

107TH CONGRESS
1ST SESSION

H. R. 3166

To provide funding for infrastructure investment to restore the United States economy and to enhance the security of transportation and environmental facilities throughout the United States.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 24, 2001

Mr. BORSKI (for himself, Mr. COSTELLO, Mr. OBERSTAR, Mr. HOLDEN, Mr. McGOVERN, Ms. BERKLEY, Mr. RAHALL, Mr. LIPINSKI, Mr. FILNER, Mr. DEFAZIO, Mr. NADLER, Mr. MASCARA, Mr. CLEMENT, Mr. CUMMINGS, Mr. BARCIA, Ms. BROWN of Florida, Mr. LAMPSON, Mr. BAIRD, Mr. BLUMENAUER, Ms. MILLENDER-MCDONALD, Mr. LARSEN of Washington, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BOSWELL, Mr. PASCRELL, Mr. THOMPSON of California, Mr. INSLEE, Mr. MENENDEZ, Mr. SANDLIN, Mr. BERRY, Mr. HONDA, Mr. CARSON of Oklahoma, Mr. CAPUANO, and Ms. NORTON) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Ways and Means, Energy and Commerce, Armed Services, Financial Services, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide funding for infrastructure investment to restore the United States economy and to enhance the security of transportation and environmental facilities throughout the United States.

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

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Rebuild America: Financing Infrastructure Renewal and
 4 Security for Transportation Act of 2001”.

5 (b) TABLE OF CONTENTS.—

See. 1. Short title; table of contents.
 Sec. 2. Findings and purposes.

TITLE I—RAIL INFRASTRUCTURE INVESTMENT

Subtitle A—Credit for Amtrak Bonds

Sec. 101. Credit to holders of qualified Amtrak bonds.

Subtitle B—High-Speed Rail Provisions

Sec. 111. Department of Transportation approval for qualified Amtrak projects.

Sec. 112. Multiyear capital spending plan and oversight.

Sec. 113. Issuance of regulations.

Sec. 114. Sense of Congress regarding effect on Amtrak funding.

Sec. 115. Effective date.

Subtitle C—Amtrak Capital Investment

Sec. 121. Authorization of appropriations.

Subtitle D—Capital Investment for Railroad Rehabilitation

Sec. 131. Capital grants for railroad track.

Sec. 132. Regulatory procedure amendments.

TITLE II—ENVIRONMENTAL INFRASTRUCTURE INVESTMENT

Sec. 201. General authority for capitalization grants.

Sec. 202. Capitalization grants agreements.

Sec. 203. Water pollution control revolving funds.

Sec. 204. Authorization of appropriations for clean water State revolving funds.

Sec. 205. Wet weather.

Sec. 206. Safe drinking water State revolving funds.

TITLE III—HIGHWAY INFRASTRUCTURE INVESTMENT

Sec. 301. Federal-aid highway program obligation ceiling.

Sec. 302. Limitations on credit amounts.

TITLE IV—TRANSIT INFRASTRUCTURE INVESTMENT

Sec. 401. Additional authorizations for formula grants.

Sec. 402. Federal transit program obligation ceiling.

Sec. 403. Uniform dollar limitation for all types of transportation fringe benefits.

TITLE V—AVIATION INFRASTRUCTURE INVESTMENT

Sec. 501. Increased funding for airport planning and development.
Sec. 502. Increased funding for airway facilities improvement.

TITLE VI—MARITIME INFRASTRUCTURE INVESTMENT

Sec. 601. Marine transportation system infrastructure.

TITLE VII—ECONOMIC DEVELOPMENT INFRASTRUCTURE INVESTMENT

Sec. 701. Public works and economic development.
Sec. 702. Appalachian regional development.
Sec. 703. Delta regional development.

TITLE VIII—WATER RESOURCES INFRASTRUCTURE INVESTMENT

Sec. 801. Increased funding for Corps of Engineers projects.

TITLE IX—PUBLIC BUILDINGS INFRASTRUCTURE INVESTMENT

Sec. 901. Security enhancements for GSA properties.
Sec. 902. Security enhancements for John F. Kennedy Center.
Sec. 903. Security enhancements for Smithsonian Institution.

TITLE X—GENERAL PROVISIONS

Sec. 1001. Priority consideration for security projects.
Sec. 1002. Temporary waiver of non-Federal share.
Sec. 1003. Maintenance of effort.
Sec. 1004. Labor standards.
Sec. 1005. Buy America.

1 SEC. 2. FINDINGS AND PURPOSES.

2 (a) FINDINGS.—Congress finds the following:

3 (1) In 2001, the United States economy has
4 slowed considerably.

5 (2) The annual rate of growth of the gross do-
6 mestic product fell to 0.2 percent in the second
7 quarter of 2001.

8 (3) Gross private domestic investment declined
9 12.3 percent in the first two quarters of 2001 com-
10 pared to the same period in 2000.

1 (4) In September 2001, industrial production
2 declined for the twelfth consecutive month, the long-
3 est period of decline in the last 50 years.

4 (5) The unemployment rate has continued to
5 rise in 2001.

6 (6) In September 2001, payroll employment de-
7 creased by 199,000 jobs, including continued stag-
8 nant construction employment and significant job
9 losses (93,000) in manufacturing.

10 (7) In September 2001, factory jobs declined
11 for the fourteenth consecutive month.

12 (8) In that 14-month period, a total of
13 1,100,000 manufacturing jobs were lost.

14 (9) In each week of October 2001, almost
15 500,000 individuals filed first-time unemployment
16 claims, the highest number of claims since 1992.

17 (10) Transportation-related goods and services
18 contribute more than \$980,000,000,000 annually to
19 the United States economy

1 (12) The airline industry alone has announced
2 more than 100,000 layoffs since the terrorist attacks
3 of September 11th.

4 (13) The terrorist attacks of September 11th
5 also highlighted the vulnerabilities of the United
6 States transportation system to terrorist attacks.

7 (14) Terrorists often target transportation sys-
8 tems for attack.

13 (16) The United States transportation and en-
14 vironmental infrastructure systems remain vulner-
15 able to terrorist attacks and the Nation must invest
16 the necessary resources to enhance the security of
17 its systems.

18 (17) The Nation also continues to face enor-
19 mous non-security transportation and environmental
20 infrastructure needs.

21 (18) In 68 urban areas, highway congestion
22 alone costs travelers 4,500,000,000 hours of delay,
23 6,800,000,000 gallons of wasted fuel, and
24 \$78,000,000,000 in cost productivity and wasted

1 fuel (more than three times the \$22,000,000,000
2 cost in 1982).

3 (19) Similarly, States estimate that 40 percent
4 of assessed waters, or 20,000 discrete areas of the
5 Nation's lakes, rivers, streams, and coastal waters,
6 do not meet State water quality standards.

7 (20) States, cities, transit authorities, airport
8 authorities, and other entities have ready-to-go in-
9 frastructure projects, which will create long-term
10 capital assets for the United States and which can
11 help stimulate the Nation's economy.

12 (21) Each \$1,000,000,000 invested in infra-
13 structure construction creates approximately 42,000
14 jobs and \$2,100,000,000 in economic activity.

15 (b) PURPOSES.—The purposes of this Act are as fol-
16 lows:

17 (1) To invest in the Nation's infrastructure to
18 enhance the security of rail, environmental, highway,
19 transit, aviation, maritime, water resources, and
20 public buildings infrastructure.

21 (2) To create jobs and economic activity to put
22 people back to work and stimulate the Nation's
23 economy.

24 (3) To create long-term capital assets for the
25 Nation that will help the United States address its

1 enormous infrastructure needs and improve its eco-
2 nomic productivity.

3 (4) To demonstrate the commitment of the
4 Federal Government to economic recovery, thereby
5 increasing the confidence of consumers and busi-
6 nesses.

7 **TITLE I—RAIL**
8 **INFRASTRUCTURE INVESTMENT**
9 **Subtitle A—Credit for Amtrak**
10 **Bonds**

11 **SEC. 101. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
12 **BONDS.**

13 (a) IN GENERAL.—Part IV of subchapter A of chap-
14 ter 1 of the Internal Revenue Code of 1986 (relating to
15 credits against tax) is amended by adding at the end the
16 following new subpart:

17 **“Subpart H—Nonrefundable Credit for Holders of**
18 **Qualified Amtrak Bonds**

“Sec. 54. Credit to holders of qualified Amtrak bonds.

19 **“SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK**
20 **BONDS.**

21 “(a) ALLOWANCE OF CREDIT.—In the case of a tax-
22 payer who holds a qualified Amtrak bond on a credit al-
23 lowance date of such bond which occurs during the taxable
24 year, there shall be allowed as a credit against the tax

1 imposed by this chapter for such taxable year an amount
2 equal to the sum of the credits determined under sub-
3 section (b) with respect to credit allowance dates during
4 such year on which the taxpayer holds such bond.

5 “(b) AMOUNT OF CREDIT.—

6 “(1) IN GENERAL.—The amount of the credit
7 determined under this subsection with respect to any
8 credit allowance date for a qualified Amtrak bond is
9 25 percent of the annual credit determined with re-
10 spect to such bond.

11 “(2) ANNUAL CREDIT.—The annual credit de-
12 termined with respect to any qualified Amtrak bond
13 is the product of—

14 “(A) the applicable credit rate, multiplied
15 by

16 “(B) the outstanding face amount of the
17 bond.

18 “(3) APPLICABLE CREDIT RATE.—For purposes
19 of paragraph (2), the applicable credit rate with re-
20 spect to an issue is the rate equal to an average
21 market yield (as of the day before the date of sale
22 of the issue) on outstanding long-term corporate
23 debt obligations (determined under regulations pre-
24 scribed by the Secretary).

1 “(4) CREDIT ALLOWANCE DATE.—For purposes
2 of this section, the term ‘credit allowance date’
3 means—

4 “(A) March 15,

5 “(B) June 15,

6 “(C) September 15, and

7 “(D) December 15.

8 Such term includes the last day on which the bond
9 is outstanding.

10 “(5) SPECIAL RULE FOR ISSUANCE AND RE-
11 DEMPTION.—In the case of a bond which is issued
12 during the 3-month period ending on a credit allow-
13 ance date, the amount of the credit determined
14 under this subsection with respect to such credit al-
15 lowance date shall be a ratable portion of the credit
16 otherwise determined based on the portion of the 3-
17 month period during which the bond is outstanding.

18 A similar rule shall apply when the bond is re-
19 deemed.

20 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

21 “(1) IN GENERAL.—The credit allowed under
22 subsection (a) for any taxable year shall not exceed
23 the excess of—

1 “(A) the sum of the regular tax liability
2 (as defined in section 26(b)) plus the tax im-
3 posed by section 55, over

4 “(B) the sum of the credits allowable
5 under this part (other than this subpart and
6 subpart C).

7 “(2) CARRYOVER OF UNUSED CREDIT.—If the
8 credit allowable under subsection (a) exceeds the
9 limitation imposed by paragraph (1) for such taxable
10 year, such excess shall be carried to the succeeding
11 taxable year and added to the credit allowable under
12 subsection (a) for such taxable year.

13 “(d) CREDIT INCLUDED IN GROSS INCOME.—Gross
14 income includes the amount of the credit allowed to the
15 taxpayer under this section (determined without regard to
16 subsection (c)) and the amount so included shall be treat-
17 ed as interest income.

18 “(e) QUALIFIED AMTRAK BOND.—For purposes of
19 this part, the term ‘qualified Amtrak bond’ means any
20 bond issued as part of an issue if—

21 “(1) 95 percent or more of the proceeds from
22 the sale of such issue are to be used for expenditures
23 incurred after the date of the enactment of this sec-
24 tion for any qualified project,

1 “(2) the bond is issued by the National Rail-
2 road Passenger Corporation, is in registered form,
3 and meets the bond limitation requirements under
4 subsection (f),

5 “(3) the issuer designates such bond for pur-
6 poses of this section,

7 “(4) the issuer certifies that it meets the State
8 contribution requirement of subsection (k) with re-
9 spect to such project, as in effect on the date of the
10 enactment of this section,

11 “(5) the issuer certifies that it has obtained the
12 written approval of the Secretary of Transportation
13 for such project in accordance with section 26301 of
14 title 49, United States Code, as in effect on the date
15 of the enactment of this section,

16 “(6) the term of each bond which is part of
17 such issue does not exceed 20 years,

18 “(7) the payment of principal with respect to
19 such bond is the obligation of the National Railroad
20 Passenger Corporation, and

21 “(8) the issue meets the requirements of sub-
22 section (g) (relating to arbitration).

23 “(f) LIMITATIONS ON AMOUNT OF BONDS DES-
24 IGNATED.—

1 “(1) IN GENERAL.—There is a qualified Am-
2 trak bond limitation for each fiscal year. Such limi-
3 tation is—

4 “(A) \$1,500,000,000 for each of the fiscal
5 years 2002 through 2011, and

6 “(B) zero after fiscal year 2011.

7 “(2) LIMITS ON BONDS FOR NORTHEAST RAIL
8 CORRIDOR AND INDIVIDUAL STATES.—

9 “(A) NORTHEAST RAIL CORRIDOR.—Not
10 more than \$3,000,000,000 of the limitation
11 under paragraph (1) may be designated for
12 qualified projects on the northeast rail corridor
13 between Washington, D.C., and Boston, Massa-
14 chusetts.

15 “(B) INDIVIDUAL STATES.—Not more
16 than \$3,000,000,000 of the limitation under
17 paragraph (1) may be designated for any indi-
18 vidual State. The dollar limitation under this
19 subparagraph is in addition to the dollar limita-
20 tion for the qualified projects described in sub-
21 paragraph (A).

22 “(3) LIMIT ON BONDS FOR OTHER
23 PROJECTS.—Not more than \$100,000,000 of the
24 limitation under paragraph (1) for any fiscal year

1 may be designated for all qualified projects described
2 in subsection (j)(1)(C).

3 “(4) CARRYOVER OF UNUSED LIMITATION.—If
4 for any fiscal year—

5 “(A) the limitation amount under para-
6 graph (1), exceeds

7 “(B) the amount of bonds issued during
8 such year which are designated under sub-
9 section (e)(3),

10 the limitation amount under paragraph (1) for the
11 following fiscal year (through fiscal year 2015) shall
12 be increased by the amount of such excess.

13 “(g) SPECIAL RULES RELATING TO ARBITRAGE.—

14 “(1) IN GENERAL.—Subject to paragraph (2),
15 an issue shall be treated as meeting the require-
16 ments of this subsection if as of the date of
17 issuance, the issuer reasonably expects—

18 “(A) to spend at least 95 percent of the
19 proceeds from the sale of the issue for 1 or
20 more qualified projects within the 3-year period
21 beginning on such date,

22 “(B) to incur a binding commitment with
23 a third party to spend at least 10 percent of the
24 proceeds from the sale of the issue, or to com-
25 mence construction, with respect to such

1 projects within the 6-month period beginning on
2 such date, and

3 “(C) to proceed with due diligence to com-
4 plete such projects and to spend the proceeds
5 from the sale of the issue.

6 “(2) RULES REGARDING CONTINUING COMPLI-
7 ANCE AFTER 3-YEAR DETERMINATION.—If at least
8 95 percent of the proceeds from the sale of the issue
9 is not expended for 1 or more qualified projects
10 within the 3-year period beginning on the date of
11 issuance, but the requirements of paragraph (1) are
12 otherwise met, an issue shall be treated as con-
13 tinuing to meet the requirements of this subsection
14 if either—

15 “(A) the issuer uses all unspent proceeds
16 from the sale of the issue to redeem bonds of
17 the issue within 90 days after the end of such
18 3-year period, or

19 “(B) the following requirements are met:

20 “(i) The issuer spends at least 75 per-
21 cent of the proceeds from the sale of the
22 issue for 1 or more qualified projects with-
23 in the 3-year period beginning on the date
24 of issuance.

25 “(ii) Either—

1 “(I) the issuer spends at least 95
2 percent of the proceeds from the sale
3 of the issue for 1 or more qualified
4 projects within the 4-year period be-
5 ginning on the date of issuance, or

6 “(II) the issuer pays to the Fed-
7 eral Government any earnings on the
8 proceeds from the sale of the issue
9 that accrue after the end of the 3-year
10 period beginning on the date of
11 issuance and uses all unspent pro-
12 ceeds from the sale of the issue to re-
13 deem bonds of the issue within 90
14 days after the end of the 4-year pe-
15 riod beginning on the date of
16 issuance.

17 “(h) RECAPTURE OF PORTION OF CREDIT WHERE
18 CESSATION OF COMPLIANCE.—

19 “(1) IN GENERAL.—If any bond which when
20 issued purported to be a qualified Amtrak bond
21 ceases to be such a qualified bond, the issuer shall
22 pay to the United States (at the time required by
23 the Secretary) an amount equal to the sum of—

24 “(A) the aggregate of the credits allowable
25 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

5 “(B) interest at the underpayment rate
6 under section 6621 on the amount determined
7 under subparagraph (A) for each calendar year
8 for the period beginning on the first day of
9 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.

22 “(3) SPECIAL RULES.—

23 “(A) TAX BENEFIT RULE.—The tax for
24 the taxable year shall be increased under para-
25 graph (2) only with respect to credits allowed

1 by reason of this section which were used to re-
2 duce tax liability. In the case of credits not so
3 used to reduce tax liability, the carryforwards
4 and carrybacks under section 39 shall be appro-
5 priately adjusted.

6 “(B) NO CREDITS AGAINST TAX.—Any in-
7 crease in tax under paragraph (2) shall not be
8 treated as a tax imposed by this chapter for
9 purposes of determining—

10 “(i) the amount of any credit allow-
11 able under this part, or

12 “(ii) the amount of the tax imposed
13 by section 55.

14 “(i) TRUST ACCOUNT.—

15 “(1) IN GENERAL.—The following amounts
16 shall be held in a trust account by a trustee inde-
17 pendent of the National Railroad Passenger Cor-
18 poration:

19 “(A) The proceeds from the sale of all
20 bonds designated for purposes of this section.

21 “(B) The amount of any matching con-
22 tributions with respect to such bonds.

23 “(C) The temporary period investment
24 earnings on proceeds from the sale of such
25 bonds.

1 “(D) Any earnings on any amounts de-
2 scribed in subparagraph (A), (B), or (C).

3 “(2) USE OF FUNDS.—Amounts in the trust ac-
4 count may be used only to pay costs of qualified
5 projects and redeem qualified Amtrak bonds, except
6 that amounts withdrawn from the trust account to
7 pay costs of qualified projects may not exceed the
8 aggregate proceeds from the sale of all qualified Am-
9 trak bonds issued under this section.

10 “(3) USE OF REMAINING FUNDS IN TRUST AC-
11 COUNT.—Upon the redemption of all qualified Am-
12 trak bonds issued under this section, any remaining
13 amounts in the trust account described in paragraph
14 (1) shall be available to the issuer for any qualified
15 project.

16 “(j) QUALIFIED PROJECT.—For purposes of this
17 section—

18 “(1) IN GENERAL.—The term ‘qualified project’
19 means—

20 “(A) the acquisition, financing, or refi-
21 nancing of equipment, rolling stock, and other
22 capital improvements (including the introduc-
23 tion of new high-speed technologies such as
24 magnetic levitation systems), including track or
25 signal improvements or the elimination of grade

1 crossings, for the northeast rail corridor be-
2 tween Washington, D.C., and Boston, Massa-
3 chusetts,

4 “(B) the acquisition, financing, or refi-
5 nancing of equipment, rolling stock, and other
6 capital improvements (including the introduc-
7 tion of new high-speed technologies such as
8 magnetic levitation systems), including develop-
9 ment of intermodal facilities, track or signal im-
10 provements, or the elimination of grade cross-
11 ings, for the improvement of train speeds or
12 safety (or both) on the high-speed rail corridors
13 designated under section 104(d)(2) of title 23,
14 United States Code, as in effect on the date of
15 the enactment of this section, and

16 “(C) the acquisition, financing, or refi-
17 nancing of equipment, rolling stock, and other
18 capital improvements, including station rehabili-
19 tation or construction, development of inter-
20 modal facilities, track or signal improvements,
21 or the elimination of grade crossings, for the
22 improvement of train speeds or safety (or both)
23 for other intercity passenger rail corridors and
24 for the Alaska Railroad.

1 “(2) REFINANCING RULES.—For purposes of
2 paragraph (1), a refinancing shall constitute a qual-
3 fied project only if the indebtedness being refinanced
4 (including any obligation directly or indirectly refi-
5 nanced by such indebtedness) was originally incurred
6 by the issuer—

7 “(A) after the date of the enactment of
8 this section,

9 “(B) for a term of not more than 3 years,

10 “(C) to finance or acquire capital improve-
11 ments described in paragraph (1), and

12 “(D) in anticipation of being refinanced
13 with proceeds of a qualified Amtrak bond.

14 “(k) STATE CONTRIBUTION REQUIREMENTS.—

15 “(1) IN GENERAL.—For purposes of subsection
16 (e)(4), the State contribution requirement of this
17 subsection is met with respect to any qualified
18 project if the National Railroad Passenger Corpora-
19 tion has received from 1 or more States, not later
20 than the date of issuance of the bond, matching con-
21 tributions of not less than 20 percent of the cost of
22 the qualified project.

23 “(2) NO STATE CONTRIBUTION REQUIREMENT
24 FOR CERTAIN QUALIFIED PROJECTS.—The State

1 contribution requirement of this subsection is zero
2 with respect to the following projects:

3 “(A) Any qualified project for the acquisi-
4 tion and installation of platform facilities, per-
5 formance of railroad force account work nec-
6 essary to complete improvements below street
7 grade, and any other necessary improvements
8 related to construction at the railroad station at
9 the James A. Farley Post Office Building in
10 New York City, New York.

11 “(B) Any project described in subsection
12 (j)(1)(C) for the Alaska Railroad.

13 “(3) STATE MATCHING CONTRIBUTIONS MAY
14 NOT INCLUDE FEDERAL FUNDS.—For purposes of
15 this subsection, State matching contributions shall
16 not be derived, directly or indirectly, from Federal
17 funds, including any transfers from the Highway
18 Trust Fund under section 9503.

19 “(l) OTHER DEFINITIONS AND SPECIAL RULES.—
20 For purposes of this section—

21 “(1) BOND.—The term ‘bond’ includes any ob-
22 ligation.

23 “(2) TREATMENT OF CHANGES IN USE.—For
24 purposes of subsection (e)(1), the proceeds from the
25 sale of an issue shall not be treated as used for a

1 qualified project to the extent that the issuer takes
2 any action within its control which causes such pro-
3 ceeds not to be used for a qualified project. The Sec-
4 retary shall prescribe regulations specifying remedial
5 actions that may be taken (including conditions to
6 taking such remedial actions) to prevent an action
7 described in the preceding sentence from causing a
8 bond to fail to be a qualified Amtrak bond.

9 “(3) PARTNERSHIP; S CORPORATION; AND
10 OTHER PASS-THRU ENTITIES.—Under regulations
11 prescribed by the Secretary, in the case of a partner-
12 ship, trust, S corporation, or other pass-thru entity,
13 rules similar to the rules of section 41(g) shall apply
14 with respect to the credit allowable under subsection
15 (a).

16 “(4) BONDS HELD BY REGULATED INVEST-
17 MENT COMPANIES.—If any qualified Amtrak bond is
18 held by a regulated investment company, the credit
19 determined under subsection (a) shall be allowed to
20 shareholders of such company under procedures pre-
21 scribed by the Secretary.

22 “(5) REPORTING.—Issuers of qualified Amtrak
23 bonds shall submit reports similar to the reports re-
24 quired under section 149(e).”.

25 (b) AMENDMENTS TO OTHER CODE SECTIONS.—

6 “(8) REPORTING OF CREDIT ON QUALIFIED AM-
7 TRAK BONDS.—

8 “(A) IN GENERAL.—For purposes of sub-
9 section (a), the term ‘interest’ includes amounts
10 includible in gross income under section 54(d)
11 and such amounts shall be treated as paid on
12 the credit allowance date (as defined in section
13 54(b)(4)).

14 “(B) REPORTING TO CORPORATIONS,
15 ETC.—Except as otherwise provided in regula-
16 tions, in the case of any interest described in
17 subparagraph (A), subsection (b)(4) shall be
18 applied without regard to subparagraphs (A),
19 (H), (I), (J), (K), and (L)(i) of such subsection.

20 “(C) REGULATORY AUTHORITY.—The Sec-
21 retary may prescribe such regulations as are
22 necessary or appropriate to carry out the pur-
23 poses of this paragraph, including regulations
24 which require more frequent or more detailed
25 reporting.”.

9 "(m) SPECIAL RULE FOR HOLDERS OF QUALIFIED
10 AMTRAK BONDS.—For purposes of this section, the credit
11 allowed by section 54 to a taxpayer by reason of holding
12 a qualified Amtrak bond on a credit allowance date shall
13 be treated as if it were a payment of estimated tax made
14 by the taxpayer on such date.".

15 (B) CORPORATE.—Section 6655 of such
16 Code (relating to failure by corporation to pay
17 estimated income tax) is amended by adding at
18 the end of subsection (g) the following new
19 paragraph:

20 “(5) SPECIAL RULE FOR HOLDERS OF QUALI-
21 FIED AMTRAK BONDS.—For purposes of this section,
22 the credit allowed by section 54 to a taxpayer by
23 reason of holding a qualified Amtrak bond on a
24 credit allowance date shall be treated as if it were

1 a payment of estimated tax made by the taxpayer
2 on such date.”.

3 (3) EXCLUSION FROM GROSS INCOME OF CON-
4 TRIBUTIONS BY AMTRAK TO OTHER RAIL CAR-
5 RIERS.—

6 (A) IN GENERAL.—Section 118 of the In-
7 ternal Revenue Code of 1986 (relating to con-
8 tributions to the capital of a corporation) is
9 amended by redesignating subsection (d) as
10 subsection (e) and by inserting after subsection
11 (c) the following new subsection:

12 “(d) SPECIAL RULE FOR CONTRIBUTIONS BY AM-
13 TRAK TO OTHER RAIL CARRIERS.—For purposes of this
14 section, the term ‘contribution to the capital of the tax-
15 payer’ does not include any contribution by the National
16 Railroad Passenger Corporation of personal or real prop-
17 erty funded by the proceeds of qualified Amtrak bonds
18 under section 54.”.

19 (B) CONFORMING AMENDMENT.—Sub-
20 section (b) of such section 118 is amended by
21 striking “subsection (c)” and inserting “sub-
22 sections (c) and (d)”.

23 (4) PROTECTION OF HIGHWAY TRUST FUND.—
24 Section 9503 of such Code (relating to Highway

1 Trust Fund) is amended by adding at the end the
2 following new subsection:

3 “(g) SPECIAL RULE RELATING TO NATIONAL RAIL-
4 ROAD PASSENGER CORPORATION.—Except as provided in
5 subsection (c), as in effect on the date of the enactment
6 of this subsection, amounts in the Highway Trust Fund
7 may not be used to provide funds to the National Railroad
8 Passenger Corporation for any purpose, including issuance
9 of any qualified Amtrak bond pursuant to section 54. The
10 preceding sentence may not be waived by any provision
11 of law which is not contained or referenced in this title,
12 whether such provision of law is a subsequently enacted
13 provision or directly or indirectly seeks to waive the appli-
14 cation of such sentence.”.

15 (c) CLERICAL AMENDMENTS.—

16 (1) The table of subparts for part IV of sub-
17 chapter A of chapter 1 is amended by adding at the
18 end the following new item:

“Subpart H. Nonrefundable Credit for Holders of Qualified Am-
trak Bonds.”.

19 (2) Section 6401(b)(1) is amended by striking
20 “and G” and inserting “G, and H”.

21 (d) ANNUAL REPORT BY TREASURY ON AMTRAK
22 TRUST ACCOUNT.—The Secretary of the Treasury shall
23 annually report to Congress as to whether the amount de-
24 posited in the trust account established by the National

1 Railroad Passenger Corporation under section 54(i) of the
2 Internal Revenue Code of 1986, as added by this section,
3 is sufficient to fully repay at maturity the principal of any
4 outstanding qualified Amtrak bonds issued pursuant to
5 section 54 of such Code (as so added), together with
6 amounts expected to be deposited into such account, as
7 certified by the National Railroad Passenger Corporation
8 in accordance with procedures prescribed by the Secretary
9 of the Treasury.

10 (e) ISSUANCE OF REGULATIONS.—The Secretary of
11 the Treasury shall issue regulations required under section
12 54 of the Internal Revenue Code of 1986 (as added by
13 this section) not later than 90 days after the date of the
14 enactment of this Act.

15 (f) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to obligations issued after the date
17 of enactment of this Act.

18 **Subtitle B—High-Speed Rail
19 Provisions**

20 **SEC. 111. DEPARTMENT OF TRANSPORTATION APPROVAL
21 FOR QUALIFIED AMTRAK PROJECTS.**

22 (a) AMENDMENT.—Part D of subtitle V of title 49,
23 United States Code, is amended by adding at the end the
24 following new chapter:

1 **“CHAPTER 263—HIGH-SPEED RAIL**
2 **INITIATIVES**

“Sec.

“26301. Department of Transportation approval for qualified high-speed rail projects.
“26302. Qualified projects.
“26303. State contribution requirements.”.

3 **3 “§ 26301. Department of Transportation approval for**
4 **qualified high-speed rail projects**

5 “(a) IN GENERAL.—The written approval of a qualifi-
6 fied project by the Secretary of Transportation required
7 for purposes of subsection (e)(5) of section 54 of the Inter-
8 national Revenue Code of 1986 (relating to credit to holders
9 of qualified Amtrak bonds) shall include—

10 “(1) the finding by the Inspector General of the
11 Department of Transportation described in sub-
12 section (b);

13 “(2) the certification by the Secretary of Trans-
14 portation described in subsection (c); and

15 “(3) the agreement by the National Railroad
16 Passenger Corporation described in subsection (d).

17 “(b) FINDING BY INSPECTOR GENERAL.—For pur-
18 poses of subsection (a), the finding described in this sub-
19 section is a finding by the Inspector General of the De-
20 partment of Transportation that there is a reasonable like-
21 lihood that the proposed project will result in a positive
22 financial contribution to the National Railroad Passenger
23 Corporation and that the investment evaluation process

1 includes consideration of a return on investment,
2 leveraging of funds (including State capital and operating
3 contributions), cost effectiveness, safety improvement, mo-
4 bility improvement, and feasibility.

5 “(c) CERTIFICATION.—For purposes of subsection
6 (a), the certification described in this subsection is a cer-
7 tification by the Secretary of Transportation that the
8 issuer of the qualified Amtrak bond—

9 “(1) except with respect to projects described in
10 section 54(j)(1)(C) of the Internal Revenue Code of
11 1986, has entered into a written agreement with the
12 owners of rail properties which are to be improved
13 by the project to be funded by the qualified Amtrak
14 bond, as to the scope and estimated cost of such
15 project and the impact on rail freight capacity; and

16 “(2) has met the State contribution require-
17 ments described in section 26303.

18 The National Railroad Passenger Corporation shall not
19 exercise its rights under section 24308(a)(2) to resolve
20 disputes with respect to a project to be funded by a qual-
21 fied Amtrak bond, or with respect to the cost of such a
22 project, unless the project is intended to result in railroad
23 speeds of 79 miles per hour or less.

24 “(d) AGREEMENT BY AMTRAK TO ISSUE ADDI-
25 TIONAL BONDS FOR PROJECTS OF OTHER CARRIERS.—

1 “(1) IN GENERAL.—For purposes of subsection
2 (a), the agreement described in this subsection is an
3 agreement by the National Railroad Passenger Cor-
4 poration with the Secretary of Transportation to
5 issue bonds which meet the requirements of section
6 54 of the Internal Revenue Code of 1986 for use in
7 financing projects described in paragraph (2).

8 “(2) PROJECTS COVERED.—For purposes of
9 paragraph (1), the projects described in this para-
10 graph are any project described in subsection
11 (j)(1)(B) or (j)(1)(C) of section 54 of the Internal
12 Revenue Code of 1986 for an intercity rail passenger
13 carrier other than the National Railroad Passenger
14 Corporation or for the Alaska Railroad.

15 “(3) ADDITIONAL REQUIREMENTS.—Any
16 project financed by bonds referred to in paragraph
17 (1) shall be carried out by the intercity rail pas-
18 senger carrier other than the National Railroad Pas-
19 senger Corporation, through a contract entered into
20 by the National Railroad Passenger Corporation
21 with such carrier. Such other intercity rail passenger
22 carrier, in carrying out the project, shall be subject
23 to the provisions of this subtitle governing the Na-
24 tional Railroad Passenger Corporation.

1 “(4) DEFINITION.—For purposes of this sub-
2 section, the term ‘intercity rail passenger carrier’
3 means any rail carrier (as such term is defined in
4 section 24102(7)) that is part of the interstate sys-
5 tem of rail transportation and that provides intercity
6 rail passenger transportation (as such term is de-
7 fined in section 24102(5)).

8 “(e) ADDITIONAL SELECTION CRITERIA.—In deter-
9 mining projects to be approved under this section (other
10 than projects for the Alaska Railroad), or to be included
11 in an agreement under subsection (d), the Secretary of
12 Transportation shall give preference to—

13 “(1) any project with a State matching con-
14 tribution rate exceeding 20 percent;

15 “(2) projects expected to have a significant im-
16 pact on air traffic congestion;

17 “(3) projects expected to also improve com-
18 muter rail operations;

19 “(4) projects that anticipate fares designed to
20 recover costs and generate a return on investment;
21 and

22 “(5) projects that promote regional balance in
23 infrastructure investment and the national interest
24 in ensuring the development of a nationwide high-
25 speed rail transportation network.

1 **“§ 26302. Qualified projects**

2 “For purposes of this chapter—

3 “(1) IN GENERAL.—The term ‘qualified project’
4 means—5 “(A) the acquisition, financing, or refi-
6 nancing of equipment, rolling stock, and other
7 capital improvements (including the introduc-
8 tion of new high-speed technologies such as
9 magnetic levitation systems), including track or
10 signal improvements or the elimination of grade
11 crossings, for the northeast rail corridor be-
12 tween Washington, D.C., and Boston, Massa-
13 chusetts;14 “(B) the acquisition, financing, or refi-
15 nancing of equipment, rolling stock, and other
16 capital improvements (including the introduc-
17 tion of new high-speed technologies such as
18 magnetic levitation systems), including develop-
19 ment of intermodal facilities, track or signal im-
20 provements, or the elimination of grade cross-
21 ings, for the improvement of train speeds or
22 safety (or both) on the high-speed rail corridors
23 designated under section 104(d)(2) of title 23,
24 United States Code, as in effect on the date of
25 the enactment of this section; and

1 “(C) the acquisition, financing, or refi-
2 nancing of equipment, rolling stock, and other
3 capital improvements, including station rehabili-
4 tation or construction, development of inter-
5 modal facilities, track or signal improvements,
6 or the elimination of grade crossings, for the
7 improvement of train speeds or safety (or both)
8 for other intercity passenger rail corridors and
9 for the Alaska Railroad.

10 “(2) REFINANCING RULES.—For purposes of
11 paragraph (1), a refinancing shall constitute a qual-
12 ified project only if the indebtedness being refinanced
13 (including any obligation directly or indirectly refi-
14 nanced by such indebtedness) was originally incurred
15 by the issuer—

16 “(A) after the date of the enactment of
17 this section;

18 “(B) for a term of not more than 3 years;

19 “(C) to finance or acquire capital improve-
20 ments described in paragraph (1); and

21 “(D) in anticipation of being refinanced
22 with proceeds of a qualified Amtrak bond.

23 **“§ 26303. State contribution requirements**

24 “(a) IN GENERAL.—For purposes of section
25 26301(c)(2), the State contribution requirement of this

1 section is met with respect to any qualified project if the
2 National Railroad Passenger Corporation has received
3 from 1 or more States, not later than the date of issuance
4 of the bond, matching contributions of not less than 20
5 percent of the cost of the qualified project.

6 “(b) NO STATE CONTRIBUTION REQUIREMENT FOR
7 CERTAIN QUALIFIED PROJECTS.—The State contribution
8 requirement of this section is zero with respect to the fol-
9 lowing projects:

10 “(1) Any qualified project for the acquisition
11 and installation of platform facilities, performance of
12 railroad force account work necessary to complete
13 improvements below street grade, and any other nec-
14 essary improvements related to construction at the
15 railroad station at the James A. Farley Post Office
16 Building in New York City, New York.

17 “(2) Any project described in subsection
18 (j)(1)(C) of section 54 of the Internal Revenue Code
19 of 1986 for the Alaska Railroad.

20 “(c) STATE MATCHING CONTRIBUTIONS MAY NOT
21 INCLUDE FEDERAL FUNDS.—For purposes of this sec-
22 tion, State matching contributions shall not be derived, di-
23 rectly or indirectly, from Federal funds, including any
24 transfers from the Highway Trust Fund under section
25 9503 of the Internal Revenue Code of 1986.”.

1 (b) TABLE OF CHAPTERS AMENDMENT.—The table
2 of chapters of subtitle V of title 49, United States Code,
3 is amended by inserting after the item relating to chapter
4 261 the following new item:

“263. HIGH-SPEED RAIL INITIATIVES 26301”.

5 SEC. 112. MULTIYEAR CAPITAL SPENDING PLAN AND OVER- 6 SIGHT.

7 (a) AMENDMENT.—Chapter 243 of title 49, United
8 States Code, is amended by adding at the end the fol-
9 lowing new section:

12 "(a) AMTRAK CAPITAL SPENDING PLAN.—

13 “(1) IN GENERAL.—The National Railroad
14 Passenger Corporation shall annually submit to the
15 President and Congress a multiyear capital spending
16 plan, as approved by the Board of Directors of the
17 Corporation.

18 “(2) CONTENTS OF PLAN.—Such plan shall
19 identify the capital investment needs of the Corpora-
20 tion over a period of not less than 5 years and the
21 funding sources available to finance such needs and
22 shall prioritize such needs according to corporate
23 goals and strategies.

24 “(3) INITIAL SUBMISSION DATE.—The first
25 plan shall be submitted before the issuance of any

1 qualified Amtrak bonds by the National Railroad
2 Passenger Corporation pursuant to section 54 of the
3 Internal Revenue Code of 1986.

4 “(b) OVERSIGHT OF QUALIFIED PROJECTS.—The
5 Secretary of Transportation shall contract for an annual
6 independent assessment of the costs and benefits of the
7 qualified projects financed by qualified Amtrak bonds pur-
8 suant to section 54 of the Internal Revenue Code of 1986,
9 including an assessment of the investment evaluation proc-
10 ess of the Corporation. The annual assessment shall be
11 included in the plan submitted under subsection (a).”.

12 (b) TABLE OF SECTIONS AMENDMENT.—The table of
13 sections of chapter 243 of title 49, United States Code,
14 is amended by adding after the item relating to section
15 24315 the following new item:

“24316. Multiyear capital spending plan and oversight.”.

16 **SEC. 113. ISSUANCE OF REGULATIONS.**

17 The Secretary of Transportation shall issue regula-
18 tions for carrying out chapter 263 of title 49, United
19 States Code (as added by section 111 of this Act), not
20 later than 90 days after the date of the enactment of this
21 Act.

22 **SEC. 114. SENSE OF CONGRESS REGARDING EFFECT ON**
23 **AMTRAK FUNDING.**

24 It is the sense of the Congress that the proceeds of
25 qualified Amtrak bonds issued under section 54 of the In-

1 ternal Revenue Code of 1986 are intended to finance the
2 construction of qualified projects (as defined in section
3 26302 of title 49, United States Code, as added by section
4 111 of this Act) and are not intended to meet the regular,
5 ongoing capital funding needs of the National Railroad
6 Passenger Corporation.

7 **SEC. 115. EFFECTIVE DATE.**

8 The amendments made by this subtitle shall apply to
9 obligations issued after the date of the enactment of this
10 Act.

11 **Subtitle C—Amtrak Capital
12 Investment**

13 **SEC. 121. AUTHORIZATION OF APPROPRIATIONS.**

14 Section 24104(a) of title 49, United States Code, is
15 amended—

16 (1) by inserting “(1)” after “IN GENERAL.—”;
17 (2) by redesignating paragraphs (1) through
18 (5) as subparagraphs (A) through (E), respectively;
19 and

20 (3) by adding at the end the following new
21 paragraph:

22 “(2) There are authorized to be appropriated to the
23 Secretary of Transportation \$3,000,000,000 for fiscal
24 year 2002 for the benefit of Amtrak for capital expendi-
25 tures including—

1 “(A) New York, Washington, D.C., and Balti-
2 more tunnel life safety projects;

3 “(B) bridges, tracks, and other improvements
4 to increase the capacity and reliability of rail pas-
5 senger transportation; and

6 “(C) equipment, including acquisition of
7 trainsets and rolling stock, for operation in federally
8 designated corridors.

9 At least 2/3 of amounts expended under subparagraph (C)
10 shall be for operations outside the Northeast Corridor.”.

11 **Subtitle D—Capital Investment for
12 Railroad Rehabilitation**

13 **SEC. 131. CAPITAL GRANTS FOR RAILROAD TRACK.**

14 (a) AMENDMENT.—Chapter 223 of title 49, United
15 States Code, is amended to read as follows:

16 **“CHAPTER 223—CAPITAL GRANTS FOR
17 RAILROAD TRACK**

“Sec.
“22301. Capital grants for railroad track.

18 **“§ 22301. Capital grants for railroad track**

19 “(a) ESTABLISHMENT OF PROGRAM.—

20 “(1) ESTABLISHMENT.—The Secretary of
21 Transportation shall establish a program of capital
22 grants for the rehabilitation, preservation, or im-
23 provement of railroad track (including roadbed,
24 bridges, and related track structures) of class II and

1 class III railroads. Such grants shall be for rehabili-
2 tating, preserving, or improving track used primarily
3 for freight transportation to a standard ensuring
4 that the track can be operated safely and efficiently,
5 including grants for rehabilitating, preserving, or im-
6 proving track to handle 286,000 pound rail cars.
7 Grants may be provided under this chapter—

8 “(A) directly to the class II or class III
9 railroad; or

10 “(B) with the concurrence of the class II
11 or class III railroad, to a State or local govern-
12 ment.

13 “(2) STATE COOPERATION.—Class II and class
14 III railroad applicants for a grant under this chap-
15 ter are encouraged to utilize the expertise and assist-
16 ance of State transportation agencies in applying for
17 and administering such grants. State transportation
18 agencies are encouraged to provide such expertise
19 and assistance to such railroads.

20 “(3) INTERIM REGULATIONS.—Not later than
21 December 31, 2001, the Secretary shall issue tem-
22 porary regulations to implement the program under
23 this section. Subchapter II of chapter 5 of title 5
24 does not apply to a temporary regulation issued

1 under this paragraph or to an amendment to such
2 a temporary regulation.

3 “(4) FINAL REGULATIONS.—Not later than Oc-
4 tober 1, 2002, the Secretary shall issue final regula-
5 tions to implement the program under this section.

6 “(b) MAXIMUM FEDERAL SHARE.—The maximum
7 Federal share for carrying out a project under this section
8 shall be 80 percent of the project cost. The non-Federal
9 share may be provided by any non-Federal source in cash,
10 equipment, or supplies. Other in-kind contributions may
11 be approved by the Secretary on a case by case basis con-
12 sistent with this chapter.

13 “(c) PROJECT ELIGIBILITY.—For a project to be eli-
14 gible for assistance under this section the track must have
15 been operated or owned by a class II or class III railroad
16 as of the date of the enactment of this section.

17 “(d) USE OF FUNDS.—Grants provided under this
18 section shall be used to implement track capital projects
19 as soon as possible. In no event shall grant funds be con-
20 tractually obligated for a project later than the end of the
21 third Federal fiscal year following the year in which the
22 grant was awarded. Any funds not so obligated by the end
23 of such fiscal year shall be returned to the Secretary for
24 reallocation.

1 “(e) ADDITIONAL PURPOSE.—In addition to making
2 grants for projects as provided in subsection (a), the Sec-
3 retary may also make grants to supplement direct loans
4 or loan guarantees made under title V of the Railroad Re-
5 vitalization and Regulatory Reform Act of 1976 (45
6 U.S.C. 822(d)), for projects described in the last sentence
7 of section 502(d) of such title. Grants made under this
8 subsection may be used, in whole or in part, for paying
9 credit risk premiums, lowering rates of interest, or pro-
10 viding for a holiday on principal payments. Credit risk
11 premiums funded under this section shall be exempt from
12 the non-Federal source requirement of section 502(f)(1)
13 of the Railroad Revitalization and Regulatory Reform Act
14 of 1976 (45 U.S.C. 822(f)(1)).

15 “(f) EMPLOYEE PROTECTION.—The Secretary shall
16 require as a condition of any grant made under this sec-
17 tion that the recipient railroad provide a fair arrangement
18 at least as protective of the interests of employees who
19 are affected by the project to be funded with the grant
20 as the terms imposed under section 11326(a), as in effect
21 on the date of the enactment of this section.

22 “(g) LABOR STANDARDS.—

23 “(1) PREVAILING WAGES.—The Secretary shall
24 ensure that laborers and mechanics employed by
25 contractors and subcontractors in construction work

1 financed by a grant made under this section will be
2 paid wages not less than those prevailing on similar
3 construction in the locality, as determined by the
4 Secretary of Labor under the Act of March 3, 1931
5 (known as the Davis-Bacon Act; 40 U.S.C. 276a et
6 seq.). The Secretary shall make a grant under this
7 section only after being assured that required labor
8 standards will be maintained on the construction
9 work.

10 “(2) WAGE RATES.—Wage rates in a collective
11 bargaining agreement negotiated under the Railway
12 Labor Act (45 U.S.C. 151 et seq.) are deemed for
13 purposes of this subsection to comply with the Act
14 of March 3, 1931 (known as the Davis-Bacon Act;
15 40 U.S.C. 276a et seq.).

16 “(h) STUDY.—The Secretary shall conduct a study
17 of the projects carried out with grant assistance under this
18 section to determine the public interest benefits associated
19 with the light density railroad networks in the States and
20 their contribution to a multimodal transportation system.
21 Not later than March 31, 2003, the Secretary shall report
22 to Congress any recommendations the Secretary considers
23 appropriate regarding the eligibility of light density rail
24 networks for Federal infrastructure financing.

1 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary of
3 Transportation \$500,000,000 for fiscal year 2002 for car-
4 rying out this section.”.

5 (b) CONFORMING AMENDMENTS.—(1) The item re-
6 lating to chapter 223 in the table of chapters of subtitle
7 V of title 49, United States Code, is amended to read as
8 follows:

“223. CAPITAL GRANTS FOR RAILROAD TRACK 22301”.

9 (2) Section 502(d) of the Railroad Revitalization and
10 Regulatory Reform Act of 1976 (45 U.S.C. 822(d)) is
11 amended—

12 (A) by striking “\$3,500,000,000” and in-
13 serting “\$5,000,000,000”; and

14 (B) by striking “\$1,000,000,000” and in-
15 serting “\$1,500,000,000”.

16 **SEC. 132. REGULATORY PROCEDURE AMENDMENTS.**

17 (a) COHORTS OF LOANS.—Section 502(f) of the Rail-
18 road Revitalization and Regulatory Reform Act of 1976
19 (45 U.S.C. 822(f)) is amended—

20 (1) in paragraph (2)—

21 (A) by striking “and” at the end of sub-
22 paragraph (D);

23 (B) by redesignating subparagraph (E) as
24 subparagraph (F); and

1 (C) by adding after subparagraph (D) the
2 following new subparagraph:

3 “(E) the size and characteristics of the co-
4 hort of which the loan or loan guarantee is a
5 member; and”; and

6 (2) by adding at the end of paragraph (4) the
7 following: "A cohort may include loans and loan
8 guarantees. The Secretary shall not establish any
9 limit on the proportion of a cohort that may be used
10 for 1 loan or loan guarantee.".

11 (b) CONDITIONS OF ASSISTANCE.—Section 502 of
12 the Railroad Revitalization and Regulatory Reform Act of
13 1976 (45 U.S.C. 822) is amended—

14 (1) in subsection (f)(2)(A), by inserting “, if
15 any” after “collateral offered”; and

16 (2) by adding at the end of subsection (h) the
17 following:

18 “The Secretary shall not require an applicant for a direct
19 loan or loan guarantee under this section to provide collat-
20 eral. The Secretary shall not require that an applicant for
21 a direct loan or loan guarantee under this section have
22 previously sought the financial assistance requested from
23 another source. The Secretary shall require recipients of
24 direct loans or loan guarantees under this section to apply
25 the standards of section 26106(a)(5) of title 49, United

1 States Code, to their projects, except for projects primarily
2 benefiting Class III freight railroads.”.

3 (c) TIME LIMIT FOR APPROVAL OR DISAPPROVAL.—
4 Section 502 of the Railroad Revitalization and Regulatory
5 Reform Act of 1976 (45 U.S.C. 822) is amended by add-
6 ing at the end the following new subsection:

7 “(i) TIME LIMIT FOR APPROVAL OR DISAPPROVAL.—
8 Not later than 180 days after receiving a complete appli-
9 cation for a direct loan or loan guarantee under this sec-
10 tion, the Secretary shall approve or disapprove the applica-
11 tion.”.

12 (d) FEES AND CHARGES.—Section 503 of the Rail-
13 road Revitalization and Regulatory Reform Act of 1976
14 (45 U.S.C. 823) is amended by adding at the end the fol-
15 lowing new subsection:

16 “(l) FEES AND CHARGES.—Except as provided in
17 this title, the Secretary may not assess any fees, including
18 user fees, or charges in connection with a direct loan or
19 loan guarantee provided under section 502.”.

20 (e) SUBSTANTIVE CRITERIA AND STANDARDS.—Not
21 later than 30 days after the date of the enactment of this
22 Act, the Secretary of Transportation shall publish in the
23 Federal Register and post on the Department of Trans-
24 portation web site the substantive criteria and standards
25 used by the Secretary to determine whether to approve

1 or disapprove applications submitted under section 502 of
2 the Railroad Revitalization and Regulatory Reform Act of
3 1976 (45 U.S.C. 822).

4 **TITLE II—ENVIRONMENTAL
5 INFRASTRUCTURE INVESTMENT**

6 **SEC. 201. GENERAL AUTHORITY FOR CAPITALIZATION**

7 **GRANTS.**

8 Section 601(a) of the Federal Water Pollution Con-
9 trol Act (33 U.S.C. 1381(a)) is amended by striking “(1)
10 for construction” and all that follows through the period
11 and inserting “to accomplish the objectives, goals, and
12 policies of this Act.”.

13 **SEC. 202. CAPITALIZATION GRANTS AGREEMENTS.**

14 (a) REQUIREMENTS FOR CONSTRUCTION OF TREAT-
15 MENT WORKS.—Section 602(b)(6) of the Federal Water
16 Pollution Control Act (33 U.S.C. 1382(b)(6)) is
17 amended—

18 (1) by striking “treatment works” the first
19 place it appears and inserting “activities”;

20 (2) by striking “before fiscal year 1995” and all
21 that follows through “grants under this title” and
22 inserting “with funds made available by capitaliza-
23 tion grants under this title (including repayments
24 thereof); and

1 (3) by striking “201(b)” and all that follows
2 through “218” and inserting “204(b)(1), 211”.

3 (b) GUIDANCE FOR SMALL SYSTEMS.—Section 602
4 of the Federal Water Pollution Control Act (33 U.S.C.
5 1382) is amended by adding at the end the following new
6 subsection:

7 "(c) GUIDANCE FOR SMALL SYSTEMS.—

8 “(1) SIMPLIFIED PROCEDURES.—Not later than
9 1 year after the date of the enactment of this sub-
10 section, the Administrator shall assist the States in
11 establishing simplified procedures for small systems
12 to obtain assistance under this title.

13 “(2) PUBLICATION OF MANUAL.—Not later
14 than 1 year after the date of the enactment of this
15 subsection, and after providing notice and oppor-
16 tunity for public comment, the Administrator shall
17 publish a manual to assist small systems in obtain-
18 ing assistance under this title and publish in the
19 Federal Register notice of the availability of the
20 manual.

21 “(3) SMALL SYSTEM DEFINED.—For purposes
22 of this title, the term ‘small system’ means a system
23 for which a municipality or intermunicipal, inter-
24 state, or State agency seeks assistance under this

1 title and which serves a population of 20,000 or
2 fewer.”.

3 **SEC. 203. WATER POLLUTION CONTROL REVOLVING**
4 **FUNDS.**

5 (a) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—Section
6 603(c) of the Federal Water Pollution Control Act
7 (33 U.S.C. 1383(c)) is amended to read as follows:

8 “(c) ACTIVITIES ELIGIBLE FOR ASSISTANCE.—

9 “(1) IN GENERAL.—The amounts of funds
10 available to each State water pollution control re-
11 volving fund shall be used only for providing finan-
12 cial assistance to a municipality, intermunicipal
13 agency, interstate agency, State agency, or other
14 person for activities which have as a principal ben-
15 efit the improvement or protection of water quality.

16 Such activities may include the following:

17 “(A) Construction of a publicly owned
18 treatment works (as defined in section 212 of
19 this Act).

20 “(B) Implementation of lake protection
21 programs and projects under section 314.

22 “(C) Implementation of a management
23 program established under section 319.

1 “(D) Implementation of a conservation and
2 management plan established under section
3 320.

4 “(E) Restoration or protection of publicly
5 or privately owned riparian areas, including ac-
6 quisition of property rights.

7 “(F) Implementation of measures to im-
8 prove the efficiency of public water use.

9 “(G) Development and implementation of
10 plans by a public recipient to prevent water pol-
11 lution.

12 “(H) Acquisition of lands necessary to
13 meet any mitigation requirements related to
14 construction of a publicly owned treatment
15 works.

16 “(2) FUND AMOUNTS.—The water pollution
17 control revolving fund of a State shall be established,
18 maintained, and credited with repayments, and the
19 fund balance shall be available in perpetuity for pro-
20 viding financial assistance for activities described in
21 paragraph (1). Fees charged by a State to recipients
22 of such assistance may be deposited in the fund for
23 the sole purpose of financing the cost of administra-
24 tion of this title.”.

1 (b) EXTENDED REPAYMENT PERIOD FOR FINAN-
2 CIALLY DISTRESSED COMMUNITIES.—Section 603(d)(1)
3 of the Federal Water Pollution Control Act (33 U.S.C.
4 1383(d)(1)) is amended—

5 (1) in subparagraph (A) by inserting after “20
6 years” the following: “or, in the case of a financially
7 distressed community, the lesser of 40 years or the
8 expected life of the project to be financed with the
9 proceeds of the loan”; and

10 (2) in subparagraph (B) by striking “not later
11 than 20 years after project completion” and insert-
12 ing “upon the expiration of the term of the loan”.

13 (c) ADMINISTRATIVE EXPENSES.—Section 603(d)(7)
14 of the Federal Water Pollution Control Act (33 U.S.C.
15 1383(d)(7)) is amended by inserting before the period at
16 the end the following: “or \$400,000 per year or ½ percent
17 per year of the current valuation of such fund, whichever
18 is greatest, plus the amount of any fees collected by the
19 State for such purpose under subsection (c)(2)”.

20 (d) TECHNICAL AND PLANNING ASSISTANCE FOR
21 SMALL SYSTEMS.—Section 603(d) of the Federal Water
22 Pollution Control Act (33 U.S.C. 1383(d)) is amended—

23 (1) by striking “and” at the end of paragraph
24 (6);

3 (3) by adding at the end the following:

4 “(8) to provide to small systems technical and
5 planning assistance and assistance in financial man-
6 agement, user fee analysis, budgeting, capital im-
7 provement planning, facility operation and mainte-
8 nance, repair schedules, and other activities to im-
9 prove wastewater treatment plant operations; except
10 that such amounts shall not exceed 2 percent of all
11 grant awards to such fund under this title.”.

12 (e) PRINCIPAL SUBSIDIZATION.—Section 603 of the
13 Federal Water Pollution Control Act is amended by add-
14 ing at the end the following:

15 “(i) PRINCIPAL SUBSIDIZATION.—In any case in
16 which a State makes a loan pursuant to subsection (d)(1)
17 to a financially distressed community, the State may pro-
18 vide additional subsidization, including forgiveness of prin-
19 cipal. The total amount of loan subsidies made by a State
20 under this subsection in a fiscal year may not exceed 30
21 percent of the amount of the capitalization grant received
22 by the State in such fiscal year.

23 "(j) FINANCIALLY DISTRESSED COMMUNITY DE-
24 FINED.—In this section, the term 'financially distressed
25 community' means any community that meets afford-

1 ability criteria established by the State in which the treat-
2 ment works is located, if such criteria are developed after
3 public review and comment.

4 “(k) INFORMATION TO ASSIST STATES.—The Ad-
5 ministerator may publish information to assist States in es-
6 tablishing affordability criteria under subsection (j).

7 “(l) PRIORITY.—A State may give priority to a finan-
8 cially distressed community in making loans from its
9 water pollution control revolving fund.”.

10 SEC. 204. AUTHORIZATION OF APPROPRIATIONS FOR
11 CLEAN WATER STATE REVOLVING FUNDS.

12 Section 607 of the Federal Water Pollution Control
13 Act (33 U.S.C. 1387) is amended—

14 (1) by striking “and” at the end of paragraph
15 (4);

16 (2) by striking the period at the end of para-
17 graph (5) and inserting “; and”; and

18 (3) by adding at the end the following:

19 “(6) \$5,000,000,000 as an additional amount
20 for fiscal year 2002.”

21 SEC. 205. WET WEATHER.

22 Section 221(f) of the Federal Water Pollution Con-
23 trol Act (33 U.S.C. 1301(f)) is amended by inserting after
24 the first sentence the following: “In addition, there is au-

1 thorized to be appropriated to carry out this section an
2 additional \$1,500,000,000 for fiscal year 2002.”.

3 **SEC. 206. SAFE DRINKING WATER STATE REVOLVING
4 FUNDS.**

5 Section 1452(m) of title XIV of the Public Health
6 Service Act (commonly known as the “Safe Drinking
7 Water Act”) (42 U.S.C. 300j–12(m)) is amended by in-
8 serting after the first sentence the following: “In addition,
9 there is authorized to be appropriated to carry out this
10 section an additional \$1,500,000,000 for fiscal year
11 2002.”.

12 **TITLE III—HIGHWAY
13 INFRASTRUCTURE INVESTMENT**

14 **SEC. 301. FEDERAL-AID HIGHWAY PROGRAM OBLIGATION
15 CEILING.**

16 Section 1102 of the Transportation Equity Act for
17 the 21st Century (112 Stat. 115) is amended by adding
18 at the end the following:

19 “(j) INCREASE IN OBLIGATION LIMIT FOR FISCAL
20 YEAR 2002.—Notwithstanding any other provision of law,
21 limitations on obligations imposed by subsection (a) for
22 fiscal year 2002 shall be increased by \$5,000,000,000.
23 Such sum shall be distributed in accordance with this sec-
24 tion, except that a program subject to a reduction in funds
25 under subsection (f) shall receive an amount of obligation

1 authority equal to the amount of contract authority avail-
2 able for such program in such fiscal year.”.

3 **SEC. 302. LIMITATIONS ON CREDIT AMOUNTS.**

4 Section 188(c) of title 23, United States Code, is
5 amended—

6 (1) by striking “For each of” and inserting the
7 following:

8 “(1) IN GENERAL.—For each of”;

9 (2) by adding at the end the following:

10 “(2) SPECIAL RULE.—Notwithstanding any
11 other provision of law, principal amounts of Federal
12 credit instruments authorized under this subsection
13 for fiscal years 1999, 2000, and 2001 that have not
14 been made available shall be available in fiscal years
15 2002 and 2003, in addition to amounts authorized
16 for such fiscal years.”; and

17 (3) by aligning the remainder of the text of
18 paragraph (1) (as designated by paragraph (1) of
19 this section) preceding the table with paragraph (2)
20 (as added by paragraph (2) of this section).

1 **TITLE IV—TRANSIT**
2 **INFRASTRUCTURE INVESTMENT**
3 **SEC. 401. ADDITIONAL AUTHORIZATIONS FOR FORMULA**
4 **GRANTS.**

5 (a) FROM THE TRUST FUND.—Section
6 5338(a)(2)(A)(iv) of title 49, United States Code, is
7 amended by striking “\$2,873,600,000” and inserting
8 “\$5,273,600,000”.

9 (b) FROM THE GENERAL FUND.—Section
10 5338(a)(2)(B)(iv) of title 49, United States Code, is
11 amended by striking “\$718,400,000” and inserting
12 “\$1,318,400,000”.

(c) AVAILABILITY OF AMOUNTS.—Notwithstanding sections 5307(k)(2) and section 5336(i), any increase in the amounts apportioned to a recipient attributable to the amendments made by subsections (a) and (b) of this section may be obligated by the recipient for 1 year after the last day of the fiscal year in which the amount is apportioned. Not later than 30 days after the end of the 1-year period, an amount that is not obligated at the end of that period shall be added to the amount that may be apportioned under the urbanized area formula program of section 5336 of title 49, United States Code.

1 **SEC. 402. FEDERAL TRANSIT PROGRAM OBLIGATION CEIL-**
2 **ING.**

3 Section 3040(4) of the Transportation Equity Act for
4 the 21st Century (112 Stat. 338) is amended by striking
5 “\$6,747,000,000” and inserting “\$9,747,000,000”.

6 **SEC. 403. UNIFORM DOLLAR LIMITATION FOR ALL TYPES**
7 **OF TRANSPORTATION FRINGE BENEFITS.**

8 (a) IN GENERAL.—Subparagraph (A) of section
9 132(f)(2) of the Internal Revenue Code of 1986 (relating
10 to limitation on exclusion) is amended by striking “\$100”
11 and inserting “\$175”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2001.

15 **TITLE V—AVIATION**
16 **INFRASTRUCTURE INVESTMENT**

17 **SEC. 501. INCREASED FUNDING FOR AIRPORT PLANNING**
18 **AND DEVELOPMENT.**

19 (a) IN GENERAL.—Section 48103(4) of title 49,
20 United States Code, is amended by striking
21 “\$3,300,000,000” and inserting “\$5,355,000,000.”.

22 (b) DISCRETIONARY FUND.—Section 47115 of title
23 49, United States Code, is amended by adding at the end
24 the following:

25 “(i) ADDITIONAL AMOUNT TO BE CREDITED TO
26 FUND FOR FISCAL YEAR 2002.—

1 “(1) IN GENERAL.—In addition to other
2 amounts credited to the fund under this section,
3 there shall be credited to the fund \$2,055,000,000
4 out of amounts made available to the Secretary for
5 fiscal year 2002 under section 48103(4).

6 “(2) APPORTIONMENT CATEGORIES DO NOT
7 APPLY.—Section 47117(e) does not apply to
8 amounts credited to the fund under this sub-
9 section.”.

10 (c) CONFORMING AMENDMENT.—Section 47114 of
11 title 49, United States Code, is amended by adding at the
12 end the following:

13 “(g) SPECIAL RULE FOR FISCAL YEAR 2002.—Of
14 the funds made available by section 48103(4), the amount
15 subject to apportionment under this section shall be re-
16 duced by the amount credited to the discretionary fund
17 under section 47115(i).”.

18 SEC. 502. INCREASED FUNDING FOR AIRWAY FACILITIES

19 IMPROVEMENT.

20 Section 48101(a)(4) of title 49, United States Code,
21 is amended by striking “\$2,914,000,000” and inserting
22 “\$3,859,000,000”.

1 **TITLE VI—MARITIME**
2 **INFRASTRUCTURE INVESTMENT**
3 **SEC. 601. MARINE TRANSPORTATION SYSTEM INFRASTRUC-**
4 **TURE.**

5 (a) MARITIME LOAN GUARANTEES.—For expenses
6 under the loan guarantee program authorized by title XI
7 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271
8 et seq.) there is authorized to be appropriated, in addition
9 to any other amounts authorized for such expenses,
10 \$100,000,000 for fiscal years 2002 and 2003, of which—

21 (b) MARINE TRANSPORTATION SYSTEM IMPROVE-
22 MENT GRANTS.—

1 States to acquire the best available technology,
2 equipment, or infrastructure to expedite the trans-
3 portation of cargo through the port or terminal, re-
4 spectively.

5 (2) QUALIFIED PROJECTS.—A project shall not
6 qualify for a grant under this section unless it pro-
7 vides technology, equipment, or infrastructure that
8 will significantly increase the actual throughput of
9 cargo through a port or terminal facility.

10 (3) COST SHARING.—The Federal share of the
11 cost of a project carried out with a grant under this
12 subsection shall not exceed 50 percent.

13 (4) REGULATIONS.—The Secretary shall, before
14 July 1, 2002, prescribe final regulations for issuing
15 grants under this subsection.

16 (5) AUTHORIZATION OF APPROPRIATIONS.—For
17 grants under this subsection there is authorized to
18 be appropriated to the Secretary \$500,000,000 for
19 fiscal years 2002 and 2003.

20 **TITLE VII—ECONOMIC DEVEL-**
21 **OPMENT INFRASTRUCTURE**
22 **INVESTMENT**

23 **SEC. 701. PUBLIC WORKS AND ECONOMIC DEVELOPMENT.**

24 Section 701 of the Public Works and Economic De-
25 velopment Act of 1965 (42 U.S.C. 3231) is amended—

3 (2) by adding at the end the following:

4 “(b) ADDITIONAL AUTHORIZATION.—In addition to
5 amounts authorized by subsection (a), there are author-
6 ized to be appropriated to carry out this Act \$900,000,000
7 for fiscal year 2002. Such sums shall remain available
8 until September 30, 2003.”.

9 SEC. 702. APPALACHIAN REGIONAL DEVELOPMENT.

10 Section 401 of the Appalachian Regional Develop-
11 ment Act of 1965 (40 U.S.C. App.) is amended by adding
12 at the end the following:

13 "(c) ADDITIONAL AUTHORIZATION.—In addition to
14 amounts authorized by subsection (a), there are author-
15 ized to be appropriated to the Commission to carry out
16 this Act \$200,000,000 for fiscal year 2002. Such sums
17 shall remain available until September 30, 2003.".

18 SEC. 703. DELTA REGIONAL DEVELOPMENT.

19 Section 382M of the Consolidated Farm and Rural
20 Development Act (7 U.S.C. 2009aa–12) is amended—

21 (1) by redesignating subsection (b) as sub-
22 section (c);

23 (2) by inserting after subsection (a) the fol-
24 lowing:

1 “(b) ADDITIONAL AUTHORIZATION.—In addition to
2 amounts authorized by subsection (a), there are author-
3 ized to be appropriated to the Authority to carry out this
4 subtitle \$200,000,000 for fiscal year 2002. Such sums
5 shall remain available until September 30, 2003.”; and

6 (3) in subsection (c) (as so redesignated) by
7 striking “subsection (a)” and inserting “subsections
8 (a) and (b)”.

9 **TITLE VIII—WATER RESOURCES** 10 **INFRASTRUCTURE INVESTMENT**

11 **SEC. 801. INCREASED FUNDING FOR CORPS OF ENGINEERS** 12 **PROJECTS.**

13 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-
14 tion to other amounts authorized to be appropriated, there
15 are authorized to be appropriated to the Secretary of the
16 Army \$1,200,000,000 for fiscal year 2002 to carry out
17 construction, operation, and maintenance activities for au-
18 thorized civil functions under the supervision of the Chief
19 of Engineers. Such sums shall remain available until Sep-
20 tember 30, 2003.

21 (b) ALLOCATION OF AMOUNTS FOR SECURITY PUR-
22 POSES.—Of the amounts appropriated pursuant to sub-
23 section (a), not less than \$263,000,000 shall be available
24 for security purposes at critical infrastructure, as identi-
25 fied by the Secretary of the Army.

1 TITLE IX—PUBLIC BUILDINGS

2 INFRASTRUCTURE INVESTMENT

3 SEC. 901. SECURITY ENHANCEMENTS FOR GSA PROP-
4 ERTIES.

5 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-
6 tion to other amounts credited to the Federal Buildings
7 Fund established pursuant to section 210(f) of the Fed-
8 eral Property and Administrative Services Act of 1949 (40
9 U.S.C. 490(f)), there is authorized to be appropriated
10 \$500,000,000 for fiscal year 2002 to be credited to the
11 Fund. Such sums shall remain available until September
12 30, 2003.

13 (b) USE OF FUNDS.—Amounts credited to the Fund
14 under this section shall be available to the Administrator
15 of General Services to carry out projects and activities for
16 enhancing the security of properties under the control of
17 the General Services Administration, including general
18 purpose office space, courthouses, and border crossing sta-
19 tions, and for other repair and alteration purposes.

20 SEC. 902. SECURITY ENHANCEMENTS FOR JOHN F. KEN-
21 NEDY CENTER.

22 Section 12 of the John F. Kennedy Center Act (20
23 U.S.C. 76r) is amended by adding at the end the fol-
24 lowing:

1 “(d) ADDITIONAL AUTHORIZATION.—In addition to
2 the amounts authorized under subsections (a) and (b),
3 there is authorized to be appropriated to the Board
4 \$50,000,000 for fiscal year 2002 to carry out projects and
5 activities for enhancing the security of the building and
6 site of the John F. Kennedy Center for the Performing
7 Arts and other projects and activities under subpara-
8 graphs (F), (G), and (H) of section 4(a)(1).”.

9 **SEC. 903. SECURITY ENHANCEMENTS FOR SMITHSONIAN**

10 **INSTITUTION.**

11 In addition to other amounts authorized to be appro-
12 priated, there is authorized to be appropriated to the
13 Smithsonian Institution \$50,000,000 for fiscal year 2002
14 to carry out projects and activities for enhancing the secu-
15 rity of the buildings and grounds of the Smithsonian Insti-
16 tution and for other capital improvement or repair and
17 alteration purposes.

18 **TITLE X—GENERAL PROVISIONS**

19 **SEC. 1001. PRIORITY CONSIDERATION FOR SECURITY**
20 **PROJECTS.**

21 The head of a Federal department or agency may
22 provide financial assistance with any increase in funds au-
23 thorized or made available by, or with any increase in obli-
24 gation authority made available by, this Act (including the
25 amendments made by this Act) only if the recipient of

1 such assistance certifies to the head of such department
2 or agency that the recipient will give priority consideration
3 to programs or projects that enhance security, to the ex-
4 tent that such programs or projects are immediately ready
5 to be implemented.

6 **SEC. 1002. TEMPORARY WAIVER OF NON-FEDERAL SHARE.**

7 (a) IN GENERAL.—Notwithstanding any other provi-
8 sion of law and subject to subsection (b), in providing fi-
9 nancial assistance for a program or project with any in-
10 crease in funds authorized or made available by, or with
11 any increase in obligation authority made available by, this
12 Act (including the amendments made by this Act (other
13 than subtitle A of title I of this Act)), the head of a Fed-
14 eral department or agency, upon request of the recipient
15 of such assistance, may increase the Federal share of the
16 cost of the program or project to not to exceed 100 percent
17 of such cost.

18 (b) REPAYMENTS.—Before increasing the Federal
19 share of the cost of a program or project under subsection
20 (a), the head of a Federal department or agency shall
21 enter into a legally binding agreement with the recipient
22 of financial assistance for the program or project under
23 which the recipient agrees to repay the United States for
24 the increased Federal share of the program or project on
25 or before September 30, 2003.

1 SEC. 1003. MAINTENANCE OF EFFORT.

2 The head of a Federal department or agency may
3 provide financial assistance for a program or project with
4 any increase in funds authorized or made available by, or
5 with any increase in obligation authority made available
6 by, this Act (including the amendments made by this Act)
7 for a fiscal year only if the recipient of such assistance
8 certifies to the head of such department or agency that
9 the aggregate expenditure of funds of the recipient, exclu-
10 sive of Federal funds, for such program or project will be
11 maintained at a level that does not fall below the average
12 level of such expenditure for the preceding 2 fiscal years
13 of the recipient.

14 SEC. 1004. LABOR STANDARDS.

15 (a) PREVAILING WAGES.—The head of a Federal de-
16 partment or agency providing financial assistance with
17 any increase in funds authorized or made available by, or
18 with any increase in obligation authority made available
19 by, this Act (including the amendments made by this Act)
20 shall ensure that laborers and mechanics employed by con-
21 tractors and subcontractors in construction work financed
22 by such financial assistance will be paid wages not less
23 than those prevailing on similar construction in the local-
24 ity, as determined by the Secretary of Labor under the
25 Act of March 3, 1931 (known as the Davis-Bacon Act;
26 40 U.S.C. 276a et seq.). The head of the department or

1 agency shall provide such financial assistance only after
2 being assured that required labor standards will be main-
3 tained on the construction work.

4 (b) WAGE RATES.—Wage rates in a collective bar-
5 gaining agreement negotiated under the Railway Labor
6 Act (45 U.S.C. 151 et seq.) are deemed for purposes of
7 this section to comply with the Act of March 3, 1931
8 (known as the Davis-Bacon Act; 40 U.S.C. 276a et seq.).

9 **SEC. 1005. BUY AMERICA.**

10 (a) PREFERENCE.—The head of a Federal depart-
11 ment or agency may provide financial assistance for a
12 project with any increase in funds authorized or made
13 available by, or with any increase in obligation authority
14 made available by, this Act (including the amendments
15 made by this Act) only if steel and manufactured goods
16 used in the project are produced in the United States.

17 (b) WAIVER.—The head of a Federal department or
18 agency may waive subsection (a) if the head of the Federal
19 department or agency finds that—

20 (1) applying subsection (a) would be incon-
21 sistent with the public interest;

22 (2) the steel and goods produced in the United
23 States are not produced in a sufficient and reason-
24 ably available amount or are not of a satisfactory
25 quality;

4 (A) the cost of components and subcompo-
5 nents produced in the United States is more
6 than 60 percent of the cost of all components
7 of the facility or equipment; and

(B) final assembly of the facility or equipment has occurred in the United States; or

10 (4) including domestic material will increase the
11 cost of the overall project by more than 25 percent.

12 (c) LABOR COSTS.—In this section, labor costs in-
13 volved in final assembly are not included in calculating the
14 cost of components.