117TH CONGRESS
1ST SESSION

H. R. ______

To amend the Railroad Revitalization and Regulatory Reform Act of 1976 to provide for the Secretary to pay certain credit risk premiums for loan or loan guarantees, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. Kuster of New Hampshire introduced the following bill; which was referred to the Committee on __________________________

A BILL

To amend the Railroad Revitalization and Regulatory Reform Act of 1976 to provide for the Secretary to pay certain credit risk premiums for loan or loan guarantees, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Invest in American Railroads Act”.

1 2 3 4 5
SEC. 2. PAYMENT OF CREDIT RISK PREMIUMS FOR LOANS AND LOAN GUARANTEES.


(1) by striking “Credit risk premiums” and inserting the following:

“(A) TIMING OF PAYMENT.—Credit risk premiums”; and

(2) by adding at the end the following:

“(B) PAYMENT OF CREDIT RISK PREMIUMS.—

“(i) IN GENERAL.—In granting assistance under this section, the Secretary may pay credit risk premiums required under paragraph (3), in whole or in part, with respect to a loan or loan guarantee.

“(ii) SET-ASIDE.—Of the amounts made available to carry out this paragraph, at least $100,000,000 shall be used for passenger rail projects for a fiscal year. Any amounts not obligated in a fiscal year shall be made available for any project receiving assistance under this section.

“(iii) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appro-
priated $300,000,000 for each of fiscal years 2022 through 2027 to carry out this subparagraph, to remain available until expended.”.

SEC. 3. INCREASING FEDERAL SUPPORT FOR FREIGHT RAIL.

Section 502(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 822(a)) is amended—

(1) in paragraph (5), by striking “and” at the end;

(2) in paragraph (6), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(7) a private entity with controlling ownership in one or more freight railroads other than Class I carriers.”.

SEC. 4. EXPANDING USES FOR RIFF.

Section 502(b)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 822(b)(1)) is amended—

(1) by striking subparagraph (A) and inserting the following:

“(A) acquire, improve, or rehabilitate intermodal or rail equipment or facilities, in-
cluding track, components of track, civil works such as cuts and fills, stations, tunnels, bridges, yards, buildings, and shops, and costs related to these activities, including pre-construction costs;”; and

(2) by striking subparagraph (D) and inserting the following:

“(D) reimburse planning, permitting, and design expenses relating to activities described in subparagraph (A) or (C); or”.

SEC. 5. ELIGIBILITY.


(1) by amending clause (ii) of subparagraph (B) to read as follows:

“(ii) user fees, including operating or tenant charges, facility rents or other fees paid by transportation service providers or operators for access to or use of infrastructure including but not limited to rail lines, bridges tunnels, yards or stations; or”; and

(2) by adding at the end the following:

“(D) A projection of freight or passenger demand for the project based on regionally de-
developed economic forecasts, including projections of any modal diversion resulting from the project.”

SEC. 6. COLLATERAL AND APPRAISAL STANDARDS.

Section 502(f) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 822(f)) is amended—

(1) in paragraph (3), by striking “tangible asset” and inserting “collateral described in paragraph (5)”;

and

(2) by adding at the end the following:

“(5) COLLATERAL.—

“(A) TYPES OF COLLATERAL.—An applicant or infrastructure partner may propose tangible and intangible assets as collateral, exclusive of goodwill. The Secretary shall evaluate each such asset and—

“(i) shall accept a net liquidation value of collateral; and

“(ii) shall consider and may accept—

“(I) the market value of collateral; or

“(II) in the case of a blanket pledge or assignment of an entire operating asset or basket of assets as
collateral, the net liquidation value, the market value of assets, or, the market value of the going concern, considering—

“(aa) inclusion in the pledge of all the assets necessary for independent operational utility of the collateral, including tangible assets such as real property, track and structure, equipment and rolling stock, stations, systems and maintenance facilities and intangible assets such as long-term shipping agreements, easements, leases and access rights such as for trackage and haulage;

“(bb) interchange commitments; and

“(cc) the value of the asset as determined through the cost or market approaches, or the market value of the going concern, with the latter considering discounted cash flows for a pe-
period not to exceed the term of the direct loan or loan guarantee.

“(B) APPRAISAL STANDARDS.—In evaluation of appraisals of collateral under subparagraph (A), the Secretary shall consider—

“(i) adherence to the substance and principles of the Uniform Standards of Professional Appraisal Practice, as developed by the Appraisal Standards Board of the Appraisal Foundation;

“(ii) performance of the appraisal by licensed or certified appraisers as may be required by the State of jurisdiction for the type of asset being appraised; and

“(iii) the qualifications of the appraisers to value the type of collateral offered.”.

SEC. 7. REPAYMENT OF RRIF LOANS.

Section 502(g)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 822(g)(1)) is amended—

(1) in subparagraph (A) by striking “35” and inserting “50”; and

(2) by amending subparagraph (B) to read as follows:
“(B) the estimated useful life of the rail equipment or facilities to be acquired, rehabilitated, improved, developed, or established, including civil works such as cuts and fills, bridges, tunnels, yards, buildings and other long-lived assets.”.

SEC. 8. LEVERAGING EXISTING FEDERAL INFRASTRUCTURE PROGRAMS.

Section 502 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 822) is amended by adding at the end the following:

“(n) NON-FEDERAL SHARE.—The proceeds of a secured loan under this title, if such loan is repayable from non-Federal funds, shall not be considered Federal funds. Such loan funds shall be accepted for payment of the non-Federal share of project costs under law, including for any projects receiving funding under title 23 or 49 of the United States Code.”.