

106TH CONGRESS
1ST SESSION

H. R. 3398

To ensure that a national railroad system is maintained or created which is adequate to provide the transportation services needed for the United States economy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 1999

Mr. NADLER introduced the following bill; which was referred to the
Committee on Transportation and Infrastructure

A BILL

To ensure that a national railroad system is maintained or created which is adequate to provide the transportation services needed for the United States economy, 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 “Surface Transpor-
5 tation Board Modernization Act”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—The Congress makes the following
8 findings:

1 (1) The goal of the body of Federal laws regu-
2 lating the provision of transportation services is, and
3 always has been, to foster an efficient and com-
4 prehensive national transportation system. Competi-
5 tion has historically been viewed by the Interstate
6 Commerce Commission and the Surface Transpor-
7 tation Board as a principal means of obtaining effi-
8 ciency.

9 (2) Before enactment of the Staggers Rail Act
10 of 1980, railroads were hindered by excessive regula-
11 tion. With that Act, the railway industry returned to
12 profitability and the financial community began to
13 re-invest in the industry.

14 (3) The Interstate Commerce Commission and
15 its successor agency, the Surface Transportation
16 Board, have long held that truck competition is an
17 adequate force to keep the rail industry under con-
18 trol and to substitute for lost rail service. However,
19 with any mode of transportation, competition from
20 another mode does not regulate the entire spectrum
21 of a carrier's activities.

22 (4) Trucks provide intense competition to the
23 rail industry for a large majority of the Nation's
24 freight traffic, particularly with respect to short-haul
25 and high-value traffic, because of access to a high-

1 way infrastructure that is consistently maintained
2 and modernized by the Federal and local govern-
3 ments. By contrast, no major effort has been made
4 to modernize the routes of the Nation's railway sys-
5 tem so as to provide less circuitous routes than those
6 necessitated by the limitations of 19th century civil
7 engineering, thereby reducing the distance between
8 markets.

9 (5) In response to the presence of the trucking
10 industry, railway management has followed a policy
11 of reducing railway track mileage and car fleet size,
12 to focus on traffic sectors deemed sufficiently profit-
13 able by the financial markets to justify continued
14 capital investment.

15 (6) Almost all the main lines in the Nation are
16 now operated by only four major operators that
17 dominate vast areas of the Nation. They have all
18 abandoned vast stretches of track. Competition alone
19 is an inadequate method of attaining the goals of
20 the Nation's railway system, since it does not ad-
21 dress the problems resulting from inadequate track
22 capacity.

23 (b) PURPOSE.—It is the purpose of this Act to ensure
24 that a national railway system is maintained that is ade-
25 quate to provide the transportation services needed by the

1 Nation's economy in the 21st century. To serve this pur-
2 pose, this Act seeks to ensure that—

3 (1) the national railroad system serves all re-
4 gions on equitable terms and is fully adequate to
5 serve the national interest under all circumstances;

6 (2) the national railroad system is environ-
7 mentally efficient, maximizes the competitiveness of
8 the Nation's economy in world markets, and allows
9 a reasonable distribution of freight traffic between
10 transportation modes based on their inherent effi-
11 ciency; and

12 (3) these purposes are achieved by the industry
13 with as little oversight or regulation as possible, but,
14 where oversight is required, that the Surface Trans-
15 portation Board have and exercise jurisdiction.

16 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

17 Section 705 of title 49, United States Code, is
18 amended by striking paragraphs (1) through (3) and in-
19 serting the following:

20 “(1) \$17,000,000 for fiscal year 2000;

21 “(2) \$23,000,000 for fiscal year 2001; and

22 “(3) \$28,000,000 for fiscal year 2002.”.

23 **SEC. 4. SCOPE OF AUTHORITY.**

24 Section 11321 of title 49, United States Code, is
25 amended—

1 (1) in subsection (a), by striking “all other law”
2 and all that follows through “acquired through the
3 transaction” and inserting “State and local laws to
4 the extent they regulate combinations, mergers, and
5 acquisitions of control of rail carriers, as necessary
6 to let that rail carrier, corporation, or person carry
7 out the transaction”; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(c) After a transaction approved or exempted by the
11 Board under this subchapter (or by the Interstate Com-
12 merce Commission under this subchapter or any prede-
13 cessor statute) is completed, the activities of a rail carrier
14 participating in or resulting from such transaction shall
15 be subject to State and Federal law to the same extent
16 as those of any other similarly situated rail carrier that
17 has not participated in or resulted from such a trans-
18 action. Completion of a transaction for purposes of this
19 section shall be deemed to occur when the acquiring rail
20 carrier assumes responsibility for the property trans-
21 ferred.”.

22 **SEC. 5. CIRCUITOUS ROUTING.**

23 Section 10741 of title 49, United States Code, is
24 amended by adding at the end the following new sub-
25 section:

1 “(d) Notwithstanding subsection (b), a rail carrier
2 providing transportation or service subject to the jurisdic-
3 tion of the Board under this part may not offer terms
4 and conditions of carriage which discriminate against the
5 most direct routing of traffic between points and impose
6 circuitous routing of traffic (as defined in section
7 11324(c)(4)).”.

8 **SEC. 6. CONDITIONS OF APPROVAL.**

9 (a) AMENDMENT.—Section 11324(c) of title 49,
10 United States Code, is amended to read as follows:

11 “(c)(1) The Board shall approve and authorize a
12 transaction under this section when it finds the trans-
13 action is consistent with the public interest. The Board
14 may impose conditions governing the transaction. The
15 Board shall impose such conditions as are feasible, con-
16 sistent with the public interest, to promote the goal of pro-
17 viding the Nation, and each major population center, with
18 comprehensive, competitive rail freight services, to the ex-
19 tent that the imposition of such conditions does not sub-
20 stantially impair the viability of a rail carrier. When the
21 transaction contemplates a guaranty or assumption of
22 payment of dividends or of fixed charges or other actions
23 that will result in an increase of total fixed charges, the
24 Board may approve and authorize the transaction only if
25 it finds that the guaranty, assumption, or increase is con-

1 sistent with the public interest. In imposing conditions
2 under this subsection, the Board shall consider the impact
3 of those conditions on local communities, and shall con-
4 sider the public interest in the enforcement of Federal,
5 State, and local safety and environmental laws. Conditions
6 imposed by the Board under this subsection may
7 include—

8 “(A) transfers of tracks or trackage rights, or
9 requirements of access to facilities;

10 “(B) the inclusion of rail carriers, or the trans-
11 fer or inclusion of assets, not a subject of the origi-
12 nal application, to the extent consistent with the
13 public interest, after due notice to the owners of
14 such nonapplicant rail carriers or assets and after
15 hearing;

16 “(C) provision, wherever practicable, for com-
17 petitive rail services between major market centers
18 to ensure that such services are available to the
19 greatest extent possible within all areas of all major
20 markets, and that the capacity and redundancy of
21 the Nation’s railway system is preserved and en-
22 hanced, with parallel lines between major markets,
23 to the extent practicable, not operated by the same
24 rail carrier;

1 “(D) elimination of rail monopolies in major
2 markets, or parts thereof, to the extent practicable,
3 considering the physical assets available within the
4 market area; and

5 “(E) wherever practicable, provisions to avoid
6 inefficient or circuitous routing of traffic, with serv-
7 ice of major population centers by connecting high-
8 way services from remote locations, requiring truck
9 haulage through urban areas, permitted only where
10 such haulage cannot be practically eliminated or re-
11 duced, and only if conditioned upon modifications to
12 be made, or to be made within a reasonable time,
13 that will minimize highway carriage and the adverse
14 environmental effects thereof.

15 “(2) The Board shall ensure that fair compensation
16 is paid for all property transferred under a transaction
17 approved and authorized under this section, and that all
18 assets transferred are preserved for a period adequate to
19 ensure that any associated operating plan is successful
20 and can be modified to ensure that service to the public
21 is not jeopardized.

22 “(3) The Board shall review operations resulting
23 from a transaction approved and authorized under this
24 section at 6-month intervals to ensure that the public in-
25 terest is being served. The Board may modify or revoke

1 a transaction, on terms that are just and reasonable, if
 2 the public interest so requires.

3 “(4) For purposes of this subsection, the term ‘circui-
 4 tous routing’ means the routing of rail traffic in a manner,
 5 through closing of interchanges, discriminatory pricing, or
 6 otherwise, that adds 25 percent or more to the mileage
 7 traveled for any carriage over 400 miles, or that adds 1
 8 full day to any carriage time.

9 “(5) Judicial review of any determination by the
 10 Board under this section shall include review of the issues
 11 by the court de novo.”.

12 (b) EFFECTIVE DATE.—The amendment made by
 13 subsection (a) shall apply to all transactions before the
 14 Surface Transportation Board as of January 1, 1998, and
 15 thereafter, including transactions over which the Board
 16 had retained jurisdiction as of that date.

17 **SEC. 7. PRESERVATION AND RESTORATION OF SERVICE.**

18 (a) RAILROAD DEVELOPMENT.—Section 10907 of
 19 title 49, United States Code, is amended—

20 (1) by amending subsection (a) to read as fol-
 21 lows:

22 “(a) In this section—

23 “(1) the term ‘eligible applicant’ means a per-
 24 son or a governmental authority or representative
 25 group who, or which, is able to assure that adequate

1 transportation will be provided over such line for a
2 period of not less than 3 years; and

3 “(2) the term ‘railroad line’ includes a line,
4 right-of-way, track, terminal, or other facility,
5 whether or not currently operational.”;

6 (2) in subsection (b)(1)—

7 (A) by inserting “, pursuant to application
8 by an eligible applicant or on its own initia-
9 tive,” after “When the Board”;

10 (B) by striking subparagraph (B);

11 (C) in subparagraph (A)—

12 (i) by striking “(i)”;

13 (ii) by inserting “, including a pre-
14 viously abandoned railroad line,” after
15 “particular railroad line”;

16 (iii) by striking “(ii)” and inserting
17 “(B)”;

18 (iv) by striking “; and” at the end
19 and inserting a comma; and

20 (D) by striking “to sell such line to such
21 financially responsible person at a price not less
22 than the constitutional minimum value” and in-
23 serting “to restore service or facilities on the
24 line or to transfer such line to an eligible appli-
25 cant, a person designated by an eligible appli-

1 cant, or a person designated by the Board. A
2 person to whom a railroad line is required to be
3 transferred under this subsection shall be a per-
4 son who can most effectively provide rail service
5 to shippers which are or could be served by the
6 railroad line. Transfers required under this sub-
7 section shall be made for not less than the con-
8 stitutional minimum value”;

9 (3) in subsection (c)—

10 (A) by striking “to shippers who transport
11 traffic over such line” in paragraph (1)(A);

12 (B) by striking “for the majority of ship-
13 pers who transport traffic over such line” in
14 paragraph (1)(B) and inserting “to serve the
15 public interest”;

16 (C) by striking “a significantly adverse fi-
17 nancial effect on the rail carrier operating such
18 line;” in paragraph (1)(C) and inserting “an
19 adverse impact on the public interest; and”;

20 (D) by striking paragraph (1)(D);

21 (E) by redesignating subparagraph (E) of
22 paragraph (1) as subparagraph (D);

23 (F) in paragraph (1)(D), as so redesign-
24 ated by subparagraph (E) of this paragraph,

1 by striking “for shippers that transport traffic
2 over such line”; and

3 (G) in paragraph (2), by striking “the per-
4 son filing the application” and inserting “a per-
5 son filing an application”; and

6 (4) in subsection (g)(1)—

7 (A) by striking “Any person” and inserting
8 “Any Class II or Class III rail carrier”; and

9 (B) by inserting “or of subsections (a) and
10 (c) of this section” after “107 of this title”.

11 (b) SITUATIONS REQUIRING IMMEDIATE ACTION TO
12 SERVE THE PUBLIC.—Section 11123 of title 49, United
13 States Code, is amended—

14 (1) in subsection (a), by inserting “, on its own
15 initiative or pursuant to complaint by a govern-
16 mental authority or other person,” after “When the
17 Board”;

18 (2) in subsection (a), by striking “creates an
19 emergency situation of such magnitude as to have”
20 and inserting “has”; and

21 (3) in subsection (c)(1), by striking “transpor-
22 tation emergency” and inserting “situation”.

1 **SEC. 8. SALE OF CERTAIN CONNECTING RAILROAD LINES.**

2 (a) AMENDMENT.—Chapter 109 of title 49, United
3 States Code, is amended by adding at the end the fol-
4 lowing new section:

5 **“§ 10908. Sale of certain connecting railroad lines**

6 “(a) Whenever a railroad line owned by a Class I or
7 Class II railroad carrier that connects with one or more
8 railroad lines owned or operated by Class III railroad car-
9 riers is offered for sale, the Class I or II carrier shall no-
10 tify the Board within 10 days after such offer.
11 Whenever—

12 “(1) the Board is notified of such an offer for
13 sale; or

14 “(2) such a line is the subject of an effort by
15 the Board under section 10907 to find a designated
16 operator therefor,

17 the owners and operators of such connecting Class III rail-
18 road lines shall be notified by the Board. Such owners and
19 operators may, within 30 days after such notice, file with
20 the offering Class I or Class II railroad carrier or with
21 the Board a written notice of intention to bid on the pur-
22 chase of the railroad line. Such a filing shall entitle the
23 filer to a right of first refusal to match any offer to pur-
24 chase the railroad line, subject to this section.

25 “(b) If more than one person files a notice of inten-
26 tion to bid under subsection (a) and seeks to exercise the

1 right of first refusal, the Board shall select the purchaser,
2 giving preference to a bid representing—

3 “(1) a greater number of connecting Class III
4 railroad lines; or

5 “(2) a greater amount of traffic using the line
6 to be transferred, averaged over the preceding 3
7 years,

8 whichever the Board determines will better represent the
9 interests of all of the connecting Class III railroad carriers
10 and their shippers. The Board may deny a person filing
11 under subsection (a) the right of first refusal if the Board
12 finds that the public convenience and necessity do not per-
13 mit the purchase of the railroad line by that person.

14 “(c) If no person exercises a right of first refusal
15 under this section on a bid, the Board shall impose condi-
16 tions on the sale of the railroad line to protect service
17 needed in the region that is provided by the connecting
18 Class III railroad carriers, including conditions that elimi-
19 nate any restrictions on the routing or interchange of traf-
20 fic proposed or required by the selling rail carrier.

21 “(d) If a notice of intention to bid has been filed
22 under subsection (a) with respect thereto, the Board shall
23 not approve any sale of a railroad line to a party not filing
24 such a notice if the sale would impose a capital cost on
25 the purchaser which cannot be supported by the traffic

1 on the line or by any increase in such traffic as may rea-
 2 sonably be expected.”.

3 (b) TABLE OF SECTIONS.—The table of sections of
 4 chapter 109 of title 49, United States Code, is amended
 5 by adding at the end the following new item:

“10908. Sale of certain connecting railroad lines.”.

6 **SEC. 9. RAILROAD IMPROVEMENT PROPERTY TAX STA-**
 7 **BILIZATION.**

8 Section 11501 of title 49, United States Code, is
 9 amended—

10 (1) by striking “commercial and” each place it
 11 appears;

12 (2) in subsection (a)(4), by striking “a commer-
 13 cial or” and inserting “an”; and

14 (3) by adding after subsection (b)(4) the fol-
 15 lowing new paragraph:

16 “(5) Increase an assessment on rail transpor-
 17 tation property on the basis of improvements di-
 18 rectly related to the provision of railroad transpor-
 19 tation.”.

20 **SEC. 10. PROVISION OF RATES ON REQUEST.**

21 Section 11101(b) of title 49, United States Code, is
 22 amended by inserting “for a movement between any 2
 23 points on its system or for an entire movement between
 24 a point on its system and any other point, according to

1 the request made” after “other service terms” in the first
2 sentence.

3 **SEC. 11. DISCRIMINATORY RATES.**

4 Section 10701 of title 49, United States Code, is
5 amended—

6 (1) in subsection (b) by inserting “A rate dis-
7 criminate unreasonably against a connecting line
8 for purposes of this subsection if the rate is designed
9 to divert traffic from or to that connecting line to
10 a less direct route or if it excludes traffic from or
11 to that connecting line.” after “specifically by the
12 shipper.”; and

13 (2) by adding at the end the following new sub-
14 section:

15 “(e) A rail carrier may not establish a rate which dis-
16 criminate against the interchange of traffic as between
17 carriers on any basis except actual cost based on mileage
18 traveled and services rendered.”.

19 **SEC. 12. USE OF TERMINAL FACILITIES.**

20 Section 11102 of title 49, United States Code, is
21 amended—

22 (1) in subsection (a)—

23 (A) by striking “may require” and insert-
24 ing “shall require”;

1 (B) by striking “in the public interest”
2 and inserting “to enable that other rail carrier
3 to provide more efficient or lower cost railroad
4 transportation service”;

5 (C) by inserting after “handle its own
6 business” the following: “and to maintain serv-
7 ice for shippers. A rail carrier requesting the
8 Board to order another rail carrier to allow it
9 to use terminal facilities or trackage rights
10 under this subsection shall not be required to
11 show anticompetitive activities on the part of
12 the owner of the terminal facilities”; and

13 (D) by striking “, the Board may estab-
14 lish” and all that follows through “condemna-
15 tion proceedings” and inserting “on such condi-
16 tions and compensation within 30 days after an
17 order of the Board under this subsection, the
18 Board shall establish conditions and compensa-
19 tion for the use of the facilities. Compensation
20 established by the Board under this subsection
21 shall be based on usage of the facilities and
22 sharing of the total costs incurred, with provi-
23 sion for a reasonable profit for the owning rail
24 carrier above expenses and investment (with in-
25 vestment in facilities acquired through mergers

1 and acquisitions calculated on the basis of book
2 value). The Board shall not require the use by
3 a Class I rail carrier of facilities owned by a
4 Class II or III rail carrier under this subsection
5 unless the owning carrier is not serving or per-
6 mitting service for, and is unable or unwilling
7 to serve or permit service for, a customer or
8 customers through such facilities”; and

9 (2) in subsection (c)(1)—

10 (A) by striking “may require” and insert-
11 ing “shall require”;

12 (B) by inserting “if such agreements will
13 not substantially impair the ability of the rail
14 carrier providing the switching service to handle
15 its own business. A rail carrier requesting the
16 Board to order another rail carrier to enter into
17 reciprocal switching agreements under this sub-
18 section shall not be required to show anti-
19 competitive activities on the part of the other
20 railroad carrier” after “competitive rail serv-
21 ice”; and

22 (C) by striking “, but, if the” and all that
23 follows through the period at the end and in-
24 serting “. If the carriers fail to agree on such
25 conditions and compensation within 30 days

1 after an order of the Board under this sub-
 2 section, the Board shall establish such condi-
 3 tions and compensation. Compensation estab-
 4 lished by the Board under this subsection shall
 5 be based on the operating and roadway mainte-
 6 nance expenses incurred, with provision for a
 7 reasonable profit for the switching rail carrier
 8 above expenses and investment in the facilities
 9 used in performing the switching (with invest-
 10 ment in facilities acquired through mergers and
 11 acquisitions calculated on the basis of book
 12 value).”.

13 **SEC. 13. SIDE TRACKS.**

14 Section 10906 of title 49, United States Code, and
 15 the item relating thereto in the table of sections of chapter
 16 109 of that title, are repealed.

17 **SEC. 14. FEES.**

18 Section 721 of title 49, United States Code, is
 19 amended by adding at the end the following new sub-
 20 section:

21 “(f) **LIMITATION ON FEES.**—The Board shall not
 22 charge a fee for the filing of a complaint, protest, or other
 23 request for relief in an amount greater than fees charged
 24 by Federal district courts for comparable filings.”.

1 **SEC. 15. EMPLOYEE PROTECTION.**

2 Section 11326(a) of title 49, United States Code, is
3 amended to read as follows:

4 “(a) Except as otherwise provided in this section,
5 when approval is sought for a transaction under sections
6 11324 and 11325 of this title, the Board shall require the
7 rail carrier to provide a fair arrangement at least as pro-
8 tective of the interests of employees who are affected by
9 the transaction as the terms imposed under section 11347
10 of this title as in effect before December 29, 1995. The
11 arrangement and the order approving the transaction
12 must require that—

13 “(1) the employees of the affected rail carrier
14 will not be in a worse position related to their em-
15 ployment as a result of the transaction during the
16 6 years following the date on which the employee is
17 affected by the action taken by the affected rail car-
18 rier as a result of the transaction (or if an employee
19 was employed for a lesser period of time by the rail
20 carrier before the transaction became final, for that
21 lesser period); and

22 “(2) the rail carrier and the authorized rep-
23 resentatives of the rail carrier’s employees shall ne-
24 gotiate under the Railway Labor Act any arrange-
25 ment regarding the selection of forces or assignment

1 of employees caused by the Board's order of ap-
2 proval under section 11324 or 11325.

3 Notwithstanding paragraph (2), arbitration of a proposed
4 arrangement may occur only if both parties agree to that
5 process. The Board shall not, under any circumstances,
6 have the authority under this title to break, modify, alter,
7 override, or abrogate, in whole or in part, any provision
8 in any collective bargaining agreement or implementing
9 agreement made between a rail carrier and the authorized
10 representatives of its employees under the Railway Labor
11 Act, or to provide such authority to any other person.”.

12 **SEC. 16. MARKET DOMINANCE.**

13 Section 10707(d)(1)(A) of title 49, United States
14 Code, is amended by adding at the end the following: “The
15 Board shall not consider evidence of product or geographic
16 competition in making a market dominance determination
17 under this section.”.

18 **SEC. 17. ADVISORY COMMITTEE.**

19 (a) ESTABLISHMENT.—There shall be established a
20 Federal Railroad Advisory Committee (in this section re-
21 ferred to as the “Committee”) to make recommendations
22 to the Congress and the President on the issues described
23 in subsection (c).

24 (b) MEMBERSHIP.—The Committee shall consist of
25 15 members, each of whom shall be an individual from

1 industry, the professions, labor, or academia who has
2 knowledge of the transportation industry. The President
3 shall appoint 9 members including 1 representative of rail-
4 road employees and 1 each with special expertise in—

- 5 (1) port operation and design;
- 6 (2) rail operations;
- 7 (3) electrification;
- 8 (4) coal and bulk movement;
- 9 (5) agricultural movement;
- 10 (6) hazardous materials movement;
- 11 (7) passenger operations; and
- 12 (8) intermodal operations.

13 The Speaker of the House of Representatives shall appoint
14 2 members, the Majority Leader of the Senate shall ap-
15 point 2 members, the Minority Leader of the House of
16 Representatives shall appoint 1 member, and the Minority
17 Leader of the Senate shall appoint 1 member.

18 (c) FUNCTIONS.—The Committee shall investigate,
19 analyze, and make recommendations on the condition and
20 capacity of the present physical plant of the Nation's rail-
21 way system and the adequacy of that plant to meet the
22 needs of the 21st century. The Committee shall make spe-
23 cific recommendations concerning needed legislation or
24 regulatory authority and national investment to—

1 (1) preserve or increase the capacity of the rail-
2 way system to provide environmentally sound, com-
3 prehensive, cost-effective transportation services
4 throughout the Nation;

5 (2) modernize the railway system to eliminate
6 circuitry, inadequate bridges, avoidable curvature,
7 grade crossings, and heavy grades, and to allocate
8 the costs of such improvements equitably, in propor-
9 tion to the benefit afforded and the origin of the
10 need to incur the cost, as between the railway indus-
11 try and any other benefited class or industry, includ-
12 ing the general public;

13 (3) provide for sufficient redundancy to reduce
14 regional dependence on single railroad carriers or
15 lines for access to the national system and to render
16 the national system less vulnerable to disruption by
17 natural or manmade disasters and incidents;

18 (4) provide, maintain, and manage the equip-
19 ment and labor pool required to handle the projected
20 needs of commerce, agriculture, and defense;

21 (5) electrify and maintain electrification on
22 principal high-capacity rail routes and all trunk lines
23 in urban areas while preserving load capacity and
24 clearances suitable to double stack and other effi-

1 cient, high-volume freight and passenger carrying
2 equipment;

3 (6) provide connectivity between the highway,
4 air, maritime, and railway systems in such manner
5 as to maximize financial and environmental effi-
6 ciency;

7 (7) correct present railroad merger policy or
8 patterns to restore or preserve effective competition
9 and to serve the public convenience and necessity;

10 (8) maintain or increase needed rail freight
11 services while facilitating expansion of and mod-
12 ernization of rail passenger services; and

13 (9) connect the Alaskan Railroad to the conti-
14 nental rail system, if the Committee considers such
15 connection advisable.

16 With respect to the issues described in each of paragraphs
17 (1) through (9), the Committee shall assess present condi-
18 tions, the cost of modifications, the expected financial ben-
19 efits to the rail or other industry, the financial and envi-
20 ronmental benefits, and the benefits to the public of im-
21 proved connectivity, more balanced development, reduced
22 energy consumption, better regional equity, and improved
23 global competitiveness. The Committee shall also review
24 the ability and the will of the current owners of the railway
25 infrastructure to carry forward a program of improve-

1 ments determined by the Committee to be necessary, and
2 shall recommend programs needed to encourage or compel
3 needed action, without unduly burdening the resources of
4 private companies, to provide public benefits. The Com-
5 mittee shall recommend financial programs and devices to
6 facilitate the early achievement of national goals.

7 (d) INFORMATION.—

8 (1) PROTECTION.—The rules relating to the
9 disclosure of information applicable under section
10 1114 of title 49, United States Code, shall apply to
11 any information provided to the Committee.

12 (2) AVAILABILITY.—The Committee shall be
13 provided with access to any information maintained
14 by an agency of the Federal Government, as the
15 Committee considers necessary to carry out its func-
16 tions under this section.

17 (e) ADMINISTRATIVE SUPPORT.—The Secretary of
18 Transportation shall provide necessary administrative sup-
19 port to enable the Committee to carry out its functions
20 under this section.

21 (f) REPORT.—Not later than 2 years after the date
22 of the enactment of this Act, the Committee shall transmit
23 to the President and the Congress a final report con-
24 taining the recommendations required under subsection
25 (c).

1 (g) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary of
3 Transportation \$4,000,000 for carrying out this section.

○