO MAKE GRANTS.—The National Rail Transportation Financing Corporation under title III of the American Rail Equity Act of 2003 may make grants of financial assistance to individual States or compact of States for the establishment of corridors for high-speed rail service.

“(c) APPLICATION.—A State or compact of States seeking a grant under this section shall submit to the Corporation an application therefor in such form, and including such information, as the Corporation shall require.

“(d) MATCHING REQUIREMENT.—A State or compact of States receiving a grant under this section for activities relating to the establishment of a corridor for high-speed rail service shall bear not less than 80 percent of the costs of the activities funded by the grant.

“(e) USE OF GRANT.—A State or compact of States receiving a grant under this section shall use the grant amount for purposes of the establishment of 1 or more corridors for high-speed rail service, including the purchase of rights-of-way for the provision of such service.

“(f) TREATMENT OF CORRIDORS.—The National Passenger Rail Office may treat a corridor established pursuant to this section as part of the national passenger rail system under chapter 251 of this title.

“(g) CONSTRUCTION WITH OTHER ASSISTANCE CORPORATION.—The authority to make grants under this section for the establishment of corridors for high-speed rail service is in addition to any other authority in this chapter, or under any other provision of law, relating to the provision of assistance for the establishment of corridors for high-speed rail service.

“(h) FUNDING.—Amounts derived from the issuance of qualified rail transportation bonds under title III of the American Rail Equity Act of 2003 and section 54 of the Internal Revenue Code of 1986 shall be available for grants under this section.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 261 of

such title is amended by striking the items relating to section 26104 and 26105 and inserting the following new items:

“26104. Additional support for establishment of high-speed rail corridors.

“26105. Authorization of appropriations.

“26106. Definitions.”.

TITLE III—RAIL INFRASTRUCTURE IMPROVEMENT

Subtitle A—Rail Infrastructure Finance Corporation

SEC. 301. ESTABLISHMENT OF CORPORATION.

There is established a nonprofit corporation, to be known as the “Rail Infrastructure Finance Corporation”. The Rail Infrastructure Finance Corporation is not an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this subtitle, and, to the extent consistent with this section, to the laws of the State of Delaware applicable to corporations not for profit.

SEC. 302. BOARD OF DIRECTORS.

(a) APPOINTMENT.—The Rail Infrastructure Finance Corporation shall have a Board of Directors consisting of 9 members appointed by the President, by and with the advice and consent of the Senate. Not more than 5 members of the Board may be members of the same political party.

(b) MEMBERSHIP QUALIFICATIONS.—

(1) IN GENERAL.—The 9 members of the Board shall be appointed from among citizens of the United States (not regular full-time employees of the United States) who are eminent in the fields of rail transportation, rail financing, and intermodal transportation planning, and the financing and management of large-scale, long-term public-private cooperative projects.

(2) REPRESENTATION OF SPECIFIC INTERESTS.—Of the 9 members of the Board, 8 of the members shall be selected as follows:

(A) Two members from among individuals who represent the interests of freight rail transportation.

(B) One member from among individuals who represent the interests of passenger rail transportation.

(C) One member from among individuals who represent the interests of the States.

(D) One member from among individuals who represent the interests of intercity passenger rail users.

(E) One member from among individuals who represent the interests of organized labor.

(F) Two members from among persons who are involved in finance.

(c) INCORPORATION.—The members initially appointed to the Board of Directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the laws of Delaware.

(d) TERMS OF OFFICE.—Members of the Board shall be appointed for terms of 6 years, except that of the members first appointed, the President shall designate 2 to serve a term of 1 year and 2 to serve a term of 3 years. No member of the Board shall be eligible to serve in excess of 2 consecutive full terms.

(e) VACANCIES.—A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall serve only for the remainder of the term. Upon the expiration of a member's term, the member shall continue to serve until a successor is appointed.

(f) ATTENDANCE REQUIRED.—Members of the Board shall attend not less than 50 percent of all duly convened meetings of the Board in any calendar year. A member who fails to meet the requirement of the preceding sentence shall forfeit membership and the President shall appoint a new member to fill the

resulting vacancy not later than 30 days after such vacancy is determined by the Chairman of the Board.

(g) **ELECTION OF CHAIRMAN AND VICE CHAIRMAN.**—Members of the Board shall annually elect 1 of their members to be Chairman and elect 1 or more of their members as a Vice Chairman or Vice Chairmen.

(h) **COMPENSATION.**—The members of the Board shall not, by reason of such membership, be considered to be officers or employees of the United States. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this title, be entitled to receive compensation at the rate of \$150 per day, including travel-time. No Board member shall receive compensation of more than \$10,000 in any fiscal year. While away from their homes or regular places of business, Board members shall be allowed travel and actual, reasonable, and necessary expenses.

(i) **MEETINGS OPEN TO PUBLIC.**—All meetings of the Board of Directors of the Corporation, including any committee of the Board, shall be open to the public under such terms, conditions, and exceptions as the Board may establish.

SEC. 303. OFFICERS AND EMPLOYEES.

(a) **IN GENERAL.**—The Rail Infrastructure Finance Corporation shall have a President, and such other officers as may be named and appointed by the Board for terms and at rates of compensation fixed by the Board. No officer or employee of the Corporation may be compensated by the Corporation at an annual rate of pay that exceeds the rate of basic pay for level I of the Executive Schedule under section 5312 of title 5, United States Code. No individual other than a citizen of the United States may be an officer of the Corporation. Subject to section 302(h), no officer of the Corporation may receive any salary or other compensation (except for compensation for services on boards of directors of other organizations that do not receive funds from the Corporation, on committees of such boards, and in similar activities for such organizations) from any sources other than the Corporation for services rendered during the period of his or her employment by the Corporation. Service by any officer on boards of directors of other organizations, on committees of such boards, and in similar activities for such organizations shall be subject to annual advance approval by the Board and subject to the provisions of the Corporation's Statement of Ethical Conduct. All officers shall serve at the pleasure of the Board.

(b) **NONPARTISAN NATURE OF APPOINTMENTS.**—Except as provided in the second sentence of section 302(a), no political test or qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Corporation.

SEC. 304. NONPROFIT AND NONPOLITICAL NATURE OF THE CORPORATION.

(a) **STOCK.**—The Rail Infrastructure Finance Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

(b) **NO PRIVATE BENEFIT.**—No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(c) **POLITICAL ACTIVITY PROHIBITED.**—The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

(d) **CONFLICTS OF INTEREST.**—No director, officer, or employee of the Corporation shall in any manner, directly or indirectly, par-

ticipate in the deliberation upon or the determination of any question affecting his or her personal interests or the interests of any corporation, partnership, or organization in which he or she is directly or indirectly interested. Board members shall recuse themselves from Board decisions that directly affect either them or entities they represent regarding grants and other assistance provided to States by the Board.

SEC. 305. PURPOSE AND ACTIVITIES OF CORPORATION.

(a) **PURPOSE.**—The Rail Infrastructure Finance Corporation shall, through the issuance of qualified rail infrastructure bonds in accordance with section 54 of the Internal Revenue Code of 1986 and this title, provide financial support for rail transportation capital projects under subtitle B.

(b) **BOND ISSUANCE CORPORATION.**—

(1) **IN GENERAL.**—In order to carry out its purposes, the Corporation is authorized to issue qualified rail infrastructure bonds (as defined in section 54(e) of the Internal Revenue Code of 1986) during the 6-year period beginning October 1, 2003.

(2) **LIMITATION.**—The total face amount of the bonds outstanding under paragraph (1) at any time may not exceed \$48,000,000,000.

(3) **NO FEDERAL GUARANTEE.**—

(A) **OBLIGATIONS INSURED BY THE CORPORATION.**—No obligation that is insured, guaranteed, or otherwise backed by the Corporation shall be deemed to be an obligation that is guaranteed by the full faith and credit of the United States.

(B) **SPECIAL RULE.**—This paragraph shall not affect the determination of whether such obligation is guaranteed for purposes of Federal income taxes.

(C) **SECURITIES OFFERED BY THE CORPORATION.**—No debt or equity securities of the Corporation shall be deemed to be guaranteed by the full faith and credit of the United States.

(4) **AUTHORITY.**—To carry out the foregoing purposes and engage in the foregoing activities, the Corporation shall have the usual powers conferred upon a nonprofit corporation under the laws of the State of Delaware.

(c) **FEDERAL ASSISTANCE.**—The Corporation shall be eligible to receive discretionary grants, contracts, gifts, contributions, or technical assistance from any department or agency of the Federal Government, but only to the extent permitted by law and to the extent necessary to carry out the purpose set forth in subsection (a) and the activities described in subsection (b).

SEC. 306. REPORT TO CONGRESS.

(a) **IN GENERAL.**—On or before May 15 of each year, the Rail Infrastructure Finance Corporation shall submit an annual report for the fiscal year ending on September 30 of the preceding year to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives. The report shall include a comprehensive and detailed report of the Corporation's operations, activities, financial condition, and accomplishments under this title and such recommendations as the Corporation deems appropriate.

(b) **AVAILABILITY FOR TESTIMONY.**—The officers and directors of the Corporation shall be available to testify before those committees with respect to such report, the report of any audit made by the Comptroller General pursuant to section 307(d)(3), or any other matter which such committees may determine.

SEC. 307. ADMINISTRATIVE MATTERS.

(a) **BUDGET.**—The Rail Infrastructure Finance Corporation shall establish an annual budget for the Corporation, including the Rail Infrastructure Investment Account under subsection (c).

(b) **IMPLEMENTATION PLAN.**—

(1) **REQUIREMENT FOR PLAN.**—The Corporation shall conduct a study and prepare a plan on how the Corporation can best achieve the purposes and fulfill the requirements of this title.

(2) **CONSULTATION.**—In preparing the plan, the Corporation may consult with the Secretary of Transportation, the Secretary of the Treasury, and representatives of State and local governments.

(3) **OTHER REQUIREMENTS.**—The plan, which shall be based on the conclusions resulting from the study conducted under paragraph (1), shall be submitted by the Corporation to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives not later than January 31, 2004. Unless directed otherwise by law, the Corporation shall implement the plan during the first fiscal year beginning after the fiscal year in which the plan is submitted to Congress.

(c) **RAIL INFRASTRUCTURE INVESTMENT ACCOUNT.**—

(1) **ESTABLISHMENT.**—The Board of Directors for the Corporation shall establish an account to be known as the Rail Infrastructure Investment Account.

(2) **DEPOSIT OF BOND PROCEEDS.**—The Corporation shall deposit the proceeds of sales of any bonds issued under section 54 of the Internal Revenue Code of 1986 into the Account.

(3) **DEPOSIT OF NON-FEDERAL CONTRIBUTIONS.**—The Board shall deposit all contributions received under section 304(a) into the Account.

(4) **DISBURSEMENTS.**—The Board shall make available and may disburse, at the beginning of fiscal year 2004 and of each succeeding fiscal year thereafter, such funds as may be available for obligation and expenditure from the Account.

(5) **USE OF ACCOUNT FUNDS.**—Funds in the Account—

(A) shall be used by the Corporation for investment purposes through the trust established under section 308 to generate an amount sufficient—

(i) to repay the principal of the bonds at their maturity; and

(ii) to pay the administrative costs of the Corporation and the Rail Infrastructure Finance Trust under section 308; and

(B) shall, to the extent of the net spendable proceeds in the account, be held in the Rail Infrastructure Finance Trust established under section 308 and be available for distribution as grants of financial assistance under subtitle B.

(6) **NET SPENDABLE PROCEEDS DEFINED.**—In this subsection, the term 'net spendable proceeds', with respect to the Rail Infrastructure Investment Account, means the amount equal to the excess of—

(A) the total amount in such Account, over

(B) the amount in such Account that is needed for uses under paragraph (5)(A).

(d) **RECORDS AND AUDIT.**—

(1) **IN GENERAL.**—The account of the Corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the

balances or securities held by depositories, fiscal agents and custodians shall be afforded to such person or persons.

(2) **AUDIT REPORT.**—The report of each such independent audit shall be included in the annual report required by section 306. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Corporation's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Corporation's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

(3) **AUDIT BY COMPTROLLER GENERAL.**—The financial transactions of the Corporation may be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representative of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers and property of the Corporation shall remain in possession and custody of the Corporation.

(4) **GAO REPORT TO CONGRESS.**—A report of each audit under paragraph (3) shall be made by the Comptroller General to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives. The report shall contain such comments and information as the Comptroller General considers necessary to inform the committees of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary, and to the Corporation at the time submitted to the Congress.

(5) **ACCOUNTING PRINCIPLES.**—

(A) **APPLICABLE PRINCIPLES.**—Not later than 1 year after the date of the enactment of this Act, the Corporation shall develop accounting principles which shall be used uniformly by all entities receiving funds under this title, taking into account organizational differences among various categories of such entities. Such principles shall be designed to account fully for all funds received and expended for purposes of this title by such entities.

(B) **CONSULTATION.**—The Corporation may consult with the Comptroller General and, as appropriate, with others in the development of the accounting principles under subparagraph (A).

(6) **REQUIREMENTS FOR RECIPIENTS.**—Each entity receiving funds under this title shall—

(A) keep its books, records, and accounts in such form as may be required by the Corporation;

(B) either—

(i) undergo a biennial audit by independent certified public accountants or independent

licensed public accountants certified or licensed by a regulatory authority of a State, which audit shall be in accordance with auditing standards developed by the Corporation, in consultation with the Comptroller General; or

(ii) submit a financial statement in lieu of the audit required by subparagraph (A) if the Corporation determines that the cost burden of such audit on such entity is excessive in light of the financial condition of such entity; and

(C) furnish biennially to the Corporation a copy of the audit report required pursuant to the subparagraph (B), as well as such other information regarding finances (including an annual financial report) as the Corporation may require.

(7) **ADDITIONAL RECORDKEEPING.**—Any recipient of assistance by grant or contract under this section, other than a fixed price contract awarded pursuant to competitive bidding procedures, shall keep such records as may be reasonably necessary to disclose fully the amount and the disposition by such recipient of such assistance, that total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the projects or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(8) **ACCESS TO RECORDS.**—The Corporation or any of its duly authorized representatives shall have access to any books, documents, papers, and records of any recipient of assistance for the purpose of auditing and examining all funds received from the Corporation. The Comptroller General of the United States or any of his duly authorized representatives also shall have access to such books, documents, papers, and records for the purpose of auditing and examining all funds received from the Corporations during any fiscal year for which Federal funds are available to the Corporation.

(9) **PUBLIC INSPECTION.**—The Corporation shall maintain the information described in paragraphs (6), (7), and (8) at its offices for public inspection and copying for at least 3 years, according to such reasonable guidelines as the Corporation may issue. This public file shall be updated regularly.

SEC. 308. RAIL INFRASTRUCTURE FINANCE TRUST.

(a) **ESTABLISHMENT.**—The Board of Directors of the Rail Infrastructure Finance Corporation shall establish the Rail Infrastructure Finance Trust (hereafter in this section referred to as the "Trust") as a trust domiciled in the State of Delaware. The Trust shall, to the extent not inconsistent with this Act, be subject to the laws of the State of Delaware that are applicable to trusts. The Trust shall manage and invest the assets of the Rail Infrastructure Account described in section 307(c) that are transferred to it by the Board in the manner set forth in this section.

(b) **NOT A FEDERAL AGENCY OR INSTRUMENTALITY.**—The Trust is not a department, agency, or other instrumentality of the Government of the United States and shall not be subject to title 31, United States Code.

(c) **BOARD OF TRUSTEES.**—

(1) **ESTABLISHMENT.**—The Trust shall have a Board of Trustees.

(2) **COMPOSITION.**—

(A) **APPOINTMENT.**—The Board of Trustees shall consist of 5 members each of whom (hereafter in this title referred to as a "Trustee") is appointed by a unanimous vote of the Board of Directors of the Rail Infrastructure Finance Corporation. The Board of Directors, by unanimous vote, may remove any member of the Board of Trustees.

(B) **REPRESENTATION OF PARTICULAR INTERESTS.**—The 5 members of the Board of Trustees shall be selected as follows:

(i) One from among persons who represent the interests of the States.

(ii) One from among persons who represent the interests of freight railroads.

(iii) One from among persons who represent the interests of passenger railroads.

(iv) One from among persons who represent the interests of holders of qualified rail infrastructure bonds issued by the Rail Infrastructure Finance Corporation.

(v) One from among persons whose interests are independent of interests referred to in the other clauses of this subparagraph.

(3) **MEMBERS NOT UNITED STATES OFFICIALS.**—The members of the Board of Trustees may not be considered officers or employees of the Government of the United States.

(4) **QUALIFICATIONS.**—The Trustees shall be appointed only from among persons who have experience and expertise in the management of financial investments. No member of the Board of Directors of the Rail Infrastructure Finance Corporation is eligible to be a Trustee.

(5) **TERMS.**—Each member of the Board of Trustees shall be appointed for a 3-year term. Any member whose term has expired may serve until such member's successor has taken office, or until the end of the calendar year in which such member's term has expired, whichever is earlier. A vacancy in the Board of Trustees shall not affect the powers of the Board of Trustees and shall be filled in the same manner as the member whose departure caused the vacancy. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term.

(d) **POWERS.**—The Board of Trustees shall—

(1) establish investment policies, including guidelines, and retain independent advisers to assist in the formulation and adoption of the investment guidelines;

(2) retain independent investment managers to invest the assets of the Trust in a manner consistent with such investment guidelines;

(3) invest assets in the Trust, pursuant to the policies adopted in paragraph (1);

(4) pay administrative expenses of the Trust from the assets in the Trust; and

(5) transfer money to the Rail Infrastructure Investment Account, upon request of the Board of Directors of the Rail Infrastructure Finance Corporation, for bond repayment and administrative expenses, and for grants under subtitle B.

(e) **REPORTING REQUIREMENTS AND FIDUCIARY STANDARDS.**—The following reporting requirements and fiduciary standards shall apply with respect to the Trust:

(1) **DUTIES OF THE BOARD OF TRUSTEES.**—The Trust and each member of the Board of Trustees shall discharge the duties of the Trust and the duties of the Trustee, respectively (including the voting of proxies), with respect to the assets of the Trust solely in the interests of the Rail Infrastructure Finance Corporation and the programs funded under this title—

(A) for the exclusive purposes of—

(i) providing sufficient funds to repay qualified rail infrastructure bonds issued by the Rail Infrastructure Finance Corporation, to fund the administrative costs of the Rail Infrastructure Finance Corporation and to provide grants for rail capital projects under subtitle B; and

(ii) defraying reasonable expenses of administering the Trust;

(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like

capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(C) by diversifying investments so as to minimize the risk of large losses and to avoid disproportionate influence over a particular industry or firm, unless under the circumstances it is clearly prudent not to do so; and

(D) in accordance with Trust governing documents and instruments insofar as such documents and instruments are consistent with this Act.

(2) PROHIBITIONS WITH RESPECT TO MEMBERS OF THE BOARD OF TRUSTEES.—A member of the Board of Trustees may not—

(A) deal with the assets of the Trust in the Trustee's own interest or for the Trustee's own account;

(B) in an individual or in any other capacity, act in any transaction involving the assets of the Trust on behalf of a party (or represent a party) whose interests are adverse to the interests of the Trust and the Rail Infrastructure Finance Corporation; or

(C) receive any consideration for the Trustee's own personal account from any party dealing with the assets of the Trust.

(3) EXCULPATORY PROVISIONS AND INSURANCE.—Any provision in an agreement or instrument that purports to relieve a Trustee from responsibility or liability for any responsibility, obligation, or duty under this Act shall be void. Nothing in this paragraph shall be construed to preclude—

(A) the Trust from purchasing insurance for its Trustees or for itself to cover liability or losses occurring by reason of the act or omission of a Trustee, if such insurance permits recourse by the insurer against the Trustee in the case of a breach of a fiduciary obligation by such Trustee;

(B) a Trustee from purchasing insurance to cover liability under this section from and for his own account; or

(C) an employer or an employee organization from purchasing insurance to cover potential liability of 1 or more Trustees with respect to their fiduciary responsibilities, obligations, and duties under this section.

(4) TRUSTEES BONDS.—

(A) REQUIREMENT.—Each Trustee and every person who handles funds or other property of the Trust (hereafter in this section referred to as "Trust official") shall be bonded. The bond shall provide protection to the Trust against loss by reason of acts of fraud or dishonesty on the part of any Trust official, directly or through the connivance of others.

(B) AMOUNT.—The amount of a bond for a Trustee under this paragraph shall be fixed at the beginning of each fiscal year of the Trust by the Board of Directors of the Rail Infrastructure Finance Corporation. The amount may not be less than 10 percent of the amount of the funds administered by the Trust. In no case may such bond be less than \$1,000 nor more than \$500,000, except that the Board of Directors, after consideration of the record, may prescribe an amount in excess of \$500,000, subject to the 10 percent minimum requirement in the preceding sentence.

(C) UNLAWFUL CONDUCT.—It shall be unlawful for—

(i) any Trust official to receive, handle, disburse, or otherwise exercise custody or control of any of the funds or other property of the Trust without being bonded as required by this subsection;

(ii) any Trust official, or any other person having authority to direct the performance of such functions, to permit such functions, or any of them, to be performed by any Trust official, with respect to whom the requirements of this subsection have not been met; and

(iii) any person to procure any bond required by this subsection from any surety or other company or through any agent or broker in whose business operations such person has any control or significant financial interest, direct or indirect.

(f) AUDIT AND REPORT.—

(1) REQUIREMENT FOR ANNUAL AUDIT.—The Trust shall annually engage an independent qualified public accountant to audit the financial statements of the Trust.

(2) ANNUAL MANAGEMENT REPORT.—The Trust shall submit an annual management report to be included in the annual report of the Corporation required under section 306. The management report under this paragraph shall include the following matters:

(A) A statement of financial position.

(B) A statement of operations.

(C) A statement of cash flows.

(D) A statement on internal accounting and administrative control systems.

(E) The report resulting from an audit of the financial statements of the Trust conducted under paragraph (1).

(F) Any other comments and information necessary to inform Congress about the operations and financial condition of the Trust.

(3) ADDITIONAL COPIES.—The Trust shall provide the President and the Director of the Office of Management and Budget a copy of the management report when it is submitted to Congress.

(g) ENFORCEMENT.—The Rail Infrastructure Finance Corporation may commence a civil action—

(1) to enjoin any act or practice by the Trust, its Board of Trustees, or its employees or agents that violates any provision of this Act; or

(2) to obtain other appropriate relief to redress such violations, or to enforce any provisions of this Act.

(h) ADMINISTRATIVE MATTERS.—

(1) AUTHORITY.—The Board of Trustees shall have the authority to make rules to govern its operations, employ professional staff, and contract with outside advisers (including the Rail Infrastructure Finance Corporation) to provide legal, accounting, investment advisory, or other services necessary for the proper administration of this section. In the case of a contract for investment advisory services, compensation for such services may be provided on a fixed fee basis or on such other terms and conditions as are customary for such services.

(2) QUORUM AND PROCEEDINGS.—Three members of the Board of Trustees shall constitute a quorum for the Board to conduct business. Investment guidelines shall be adopted by a unanimous vote of the entire Board of Trustees. All other decisions of the Board of Trustees shall be decided by a majority vote of the quorum present. All decisions of the Board of Trustees shall be entered upon the records of the Board of Trustees.

(3) COMPENSATION OF TRUSTEES AND EMPLOYEES.—The salaries of the Trustees and the employees of the Trust are subject to the limitations in section 303.

(4) FUNDING.—The expenses of the Trust and the Board of Trustees that are incurred under this section shall be paid from the Trust.

(i) EXEMPTION FROM TAX FOR RAIL INFRASTRUCTURE FINANCE TRUST.—Subsection (c) of section 501 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(29) The Rail Infrastructure Finance Trust established under section 308 of the American Rail Equity Act of 2003."

Subtitle B—Rail Development Grant Program
SEC. 311. NATIONAL SYSTEM IMPROVEMENT GRANT PROGRAM.

(a) GRANTS TO STATES.—The Board of Directors of the Rail Infrastructure Finance

Corporation may, by grant, provide financial assistance to a State, group of States, or the National Railroad Passenger Corporation, for, or in connection with, intercity passenger rail capital projects that are—

(1) designated as National System Improvement Projects under section 22506 of title 49, United States Code; and

(2) as determined by the Board, will significantly benefit the National System, as designated under section 25002(a) of title 49, United States Code, of intercity passenger rail infrastructure or services.

(b) PROJECT SELECTION CRITERIA.—The Board, in selecting the recipients of financial assistance to be provided under subsection (a), shall—

(1) give preference to projects that most significantly improve intercity passenger rail service on routes of the National System through increased frequency of on-time performance, reduced trip time, higher ridership, increased service frequency, or other service measures as defined under section 22506 of title 49, United States Code;

(2) give preference to projects that effect multiple routes or the entire National System;

(3) require that each proposed project meet all safety requirements that are applicable to the project under law, and give a preference to any project determined by the Board as having provided for particularly high levels of safety;

(4) encourage intermodal connectivity through projects that provide direct connections between train stations, airports, bus terminals, subway stations, ferry ports, and other modes of transportation;

(5) ensure a general balance across geographic regions of the United States in providing such assistance and avoid a concentration of a disproportionate amount of such financial assistance in a single project or region of the country;

(6) favor projects that are expected to have a significant favorable impact on air or highway traffic congestion;

(7) encourage projects that also improve freight or commuter rail operations;

(8) favor projects that either—

(A) have significant environmental benefits; or

(B) are—

(i) at a stage of preparation that all precommencement compliance with environmental protection requirements has already been completed; and

(ii) ready to be commenced;

(9) favor projects with positive economic and employment impacts;

(10) encourage the use of positive train control technologies;

(11) favor projects that have commitments of funding from non-Federal Government sources in a total amount that exceeds the minimum amount of the non-Federal contribution required under section 315(a);

(12) ensure that each project is compatible with, and is operated in conformance with—

(A) plans developed pursuant to the requirements of sections 134 and 135 of title 23, United States Code;

(B) State rail plans under chapter 225 of title 49, United States Code; and

(C) the national rail plan; and

(13) favor projects that enhance national security.

(c) AMTRAK ELIGIBILITY.—To receive a grant under this section, the National Railroad Passenger Corporation may enter into a cooperative agreement with 1 or more States to carry out 1 or more projects on an approved State rail plan's ranked list of priority freight and passenger rail capital projects developed under section 22504(5) of title 49, United States Code, or may submit an independent application for a grant for

any project designated as a National System Improvement Project under section 22506 of title 49, United States Code. Any such independent grant request shall be subject to the same selection criteria as apply under subsection (b) to projects of States, except the criteria set forth in subparagraphs (A) and (B) of subsection (b)(12).

(e) LIMITATIONS.—

(1) TWO-YEAR AVAILABILITY.—If any amount provided as a grant to a State or the National Railroad Passenger Corporation under this section is not obligated or expended for the purposes described in subsections (a) and (b) within 2 years, such sums shall be returned to the Board for other national system improvement projects under this section at the discretion of the Board.

(2) SINGLE PROJECT AMOUNT.—In awarding grants to States for eligible projects under this section, the Board shall limit the amount of any grant made for a particular project in a fiscal year to not more than 30 percent of the total amount of the funds available for grants under this section for that fiscal year.

(3) AMTRAK.—The total amount of grants made under this section to the National Railroad Passenger Corporation in a fiscal year may not exceed 50 percent of the total amount available under this section for all grants in that fiscal year.

(4) NORTHEAST CORRIDOR PROJECTS.—The total amount of grants made under this section for the Northeast Corridor in a fiscal year may not exceed 25 percent of the total amount available under this section for all grants under this section in that fiscal year.

(5) OTHER PROJECTS.—The total amount of grants made under this section for projects other than projects for the Northeast Corridor in any fiscal year may not exceed 75 percent of the total amount available under this section for all grants under this section in that fiscal year.

(6) NORTHEAST CORRIDOR DEFINED.—In this section, the term "Northeast Corridor" has the meaning given that term in section 24102(6) of title 49, United States Code.

(f) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation for fiscal years 2004 through 2009 such sums as may be necessary to carry out subsections (a) through (e) of this section.

(2) NORTHEAST CORRIDOR FREIGHT-ONLY TRACK.—

(A) IN GENERAL.—Notwithstanding any other provision of this section, there are authorized to be appropriated to the Secretary of Transportation for the construction of a freight-only track on the Northeast Corridor for fiscal year 2005 \$125,000,000, including capital improvements, improvements to signal systems, high-speed interlockings, track, and bridges, such sum to remain available until expended.

(B) FINANCIAL CONTRIBUTION FROM OTHER USERS.—The Secretary shall consider the feasibility of seeking a financial contribution to the construction of the track and capital improvements related thereto from other users.

(C) PROJECT CONSTRUCTION.—The Secretary shall coordinate construction of the track with the owner of the freight easement on the Northeast Corridor to ensure that current service commitments for both passenger and freight rail transportation are maintained.

SEC. 312. GRANT PROGRAM REQUIREMENTS AND LIMITATIONS.

(a) AUTHORIZED USES.—The proceeds of a grant made for a project under this subtitle may be used to defray the costs of the project or to reimburse the recipient for costs of the project paid by the recipient.

(b) NON-FEDERAL CONTRIBUTION.—The proceeds of a grant for 1 or more projects under this subtitle may be released upon receipt by the Board of Directors of the Rail Infrastructure Finance Corporation of cash payment by a non-Federal Government source, or 1 or more such sources jointly, in an amount not less than the amount equal to 20 percent of the amount of the grant disbursed. The cash payment may not be derived, directly or indirectly, from Federal funds. Amounts received under this subsection shall be credited to the Rail Infrastructure Investment Account established under section 307(c).

(c) PREFERENCE INVOLVING DONATED PROPERTY INTERESTS AND SERVICES.—In selecting projects for grant funding under this subtitle, the Board may give preference to projects that involve donated right-of-way, property, or in-kind services by a public sector or private sector entity. The value of a donation under subsection (c) may not be counted toward satisfaction of the requirement in subsection (b).

(d) FLEXIBILITY.—Notwithstanding any other provision of this subtitle, amounts made available under section 316 may be combined and used for projects that significantly benefit both freight rail service and intercity passenger rail service.

(e) SUBALLOCATION; PUBLIC-PRIVATE PARTNERSHIPS.—

(1) IN GENERAL.—A metropolitan planning organization, State transportation department, or other project sponsor may enter into an agreement with any public, private, or nonprofit entity to cooperatively implement any project funded with a grant under this subtitle.

(2) FORMS OF PARTICIPATION.—Participation by an entity under paragraph (1) may consist of—

(A) ownership or operation of any land, facility, locomotive, rail car, vehicle, or other physical asset associated with the project;

(B) cost-sharing of any project expense;

(C) carrying out administration, construction management, project management, project operation, or any other management or operational duty associated with the project; and

(D) any other form of participation approved by the Board.

(3) SUB-ALLOCATION.—A State may allocate funds under this section to any entity described in paragraph (1).

(f) APPLICATIONS.—To seek a grant under this subtitle, a State or, in the case of a grant under section 311, the National Railroad Passenger Corporation shall submit an application for the grant to the Board. The application shall be submitted at such time and contain such information as the Board requires.

(g) PROCEDURES FOR GRANT AWARD.—The Board shall prescribe procedures for the awarding of grants under this subtitle, including application and qualification procedures and a record of decision on applicant eligibility. The procedures shall include the execution of a grant agreement between the applicant and the Board. The Board shall initiate rulemaking for the purpose of this subsection not later than 90 days after the date of the enactment of this Act.

Subtitle C—Rail Infrastructure Tax Credit Bonds

SEC. 321. CREDIT TO HOLDERS OF QUALIFIED RAIL INFRASTRUCTURE BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following new subpart:

"Subpart H—Nonrefundable Credit for Holders of Qualified Rail Infrastructure Bonds

"Sec. 54. Credit to holders of qualified rail infrastructure bonds.

"SEC. 54. CREDIT TO HOLDERS OF QUALIFIED RAIL INFRASTRUCTURE BONDS.

"(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified rail infrastructure bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

"(b) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified rail infrastructure bond is 25 percent of the annual credit determined with respect to such bond.

"(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified rail infrastructure bond is the product of—

"(A) the applicable credit rate, multiplied by

"(B) the outstanding face amount of the bond.

"(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of sale of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

"(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

"(A) March 15,

"(B) June 15,

"(C) September 15, and

"(D) December 15.

Such term includes the last day on which the bond is outstanding.

"(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this part (other than this subpart and subpart C).

"(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

"(e) QUALIFIED RAIL INFRASTRUCTURE BOND.—For purposes of this part, the term 'qualified rail infrastructure bond' means any bond issued as part of an issue if—

"(1) the bond is issued by the Rail Infrastructure Finance Corporation and is in registered form,

"(2) the term of each bond which is part of such issue does not exceed 20 years,

“(3) the payment of principal with respect to such bond is the obligation of the Rail Infrastructure Finance Corporation and not an obligation of the United States.

“(4) all proceeds from the sale of the issue are used for the purposes set forth in section 307(c)(5) of the American Rail Equity Act of 2003, and

“(5) 95 percent or more of the net spendable proceeds from the sale of such issue are to be used for expenditures incurred after the date of enactment of the American Rail Equity Act of 2003 for any project described in section 311, 312, 313, or 314 of that Act.

“(f) SPECIAL RULES RELATING TO ARBITRATION.—

“(1) IN GENERAL.—Subject to paragraph (2), an issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the issuer reasonably expects—

“(A) to award grants under sections 311, 312, 313, and 314 of the American Rail Equity Act of 2003 in a total amount that is at least 95 percent of the net spendable proceeds of the issue for 1 or more qualified projects within the 3-year period beginning on such date,

“(B) to incur a binding commitment with a third party—

“(i) to spend at least 10 percent of the net spendable proceeds of the issue, or to commence construction, with respect to such projects within the 6-month period beginning on such date, and

“(ii) to proceed with due diligence to complete such projects, and

“(C) to expend the total amount of the net spendable proceeds of the issue.

“(2) RULES REGARDING CONTINUING COMPLIANCE AFTER 3-YEAR DETERMINATION.—If at least 95 percent of the net spendable proceeds of the issue is not awarded as grants to be expended for 1 or more qualified projects within the 3-year period beginning on the date of issuance, but the requirements of paragraph (1) are otherwise met, an issue shall be treated as continuing to meet the requirements of paragraph (1) if either the requirement under subparagraph (A) or the requirements under subparagraph (B) are met, as follows:

“(A) The issuer uses all unspent proceeds from the sale of the issue to redeem bonds of the issue within 90 days after the end of such 3-year period and disburses any remaining net spendable proceeds to the Secretary of Transportation within 30 days after the end of such 3-year period.

“(B) The issuer—

“(i) awards in grants under sections 311, 312, 313, and 314 of the American Rail Equity Act of 2003 at least 75 percent of the net spendable proceeds of the issue for 1 or more qualified projects within the 3-year period beginning on the date of issuance, and

“(ii) either—

“(I) awards in grants under sections 311, 312, 313, and 314 of the American Rail Equity Act of 2003 at least 95 percent of the net spendable proceeds of the issue for 1 or more qualified projects within the 4-year period beginning on the date of issuance, or

“(II) pays to the Federal Government any earnings on the proceeds from the sale of the issue that accrue after the end of the 3-year period beginning on the date of issuance and uses all unspent proceeds from the sale of the issue to redeem bonds of the issue within 90 days after the end of the 4-year period beginning on the date of issuance.

“(g) RECAPTURE OF PORTION OF CREDIT WHERE CESSATION OF COMPLIANCE.—

“(1) IN GENERAL.—If any bond which when issued purported to be a qualified rail infrastructure bond ceases to be such a qualified bond, the issuer shall pay to the United

States (at the time required by the Secretary) an amount equal to the sum of—

“(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

“(B) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for each calendar year for the period beginning on the first day of such calendar year.

“(2) FAILURE TO PAY.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to such bond, the tax imposed by this chapter on each holder of any such bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under this section to such holder for taxable years beginning in such 3 calendar years which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

“(3) SPECIAL RULES.—

“(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

“(B) NO CREDITS AGAINST TAX.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining—

“(i) the amount of any credit allowable under this part, or

“(ii) the amount of the tax imposed by section 55(19).

“(h) RAIL INFRASTRUCTURE FINANCE TRUST.—

“(1) IN GENERAL.—The following amounts shall be held in a trust account by the Rail Infrastructure Finance Corporation:

“(A) An amount of the proceeds from the sale of all bonds designated for purposes of this section that, when combined with amounts described in subparagraphs (B), (C), and (D), is sufficient—

“(i) to ensure the Corporation's ability to redeem all bonds upon maturity; and

“(ii) to pay the administrative expenses of the Corporation and the Rail Infrastructure Finance Trust.

“(B) The amount of any non-Federal contributions required under section 304(a) of the American Rail Equity Act of 2003.

“(C) The temporary period investment earnings on proceeds from the sale of such bonds.

“(D) Any earnings on any amounts described in subparagraph (A), (B), or (C).

“(2) USE OF FUNDS.—Amounts in the trust account may be used only for investment purposes to generate sufficient funds to redeem qualified rail infrastructure bonds at maturity and pay the administrative expenses of the Corporation and the Trust, and for funding grants as provided for in section 307(c)(5)(B) of the American Rail Equity Act of 2003.

“(3) USE OF REMAINING FUNDS IN TRUST ACCOUNT.—If the Corporation determines that the amount in the trust account exceeds the amount required to comply with paragraph (2), the Corporation shall transfer the excess to the Rail Infrastructure Finance Trust.

“(i) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) BOND.—The term ‘bond’ includes any obligation.

“(2) NET SPENDABLE PROCEEDS.—The term ‘net spendable proceeds’ has the meaning

give such term in section 307(c)(6) of the American Rail Equity Act of 2003.

“(3) QUALIFIED PROJECT.—The term ‘qualified project’ means any project that is eligible for grant funding under section 311, 312, 313, or 314 of the American Rail Equity Act of 2003.

“(4) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

“(5) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified rail infrastructure bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

“(6) REPORTING.—Issuers of qualified rail infrastructure bonds shall submit reports similar to the reports required under section 149(e).”

(b) AMENDMENTS TO OTHER CODE SECTIONS.—

(1) REPORTING.—Subsection (d) of section 6049 of the Internal Revenue Code of 1986 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

“(8) REPORTING OF CREDIT ON QUALIFIED RAIL INFRASTRUCTURE BONDS.—

“(A) IN GENERAL.—For purposes of subsection (a), the term ‘interest’ includes amounts includible in gross income under section 54(d) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(b)(4)).

“(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

“(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.”

(2) TREATMENT FOR ESTIMATED TAX PURPOSES.—

(A) INDIVIDUAL.—Section 6654 of such Code (relating to failure by individual to pay estimated income tax) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

“(m) SPECIAL RULE FOR HOLDERS OF QUALIFIED RAIL INFRASTRUCTURE BONDS.—For purposes of this section, the credit allowed by section 54 to a taxpayer by reason of holding a qualified rail infrastructure bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.”

(B) CORPORATE.—Section 6655 of such Code (relating to failure by corporation to pay estimated income tax) is amended by adding at the end of subsection (g) the following new paragraph:

“(5) SPECIAL RULE FOR HOLDERS OF QUALIFIED RAIL INFRASTRUCTURE BONDS.—For purposes of this section, the credit allowed by section 54 to a taxpayer by reason of holding a qualified rail infrastructure bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.”

(c) CLERICAL AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Subpart H. Nonrefundable Credit for Holders of Qualified Rail Infrastructure Bonds.”

(2) Section 6401(b)(1) is amended by striking “and G” and inserting “G, and H”.

SEC. 322. ANNUAL REPORT BY TREASURY ON RAIL INFRASTRUCTURE TRUST ACCOUNT.

The Secretary of the Treasury shall annually report to Congress as to whether the amount deposited in the trust account established by the Rail Infrastructure Finance Corporation under section 54(i) of the Internal Revenue Code of 1986, as added by section 321, is sufficient to fully repay at maturity the principal of any outstanding qualified rail infrastructure bonds issued pursuant to section 54 of such Code (as so added), together with amounts expected to be deposited into such account, as certified by the Rail Infrastructure Finance Corporation in accordance with procedures prescribed by the Secretary of the Treasury.

SEC. 323. ISSUANCE OF REGULATIONS.

The Secretary of the Treasury shall issue regulations required under section 54 of the Internal Revenue Code of 1986 (as added by this section 321) not later than 90 days after the date of the enactment of this Act.

SEC. 324. EFFECTIVE DATE.

The amendments made by section 321 shall apply to obligations issued after the date of enactment of this Act.

TITLE IV—RAIL INFRASTRUCTURE AND INTERMODAL TRANSPORTATION

SEC. 401. INTERMODAL TRANSPORTATION POLICY.

Section 302(e) is amended by striking “system” and inserting “system, including freight and passenger rail service and maritime transportation, including such transportation via inland waterways.”

SEC. 402. STATE RAIL PLANS.

(a) IN GENERAL.—Part B of subtitle V is amended by adding at the end the following:

“CHAPTER 225—STATE RAIL PLANS

“Sec.

“22501. Authority.

“22502. Purposes and coordination.

“22503. Transparency and review.

“22504. Content.

“22505. High priority projects.

“22506. Approval.

“22507. Definitions.

“§ 22501. Authority

“(a) IN GENERAL.—Each State may prepare and maintain a State rail plan in accordance with the provisions of this chapter.

“(b) REQUIREMENTS.—For the preparation and periodic revision of a State rail plan, a State shall—

“(1) establish or designate a State rail transportation authority to prepare, maintain, coordinate, and administer the plan;

“(2) establish or designate a State rail plan approval authority to approve the plan;

“(3) submit the approved plan to the Secretary of Transportation for approval; and

“(4) revise and resubmit an approved plan no less frequently than once every 7 years for reapproval by the Secretary.

“§ 22502. Purposes and coordination

“(a) PURPOSES.—The purposes of a State rail plan are as follows:

“(1) To set forth State policy for all freight and passenger rail transportation, including commuter rail operations, in the State.

“(2) To establish the period covered by the State rail plan.

“(3) To present priorities and strategies to preserve, enhance, or expand rail service in the State.

“(4) To serve as the basis for Federal and State rail investments within the State.

“(b) COORDINATION.—A State rail plan shall be coordinated with other State transportation planning goals and programs and set forth rail transportation’s role within the State transportation system.

“§ 22503. Transparency and review

“(a) PREPARATION.—A State shall provide adequate and reasonable notice and opportunity for comment and other input to the public, rail carriers, commuter and transit authorities operating in, or affected by rail operations within the State, units of local government, and other interested parties in the preparation and review of its State rail plan.

“(b) ANNUAL REVIEWS.—Each State shall transmit an annual report on its plan to the Secretary of Transportation. The report shall include, for the year preceding the year in which submitted, the following matters:

“(1) A review of progress made, and actions taken, under the plan during the year.

“(2) A schedule of actions to be taken during the current year.

“(3) Any modifications made in the plan after approval of the plan by the Secretary or after the submission of the most recent annual report on the plan to the Secretary, including any modifications made to the priority freight or passenger rail capital project list required by section 22504(a)(5) of this title.

“(c) APPROVAL OF MODIFIED PLANS.—Each modification of a State rail plan that is determined substantive by the Secretary, including any modification to a priority freight or passenger rail capital project list required by section 22504(a)(5) of this title, is subject to approval (for the purposes of this chapter) by the Secretary.

“§ 22504. Content

“(a) IN GENERAL.—Each State rail plan shall contain the following:

“(1) An evaluation of the existing overall rail transportation system and rail services and facilities within the State, a prioritization of such services and facilities in terms of their contributions to the State’s rail and transportation system.

“(2) A comprehensive review of all rail lines within the State, including proposed high speed rail corridors and significant rail line segments not currently in service, containing an analysis of the transportation services provided by those lines, their ownership, operating characteristics, the state of their infrastructure (including capital and maintenance requirements), and the economic and environmental impact of those lines.

“(3) A statement of freight and passenger rail service objectives, including minimum service levels, for rail transportation routes in the State.

“(4) A general analysis and quantification of rail’s transportation, economic, and environmental impacts in the State, including congestion mitigation, trade and economic development, air quality, land-use, energy-use, and community impacts.

“(5) A long-range rail service and investment program for current and future freight and passenger services in the State that meets the requirements of subsection (b).

“(6) A statement of rail financing issues in the State, including a list of current and prospective capital and operating funding resources, public subsidies, State and Federal taxation, and other financial policies relating to rail service and rail infrastructure development.

“(7) A statement of rail service issues within the State, such as congestion and capacity, and current system deficiencies on a regional, intrastate, and interstate basis, that reflects consultation with neighboring States and describes any coordination of regional rail service.

“(8) A review of major passenger and freight intermodal rail connections and facilities within the State, including seaports,

and options to maximize service integration and efficiency between rail and other modes of transportation within the State.

“(9) A description of new technology that relates to rail transportation within the State, including logistics and process improvements.

“(10) A review of plans and projects within the State to improve rail transportation safety and security, including all major projects funded under section 130 of title 23.

“(11) A performance evaluation of passenger rail services operating in the State, including possible improvements in those services, and a description of strategies to achieve those improvements.

“(12) A description of activities by regional planning agencies, regional transportation authorities, and municipalities in the State on freight and passenger rail service within the State, or in the region in which the State is located, including a presentation of any recommendations made by such agencies, authorities, and municipalities.

“(13) A compilation of studies and reports on high-speed rail corridor development within the State not included in a previous plan under this chapter, and a plan for funding any recommended development of such corridors in the State.

“(14) A statement that the State is in compliance with the requirements of section 22102.

“(b) LONG-RANGE SERVICE AND INVESTMENT PROGRAM.—

“(1) PROGRAM CONTENT.—A long-range rail service and investment program included in a State rail plan under subsection (a)(5) shall include the following matters:

“(A) Two ranked lists for rail capital projects, one for priority freight rail capital projects and one for priority passenger rail capital projects.

“(B) A detailed funding plan for the projects.

“(2) PROJECT LIST CONTENT.—The ranked list of priority freight and passenger rail capital projects shall contain—

“(A) a description of the anticipated public and private benefits of each such project; and

“(B) a statement of the correlation between—

“(i) private funding contributions for the projects; and

“(ii) the private benefits.

“(3) CONSIDERATIONS FOR PROJECT LIST.—In preparing the ranked list of priority freight and passenger rail capital projects, a State rail transportation authority shall take into consideration the following matters:

“(A) Contributions made by non-Federal Government and non-State sources through user fees, matching funds, or other private capital involvement.

“(B) Rail capacity and congestion effects.

“(C) Highway and transportation system congestion mitigation.

“(D) Regional balance.

“(E) Environmental impact.

“(F) Competitive and service impact for rail carriers and shippers.

“(G) Preservation of rail service.

“(H) Economic and employment impacts.

“(I) Projected ridership for passenger projects.

“(c) WAIVER.—The Secretary may waive the any requirement of subsection (a), except the requirement in paragraph (5) of such subsection, upon application under circumstances that the Secretary determines appropriate.

“§ 22505. High priority projects

“(a) DESIGNATION OF PROJECTS.—The Secretary of Transportation may designate as a high priority project any project that meets both of the following criteria:

“(1) The project is on a ranked list of priority freight and passenger rail capital

projects that is included in a State rail plan under section 22504(5).

“(2) The project focuses on key rail congestion points that are selected by the Secretary—

“(A) on the basis of national benefits to the rail transportation system; and

“(B) coordinated with the national rail plan.

“(b) PREFERRED PROJECTS.—The Secretary, in designating high priority projects, shall give preference to—

“(1) projects that have national significance for—

“(A) improving the national rail network and the Nation’s transportation system;

“(B) ensuring particularly high levels of safety;

“(C) increasing intermodal connectivity by providing or improving direct connections between rail facilities and other modes of transportation;

“(D) significantly affecting highway, aviation, or maritime capacity, congestion, or safety;

“(E) improving both intercity passenger rail and freight rail services;

“(F) enhancing rail completion or freight rail service for shippers;

“(G) causing positive economic and employment results;

“(H) producing significant environmental or community benefits;

“(I) having received financial commitments and other support from numerous entities such as States, local governments, or private entities;

“(J) enhancing international trade;

“(K) enhancing national security; or

“(L) employing positive train control technologies; and

“(2) projects that are at the stage of preparation that all precommencement compliance with environmental protection requirements has been completed and the projects are ready to commence.

“(c) REGIONAL BALANCE AND COMPATIBILITY.—The Secretary, in designating high priority projects, shall ensure that—

“(1) the geographic distribution of the projects designated as high priority projects is generally balanced among the geographic regions of the United States and a disproportionate number of such projects is not concentrated in a single region or State; and

“(2) all projects are compatible with, and carried out in conformance with—

“(A) plans developed pursuant to the requirements of sections 134 and 135 of title 23; and

“(B) the national rail plan.

“§ 22506. Approval

“(a) CRITERIA.—The Secretary may approve a State rail plan for the purposes of this chapter if—

“(1) the plan meets all of the requirements applicable to State plans under this chapter;

“(2) for each project listed on the ranked list of priority freight and passenger rail capital projects under the plan—

“(A) the project meets all safety requirements that are applicable to the project under law; and

“(B) the State has entered into an agreement with any owner of rail infrastructure directly affected by the project that provides for the State to proceed with the project; and

“(3) the content of the plan is coordinated with—

“(A) plans developed pursuant to the requirements of sections 134 and 135 of title 23; and

“(B) the national rail plan and any other transportation plan of the Federal Government that is required by law.

“(b) PROCEDURES FOR STATE RAIL PLAN SUBMISSION AND APPROVAL.—The Secretary

shall prescribe procedures for States to submit State rail plans for review under this subtitle, including application and qualification procedures. The procedures shall provide for the Secretary to review a State rail plan and issue a record of decision of approval or disapproval, with comment, on such plan within 180 days after the plan is submitted.

“§ 22507. Definitions

“In this chapter:

“(1) PRIVATE BENEFIT.—The term ‘private benefit’ means a benefit accrued to a person or private entity that directly improves the economic and competitive condition of that person or entity through improved assets, cost reductions, service improvements, or any other means as defined by the Secretary.

“(2) PUBLIC BENEFIT.—The term ‘public benefit’ means a benefit accrued to the public in the form of enhanced mobility of people or goods, environmental protection or enhancement, congestion mitigation, enhanced trade and economic development, improved air quality or land use, more efficient energy use, enhanced public safety or security, reduction of public expenditures due to improved transportation efficiency or infrastructure preservation, and any other positive community effects as defined by the Secretary.

“(3) STATE.—The term ‘State’ means any of the 50 States and the District of Columbia.

“(4) STATE RAIL TRANSPORTATION AUTHORITY.—The term ‘State rail transportation authority’ means the State agency or official responsible under the direction of the Governor of the State or a State law for preparation, maintenance, coordination, and administration of the State rail plan.”.

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle V is amended by inserting after the item relating to chapter 223 the following:

“225. STATE RAIL PLANS22501.”.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 205—EX-PRESSING THE SENSE OF THE SENATE THAT A COMMEMORATIVE POSTAGE STAMP SHOULD BE ISSUED ON THE SUBJECT OF AUTISM AWARENESS

Mr. COLEMAN submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 205

Resolved, That it is the sense of the Senate that—

(1) a commemorative postage stamp should be issued by the United States Postal Service on the subject of autism awareness; and

(2) the Citizens’ Stamp Advisory Committee should recommend to the Postmaster General that such a postage stamp be issued.

Mr. BURNS. Mr. President, I would like to show my support for the autism awareness resolution submitted today by my colleague, Senator COLEMAN. Autism is a developmental disability which typically appears during the first 3 years of life and impairs the communication and social skills in those affected. The result of a neurological disorder affecting the functioning of the brain, autism and its associated behaviors occur in as many as 1 in 500 individuals, in a rate of 5 boys to every girl. Because autism is difficult to recognize and diagnose, it is

important that families seek an evaluation by a medical professional experienced in diagnosing and treating the disorder.

This disability is about 10 times more prevalent today than it was in the 1980s, with over 500,000 people in the U.S. today with some form of this pervasive developmental disorder. Its frequency rate makes autism one of the most common developmental disabilities. However, most of the public, including many medical, educational, and vocational professionals, are still unaware of how autism affects people and how they can effectively work with individuals with this diagnosis. I encourage my colleagues to join me in my efforts to increase autism awareness, and support this resolution.

SENATE RESOLUTION 206—HONORING THE MEMORY OF DR. WILLIAM R. (“BILL”) BRIGHT AND COMMENDING HIS LIFE AS AN EXAMPLE TO SUCCEEDING GENERATIONS

Mr. BROWNBACK (for himself and Mrs. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 206

Whereas Dr. Bright died on July 19, 2003, at age 81 in Orlando, Florida from complications related to pulmonary fibrosis, a lung disease for which there is no known cure or effective treatment;

Whereas Dr. Bright was an agnostic humanist and materialist, and successful Hollywood businessman, until he became “overcome by the love of our great Creator God and Savior” in 1945, whereupon he spent 5 years in theological studies at Princeton and Fuller Theological Seminaries;

Whereas Dr. Bright, with his wife Vonette, in 1951 founded Campus Crusade for Christ International, which now serves people in 191 countries through a staff of 27,000 full-time employees and up to 500,000 trained volunteers;

Whereas his life focus was on students and laypersons, and from the first he emphasized the role of women as full partners in leadership in the various ministries;

Whereas Dr. Billy Graham, a long-time friend of the Brights, has said: “He is a man whose sincerity and integrity and devotion to our Lord have been an inspiration and a blessing to me ever since the early days of my ministry”;

Whereas Dr. Bright lived simply, owning neither houses nor land, and receiving no honoraria or donations for his thousands of appearances across the world, and the scores of writings and video presentations he developed;

Whereas when the Berlin Wall came down in 1989, he fulfilled a dream of more than 40 years of praying for Russia by donating his entire pension to establish a ministry to the students of Moscow State University;

Whereas Campus Crusade for Christ International operates more than 70 ministries and projects which offer hope and spiritual enlightenment across the globe to students on hundreds of campuses, urban residents, including minorities, the well-known Athletes-in-Action ministry, leaders of governments, inmates of prisons, aid to families, aid to health and education programs, aid to