

105TH CONGRESS  
1ST SESSION

# S. 1087

To provide for the modernization of port and rail access in northern New England, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 30, 1997

Mr. JEFFORDS (for himself, Ms. SNOWE, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To provide for the modernization of port and rail access  
in northern New England, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Older Industrial Re-  
5       gion Rail and Port Access and Modernization Act”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that—

8               (1) the growth of commerce in northern New  
9       England is hampered by a decaying rail infrastruc-  
10      ture;

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1           (2) during the 5-year period beginning on the  
2           date of enactment of this Act, international trade  
3           shipping is projected to increase by more than 20  
4           percent;

5           (3) in the shipping industry, there is a wide-  
6           spread international trend for shippers to use only  
7           ports with double-stack rail access;

8           (4) aging rail lines and constricted passage in  
9           older industrial States are—

10                 (A) limiting the movement of cargo and in-  
11                 dividuals throughout that area; and

12                 (B) restricting access to deepwater ports;  
13           and

14           (5) improving rail lines and double-stack freight  
15           rail passage to allow rail connections to and through  
16           other States and provinces will enable the economy  
17           of the older industrial region to grow and prosper by  
18           bringing new industry into the region that will result  
19           in growth in high wage jobs.

20 **SEC. 3. DEFINITIONS.**

21           In this Act:

22           (1) **FUND.**—The term “Fund” means the Older  
23           Industrial Rail Modernization and Port Access Fund  
24           established by section 4(g).

1           (2) OLDER INDUSTRIAL REGION.—The term  
 2           “older industrial region” means the northeastern  
 3           area of the United States.

4           (3) OLDER INDUSTRIAL STATE.—The term  
 5           “older industrial State” means—

6                       (A) Vermont;

7                       (B) Maine; and

8                       (C) New Hampshire.

9           (4) RAIL PROJECT.—The term “rail project”  
 10          means a project for the acquisition, rehabilitation, or  
 11          improvement of railroad facilities or equipment, as  
 12          described in section 511 of the Railroad Revitaliza-  
 13          tion and Regulatory Reform Act of 1976 (45 U.S.C.  
 14          831).

15          (5) SECRETARY.—The term “Secretary” means  
 16          the Secretary of Transportation.

17 **SEC. 4. DIRECT FEDERAL ASSISTANCE.**

18          (a) IN GENERAL.—

19               (1) GRANTS.—Subject to the availability of ap-  
 20          propriations, the Secretary shall make a grant under  
 21          this section to each older industrial State that sub-  
 22          mits an application to the Secretary that dem-  
 23          onstrates, to the satisfaction of the Secretary, a need  
 24          for assistance under this section in carrying out 1 or  
 25          more transportation projects described in subsection

1 (b), (c), (d), or (e) that are necessary to improve  
2 rail transport in that State.

3 (2) GRANT AGREEMENT.—The Secretary shall  
4 enter into a grant agreement with each older indus-  
5 trial State that receives a grant under this section.  
6 At a minimum, the agreement shall specify that the  
7 grant recipient will meet the applicable requirements  
8 of this section, including the cost-sharing require-  
9 ment under subsection (f)(2).

10 (b) GRANTS FOR PORT ACCESS.—The Secretary shall  
11 make grants under this section for the purposes of con-  
12 necting all railroads to ports and ensuring that double-  
13 stack rail cars can travel freely throughout older industrial  
14 States.

15 (c) GRANTS FOR BRIDGE AND TUNNEL OBSTRUC-  
16 TION REPAIR AND REPLACEMENT.—The Secretary shall  
17 make grants under this section for the purpose of enlarg-  
18 ing tunnels and embankments, removing, repairing, or re-  
19 placing bridges or other obstructions that inhibit the free  
20 movement of freight or passenger rail cars and the use  
21 of double-stack rail cars.

22 (d) GRANTS FOR REPAIR OF RAILROAD BEDS.—The  
23 Secretary shall make grants under this section for the pur-  
24 poses of repairing, upgrading, and purchasing railbeds

1 and tracks, including improving safety of all railroad  
2 tracks.

3 (e) GRANTS FOR DEVELOPMENT OF INTERMODAL  
4 FACILITIES.—The Secretary shall make grants under this  
5 section for the purposes of constructing, operating, and  
6 maintaining train maintenance facilities and facilities for  
7 the transfer of goods and individuals between other trans-  
8 portation modes, including—

- 9 (1) intermodal truck-train transfer facilities;
- 10 (2) passenger rail stations; and
- 11 (3) bulk fuel transfer facilities.

12 (f) FUNDING LIMITATIONS ON EXPENDITURES OF  
13 FUNDS.—

14 (1) FUNDING.—The grants made under this  
15 section shall be made with funds transferred from  
16 the Fund.

17 (2) COST-SHARING.—

18 (A) IN GENERAL.—A grant made under  
19 this section shall be used to pay the Federal  
20 share of the cost of a project conducted under  
21 a grant agreement.

22 (B) FEDERAL SHARE.—The Federal share  
23 of the cost of a project referred to in subpara-  
24 graph (A) shall be 80 percent of the cost of the  
25 project.

1 (3) ALLOCATION AMONG STATES.—

2 (A) IN GENERAL.—For each of fiscal years  
3 1998 through 2001, the Secretary shall, in  
4 making grants under this section, allocate avail-  
5 able amounts in the Fund among older indus-  
6 trial States in accordance with a formula estab-  
7 lished by the Secretary in accordance with sub-  
8 paragraph (B).

9 (B) ALLOCATION FORMULA.—In making  
10 grants under this section, for each of the fiscal  
11 years specified in subparagraph (A), the Sec-  
12 retary shall allocate an equal amount of the  
13 amounts available from the Fund to each of the  
14 older industrial States that submits 1 or more  
15 grant applications that meet the requirements  
16 of this section.

17 (g) OLDER INDUSTRIAL RAIL MODERNIZATION AND  
18 PORT ACCESS FUND.—

19 (1) ESTABLISHMENT.—There is established in  
20 the Treasury of the United States a trust fund, to  
21 be known as the “Older Industrial Rail Moderniza-  
22 tion and Port Access Fund”. The Fund shall consist  
23 of—

24 (A) such amounts as are appropriated to  
25 the Fund; and

1 (B) any interest earned on investment of  
 2 amounts in the Fund under paragraph (2).

3 (2) INVESTMENT OF FUND.—

4 (A) IN GENERAL.—The Secretary of the  
 5 Treasury shall invest such portion of the Fund  
 6 as is not, in the judgment of the Secretary, re-  
 7 quired to meet then current withdrawals. Those  
 8 investments may be made only in interest-bear-  
 9 ing obligations of the United States or obliga-  
 10 tions guaranteed as to both principal and inter-  
 11 est by the United States. For that purpose,  
 12 those obligations may be acquired—

13 (i) on original issue at the issue price,

14 or

15 (ii) by purchase of outstanding obliga-  
 16 tions at the market price.

17 (B) SALE OF OBLIGATION.—Any obligation  
 18 acquired by the Fund (except special obligations  
 19 issued exclusively to the Fund) may be sold by  
 20 the Secretary of the Treasury at the market  
 21 price. The special obligations may be redeemed  
 22 at par plus accrued interest.

23 (C) CREDITS TO FUND.—The interest on,  
 24 and the proceeds from, the sale or redemption

1 of, any obligations held in the Fund shall be  
2 credited to and form a part of the Fund.

3 (3) TRANSFERS FROM FUND.—The Secretary of  
4 the Treasury shall, on the request of the Secretary  
5 of Transportation, transfer from the Fund to the  
6 Secretary of Transportation, any amounts that the  
7 Secretary of Transportation determines to be nec-  
8 essary to carry out the grant program under this  
9 section.

10 (4) ADMINISTRATIVE EXPENSES.—Not more  
11 than 1 percent of the amounts in the Fund may be  
12 used by the Secretary of Transportation to cover ad-  
13 ministrative expenses for carrying out the grant pro-  
14 gram under this section.

15 (h) APPLICABILITY OF TITLE 23.—Except as other-  
16 wise provided in this section, funds made available to an  
17 older industrial State under this section shall be available  
18 for obligation in the manner provided for funds appor-  
19 tioned under chapter 1 of title 23, United States Code.

20 (i) AUTHORIZATION OF APPROPRIATIONS.—

21 (1) IN GENERAL.—There are authorized to be  
22 appropriated to the Fund to carry out this section  
23 \$65,000,000 for each of fiscal years 1998 through  
24 2001.



1           (2) AVAILABILITY OF FUNDS.—The amounts  
2           appropriated pursuant to this subsection shall re-  
3           main available for obligation until the end of the  
4           third fiscal year following the fiscal year for which  
5           the amounts are appropriated.

6 **SEC. 5. RAILROAD LOAN AND ASSISTANCE PROGRAM.**

7           (a) PURPOSE.—The purpose of this section is to pro-  
8           vide assistance for rail projects in older industrial States.

9           (b) ISSUANCE OF OBLIGATIONS.—The Secretary  
10          shall issue to the Secretary of the Treasury notes or other  
11          obligations pursuant to section 512 of the Railroad Revi-  
12          talization and Regulatory Reform Act of 1976 (45 U.S.C.  
13          832), in such amounts, and at such times, as may be nec-  
14          essary, during the period that the guaranteed obligation  
15          is outstanding, to—

16                (1) pay any amounts required pursuant to the  
17                guarantee of the principal amount of an obligation  
18                under section 511 of that Act (45 U.S.C. 831) for  
19                any eligible rail project described in subsection (c);  
20                and

21                (2) meet the applicable requirements of this  
22                section and sections 511 and 513 of that Act (45  
23                U.S.C. 832 and 833).

24           (c) ELIGIBILITY.—A rail project that is eligible for  
25          assistance under this section is a rail project—

1           (1) for a railroad that is located in an older in-  
2       dustrial State; and

3           (2) that promotes the mobility of goods and in-  
4       dividuals.

5       (d) LIMITATION.—Notwithstanding any other provi-  
6       sion of law, the aggregate unpaid principal amounts of ob-  
7       ligations that may be guaranteed by the Secretary under  
8       this section may not exceed \$50,000,000 during any of  
9       fiscal years 1998 through 2001.

10       (e) AUTHORIZATION OF APPROPRIATIONS.—There  
11       are authorized to be appropriated to the Department of  
12       Transportation, to be used by the Secretary to make guar-  
13       antees under this section, \$5,000,000 for each of fiscal  
14       years 1998 through 2001.

15       **SEC. 6. REPORT.**

16       Not later than 1 year after the date of enactment  
17       of this Act, and annually thereafter, the Secretary shall  
18       submit to Congress and the Governor of each older indus-  
19       trial State a report concerning the rehabilitation of the  
20       rail infrastructure of older industrial States.

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