

105TH CONGRESS
1ST SESSION

S. 764

To reauthorize the mass transit programs of the Federal Government.

IN THE SENATE OF THE UNITED STATES

MAY 19, 1997

Mr. SPECTER (for himself, Mr. SANTORUM, and Mr. LAUTENBERG) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To reauthorize the mass transit programs of the Federal Government.

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 “Mass Transit Amend-
5 ments Act of 1997”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the United States imports more than 50
9 percent of the oil it consumes, an amount that is in-

1 creasing dramatically each year, while domestic pro-
2 duction continues to decline;

3 (2) more than 20 percent of the oil purchased
4 by the United States comes from the Middle East,
5 a historically unstable region with 66 percent of the
6 world's recoverable oil resources;

7 (3) nearly 4,000,000,000 gallons of gasoline are
8 wasted each year due to traffic congestion, which
9 represents approximately 94,000,000 barrels of oil;

10 (4) the annual economic loss to businesses in
11 the United States caused by traffic congestion is es-
12 timated at \$40,000,000,000;

13 (5) public transportation has been estimated to
14 save 1,500,000,000 gallons annually, with each com-
15 muter who switches from driving alone to using pub-
16 lic transportation saving an estimated 200 gallons of
17 gasoline a year;

18 (6) public transportation improves air quality
19 and helps urban areas achieve federally required pol-
20 lution reduction milestones;

21 (7) citizens in urban and rural areas depend on
22 good public transportation for mobility, access to
23 jobs and health care providers, environmental con-
24 trol, and economic stability;

1 (8) millions of Americans are employed in the
2 transit industry, operating the Nation’s transit sys-
3 tems, manufacturing the buses, trains, and other ve-
4 hicles used in public transportation, or serving in re-
5 lated capacities; and

6 (9) an increased investment in public transpor-
7 tation will reduce our dependence on foreign oil, re-
8 duce air pollution, and increase access to jobs and
9 other important destinations for millions of Ameri-
10 cans.

11 **SEC. 3. PURPOSES.**

12 Section 5301(f) of title 49, United States Code, is
13 amended—

14 (1) in paragraph (4)—

15 (A) by striking “disabilities, and” and in-
16 sserting “disabilities, individuals seeking employ-
17 ment or job training in order to end their reli-
18 ance on public assistance programs, and”; and

19 (B) by striking “and” at the end;

20 (2) in paragraph (5), by striking the period at
21 the end and inserting “; and”; and

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

23 “(6) to achieve demonstrable reductions in en-
24 ergy consumption and air pollution through in-
25 creased reliance on mass transportation.”.

1 **SEC. 4. REVERSE COMMUTE PILOT PROGRAM.**

2 (a) IN GENERAL.—Chapter 53 of title 49, United
3 States Code, is amended by inserting after section 5320
4 the following:

5 **“§ 5320A. Reverse commute pilot program**

6 “(a) AUTHORITY.—The Secretary may make grants
7 in accordance with this section to States, local government
8 authorities, and private nonprofit organizations to provide
9 access to suburban employment and job training opportu-
10 nities to residents of distressed urban areas and rural
11 areas.

12 “(b) USE OF AMOUNTS.—Amounts made available to
13 a grant recipient under this section may be used—

14 “(1) to subsidize the purchase or lease by a pri-
15 vate employer or public agency of a van or bus dedi-
16 cated to shuttling employees from their residences in
17 distressed urban areas and rural areas to the work-
18 place;

19 “(2) to subsidize additional reverse commute
20 bus or train routes; and

21 “(3) to otherwise facilitate the provision of sub-
22 urban employment and job training opportunities to
23 residents of distressed urban areas and rural areas.

24 “(c) GRANT CRITERIA.—In making grants under this
25 section, the Secretary shall consider each of the following
26 with respect to an applicant:

1 “(1) NEED FOR SERVICES.—The need for addi-
2 tional services to transport individuals from the dis-
3 tressed urban area or rural area to specified jobs,
4 training, and other employment support services,
5 and the extent to which proposed services will ad-
6 dress those needs.

7 “(2) COORDINATION MECHANISM.—The extent
8 to which the applicant has established or will estab-
9 lish a mechanism to coordinate transportation and
10 human resource services planning.

11 “(3) QUALIFICATIONS AND PAST PERFORM-
12 ANCE.—The applicant’s qualifications and perform-
13 ance under other welfare reform or economic devel-
14 opment initiatives.

15 “(4) HUMAN RESOURCES.—The extent to which
16 a local human resource agency is contributing finan-
17 cial resources to implement the project for which
18 funds are sought under this section.

19 “(5) OTHER CRITERIA.—Any other criteria the
20 Secretary determines to be relevant to the promotion
21 of the use of mass transit generally and to increas-
22 ing access to employment opportunities and job
23 training for residents of distressed urban areas and
24 rural areas.

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
2 is authorized to be appropriated to carry out this section
3 \$250,000,000 for each of the fiscal years 1998 through
4 2002.”.

5 (b) DEFINITION OF DISTRESSED URBAN AREA.—
6 Section 5302(a) of title 49, United States Code, is amend-
7 ed—

8 (1) in each of paragraphs (1) through (12), by
9 striking the period at the end and inserting a semi-
10 colon;

11 (2) in paragraph (13), by striking the period at
12 the end and inserting “; and”; and

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

14 “(14) the term ‘distressed urban area’ means
15 any urban area having a population of more than
16 50,000 that meets (as determined by the Secretary
17 of Housing and Urban Development) the qualifica-
18 tions for making an Urban Development Action
19 Grant to a community experiencing severe economic
20 distress that are otherwise established for large
21 cities and urban counties under subpart G of part
22 570 of title 24, Code of Federal Regulations.”.

23 (c) CONFORMING AMENDMENT.—The analysis for
24 chapter 53 of title 49, United States Code, is amended

1 by inserting after the item relating to section 5320 the
2 following:

“5320A. Reverse commute pilot program.”.

3 **SEC. 5. METROPOLITAN PLANNING ORGANIZATIONS.**

4 Section 5303(b) of title 49, United States Code, is
5 amended—

6 (1) in each of paragraphs (1) through (14), by
7 striking the period at the end and inserting a semi-
8 colon;

9 (2) in paragraph (15), by striking the period at
10 the end and inserting “; and”; and

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

12 “(16) the transportation requirements of a
13 strategy to revitalize the Nation’s inner cities by cre-
14 ating new employment, job training, housing, mobil-
15 ity, and other economic opportunities in urban
16 areas.”.

17 **SEC. 6. CAPITAL ASSETS.**

18 Section 5307 of title 49, United States Code, is
19 amended—

20 (1) by striking subsection (a) and inserting the
21 following:

22 “(a) **DEFINITION OF DESIGNATED RECIPIENT.**—In
23 this section, the term ‘designated recipient’ means—

24 “(1) a person designated, consistent with the
25 planning process under sections 5303 through 5306

1 of this title, by the chief executive officer of a State,
 2 responsible local officials, and publicly owned opera-
 3 tors of mass transportation to receive and apportion
 4 amounts under section 5336 of this title that are at-
 5 tributable to transportation management areas es-
 6 tablished under section 5305(a) of this title; or

7 “(2) a State or regional authority if the author-
 8 ity is responsible under the laws of a State for a
 9 capital project and for financing and directly provid-
 10 ing mass transportation.”; and

11 (2) in subsection (b)—

12 (A) in paragraph (1), by striking “facili-
 13 ties, and associated capital maintenance items”
 14 and inserting “and facilities”; and

15 (B) by striking paragraph (4) and insert-
 16 ing the following:

17 “(4) A grant under this section is available for
 18 maintaining capital assets.”.

19 **SEC. 7. FLEXIBILITY FOR LESS POPULATED COMMUNITIES.**

20 Section 5307 of title 49, United States Code, is
 21 amended by adding at the end the following:

22 “(o) USE OF AMOUNTS BY SMALL URBANIZED
 23 AREAS AND RURAL AREAS.—Notwithstanding any
 24 other provision of this section, each urbanized area
 25 with a population of less than 200,000 and each

1 rural area may use assistance received under this
2 section for either operating or capital needs.”.

3 **SEC. 8. DISCRETIONARY GRANTS AND LOANS.**

4 Section 5309(m)(1) of title 49, United States Code,
5 is amended by striking “1993–1997” and inserting
6 “1998–2002”.

7 **SEC. 9. PROCEEDS FROM SALE OF MASS TRANSIT ASSETS.**

8 Section 5334(g) of title 49, United States Code, is
9 amended—

10 (1) by redesignating paragraphs (2) and (3) as
11 paragraphs (3) and (4), respectively;

12 (2) in paragraph (3), as redesignated, by strik-
13 ing “paragraph (1)” and inserting “paragraph
14 (1)(B)”; and

15 (3) in paragraph (1)—

16 (A) in the second sentence, by striking
17 “The Secretary may authorize a transfer for a
18 public purpose other than mass transportation”
19 and inserting the following:

20 “(2) The Secretary may authorize a transfer for a
21 public purpose other than mass transportation under
22 paragraph (1)(B)”; and

23 (B) in the first sentence, by striking “re-
24 cipient to transfer” and inserting the following:
25 “recipient—

1 “(A) to sell the assets and retain the proceeds
2 of the sale if—

3 “(i) all proceeds are used by the recipient
4 for allowable capital needs; and

5 “(ii) the grantee submits a report to the
6 Secretary describing date, time, and location of
7 the sale, the assets to be sold, and the manner
8 in which the proceeds of the sale will be used
9 in accordance with clause (i); or

10 “(B) to transfer”.

11 **SEC. 10. AUTHORIZATIONS OF APPROPRIATIONS.**

12 (a) APPORTIONMENT OF APPROPRIATIONS FOR
13 FIXED GUIDEWAY MODERNIZATION.—Section 5337(a) of
14 title 49, United States Code, is amended by striking
15 “1993–1997” and inserting “1998–2002”.

16 (b) SECTIONS 5303–5306, 5307, 5310, 5311, 5313,
17 5314, 5317, 5320, 5327, AND 5334(a) AND (c).—Section
18 5338(a) of title 49, United States Code, is amended to
19 read as follows:

20 “(a) FOR SECTIONS 5303–5306, 5307, 5310, 5311,
21 5313, 5314, 5317, 5320, 5327, AND 5334(a) AND (c).—
22 Not more than the following amounts are available from
23 the Mass Transit Account of the Highway Trust Fund for
24 the Secretary of Transportation to carry out sections

1 5303–5306, 5307, 5310, 5311, 5313, 5314, 5317, 5320,
2 5327, and 5334(a) and (c) of this title:

3 “(1) \$3,750,000,000 for the fiscal year ending
4 September 30, 1998.

5 “(2) \$3,858,700,000 for the fiscal year ending
6 September 30, 1999.

7 “(3) \$3,970,600,000 for the fiscal year ending
8 September 30, 2000.

9 “(4) \$4,085,900,000 for the fiscal year ending
10 September 30, 2001.

11 “(5) \$4,208,400,000 for the fiscal year ending
12 September 30, 2002.”.

13 (c) DISCRETIONARY GRANTS AND LOANS.—Section
14 5338(b) of title 49, United States Code, is amended to
15 read as follows:

16 “(b) SECTION 5309.—Not more than the following
17 amounts are available from the Account for the Secretary
18 to carry out section 5309 of this title:

19 “(1) \$2,500,000,000 for the fiscal year ending
20 September 30, 1998.

21 “(2) \$2,572,500,000 for the fiscal year ending
22 September 30, 1999.

23 “(3) \$2,647,100,000 for the fiscal year ending
24 September 30, 2000.

1 “(4) \$2,723,900,000 for the fiscal year ending
2 September 30, 2001.

3 “(5) \$2,805,600,000 for the fiscal year ending
4 September 30, 2002.”.

5 (d) NATIONAL MASS TRANSPORTATION INSTI-
6 TUTE.—Section 5338(c) of title 49, United States Code,
7 is amended by striking “1993–1997” and inserting
8 “1998–2002”.

9 (e) UNIVERSITY RESEARCH INSTITUTES.—Section
10 5338 of title 49, United States Code, is amended by strik-
11 ing subsection (d) and inserting the following:

12 “(d) SECTION 5316.—Not more than the following
13 amounts may be appropriated to the Secretary from the
14 Fund (except the Account) for each of the fiscal years end-
15 ing September 30, 1998–2002:

16 “(1) \$250,000 to carry out section 5316(a) of
17 this title.

18 “(2) \$3,000,000 to carry out section 5316(b) of
19 this title.

20 “(3) \$1,000,000 to carry out section 5316(c) of
21 this title.

22 “(4) \$1,000,000 to carry out section 5316(d) of
23 this title.

24 “(5) \$1,000,000 to carry out section 5316(e) of
25 this title.”.

1 (f) TRANSPORTATION CENTERS.—

2 (1) IN GENERAL.—Section 5338 of title 49,
3 United States Code, is amended by striking sub-
4 section (e) and inserting the following:

5 “(e) SECTION 5317.—Not more than \$6,000,000 is
6 available from the Fund (except the Account) for the Sec-
7 retary for each of the fiscal years ending September 30,
8 1998–2002, to carry out section 5317 of this title.”.

9 (2) CONFORMING AMENDMENT.—Section
10 5317(b)(5) of title 49, United States Code, is
11 amended—

12 (A) by striking subparagraph (C); and

13 (B) by redesignating subparagraph (D) as
14 subparagraph (C).

15 (g) OTHER SET-ASIDES.—Section 5338(h)(3) of title
16 49, United States Code, is amended by striking “1993–
17 1997” and inserting “1998–2002”.

18 **SEC. 11. APPLICATION OF BYRD RULE TO MASS TRANSIT**

19 **ACCOUNT OF HIGHWAY TRUST FUND.**

20 Section 9503(e)(4) of the Internal Revenue Code of
21 1986 is amended by striking “, except” and all that fol-
22 lows before the period.

23 **SEC. 12. TRANSPORTATION FUEL TAX REFORM.**

24 (a) ESTABLISHMENT OF INTERCITY PASSENGER
25 RAIL ACCOUNT.—Section 9503 of the Internal Revenue

1 Code of 1986 (relating to Highway Trust Fund) is amend-
2 ed by adding at the end the following:

3 “(g) ESTABLISHMENT OF INTERCITY PASSENGER
4 RAIL ACCOUNT.—

5 “(1) CREATION OF ACCOUNT.—There is estab-
6 lished in the Highway Trust Fund a separate ac-
7 count to be known as the ‘Intercity Passenger Rail
8 Account’, consisting of such amounts as may be
9 transferred or credited to the Intercity Passenger
10 Rail Account as provided in this subsection or sec-
11 tion 9602(b).

12 “(2) TRANSFERS TO INTERCITY PASSENGER
13 RAIL ACCOUNT.—

14 “(A) IN GENERAL.—The Secretary of the
15 Treasury shall transfer to the Intercity Pas-
16 senger Rail Account the intercity passenger rail
17 portion of the amounts appropriated to the
18 Highway Trust Fund under subsection (b)
19 which are attributable to taxes under sections
20 4041 and 4081 imposed after September 30,
21 1997, and before October 1, 2002.

22 “(B) INTERCITY PASSENGER RAIL POR-
23 TION.—For purposes of subparagraph (A), the
24 term ‘intercity passenger rail portion’ means an
25 amount determined at the rate of 0.5 cent for

1 each gallon with respect to which tax was im-
2 posed under section 4041 or 4081.

3 “(3) EXPENDITURES FROM ACCOUNT.—

4 “(A) IN GENERAL.—Amounts in the Inter-
5 city Passenger Rail Account shall be available
6 without fiscal year limitation to finance quali-
7 fied expenses of—

8 “(i) the National Railroad Passenger
9 Corporation, and

10 “(ii) each non-Amtrak State, to the
11 extent determined under subparagraph
12 (B).

13 “(B) MAXIMUM AMOUNT OF FUNDS TO
14 NON-AMTRAK STATES.—Each non-Amtrak State
15 shall receive under this subsection an amount
16 equal to the lesser of—

17 “(i) the State’s qualified expenses for
18 the fiscal year, or

19 “(ii) the product of—

20 “(I) $\frac{1}{12}$ of 1 percent of the lesser
21 of—

22 “(aa) the aggregate amounts
23 transferred and credited to the
24 Intercity Passenger Rail Account

1 under paragraph (1) for such fis-
2 cal year, or

3 “(bb) the aggregate amounts
4 appropriated from the Intercity
5 Passenger Rail Account for such
6 fiscal year, and

7 “(II) the number of months such
8 State is a non-Amtrak State in such
9 fiscal year.

10 If the amount determined under clause (ii) ex-
11 ceeds the amount under clause (i) for any fiscal
12 year, the amount under clause (ii) for the fol-
13 lowing fiscal year shall be increased by the
14 amount of such excess.

15 “(4) DEFINITIONS.—For purposes of this sub-
16 section—

17 “(A) QUALIFIED EXPENSES.—The term
18 ‘qualified expenses’ means expenses incurred,
19 with respect to obligations made, after Septem-
20 ber 30, 1997, and before October 1, 2002—

21 “(i) for—

22 “(I) in the case of the National
23 Railroad Passenger Corporation, the
24 acquisition of equipment, rolling
25 stock, and other capital improve-

1 ments, the upgrading of maintenance
2 facilities, and the maintenance of ex-
3 isting equipment, in intercity pas-
4 senger rail service, and the payment
5 of interest and principal on obliga-
6 tions incurred for such acquisition,
7 upgrading, and maintenance, and

8 “(II) in the case of a non-Amtrak
9 State, the acquisition of equipment,
10 rolling stock, and other capital im-
11 provements, the upgrading of mainte-
12 nance facilities, and the maintenance
13 of existing equipment, in intercity
14 passenger rail or bus service, and the
15 payment of interest and principal on
16 obligations incurred for such acquisi-
17 tion, upgrading, and maintenance,
18 and

19 “(ii) certified by the Secretary of
20 Transportation on October 1 as meeting
21 the requirements of clause (i) and as quali-
22 fied for payment under paragraph (5) for
23 the fiscal year beginning on such date.

24 “(B) NON-AMTRAK STATE.—The term
25 ‘non-Amtrak State’ means any State which does

1 not receive intercity passenger rail service from
2 the National Railroad Passenger Corporation.

3 “(5) CONTRACT AUTHORITY.—Notwithstanding
4 any other provision of law, the Secretary of Trans-
5 portation shall certify expenses as qualified for a fis-
6 cal year on October 1 of such year, in an amount
7 not to exceed the amount of receipts estimated by
8 the Secretary of the Treasury to be transferred to
9 the Intercity Passenger Rail Account for such fiscal
10 year. Such certification shall result in a contractual
11 obligation of the United States for the payment of
12 such expenses.

13 “(6) TAX TREATMENT OF ACCOUNT EXPENDI-
14 TURES.—With respect to any payment of qualified
15 expenses from the Intercity Passenger Rail Account
16 during any taxable year to a taxpayer—

17 “(A) such payment shall not be included in
18 the gross income of the taxpayer for such tax-
19 able year,

20 “(B) no deduction shall be allowed to the
21 taxpayer with respect to any amount paid or in-
22 curred which is attributable to such payment,
23 and

1 “(C) the basis of any property shall be re-
2 duced by the portion of the cost of such prop-
3 erty which is attributable to such payment.

4 “(7) TERMINATION.—The Secretary shall deter-
5 mine and retain, not later than October 1, 2002, the
6 amount in the Intercity Passenger Rail Account nec-
7 essary to pay any outstanding qualified expenses,
8 and shall transfer any amount not so retained to the
9 Highway Trust Fund.”.

10 (b) EXTENSION OF MASS TRANSIT ACCOUNT.—

11 (1) INCREASE IN MASS TRANSIT PORTION.—
12 Section 9503(e)(2) of the Internal Revenue Code of
13 1986 (relating to transfers to Mass Transit Ac-
14 count) is amended by striking “2 cents” and insert-
15 ing “2.76 cents”.

16 (2) EXPENDITURES THROUGH FISCAL YEAR
17 2002.—Section 9503(e)(3) of such Code (relating to
18 expenditures from Account) is amended by striking
19 “1997” and inserting “2002”.

20 (c) RECEIPTS OF THE 4.3-CENT FUEL TAX RATE IN-
21 CREASE DEPOSITED IN THE HIGHWAY TRUST FUND.—
22 Section 9503(f) of the Internal Revenue Code of 1986 (de-
23 fining Highway Trust Fund financing rate) is amended—

1 (1) in paragraph (1)(A), by striking “11.5 cents
2 per gallon (14 cents per gallon after September 30,
3 1995)” and inserting “18.3 cents per gallon”; and

4 (2) in paragraph (1)(B), by striking “17.5
5 cents per gallon (20 cents per gallon after Septem-
6 ber 30, 1995)” and inserting “24.3 cents per gal-
7 lon”.

8 (d) CONFORMING AMENDMENTS.—

9 (1) Section 9503(f)(2) of such Code is amend-
10 ed—

11 (A) in subparagraph (B), by striking “3
12 cents” and inserting “7.3 cents”;

13 (B) in subparagraph (C), by striking
14 “zero” and inserting “4.3 cents per gallon”;

15 (C) in subparagraph (D), by striking
16 “zero” and inserting “48.54 cents per MCF
17 (determined at standard temperature and pres-
18 sure)”;

19 (D) in subparagraph (E), by striking
20 “11.5 cents” and inserting “15.8 cents”; and

21 (E) in subparagraph (E), by striking “17.5
22 cents” and inserting “21.8 cents”.

23 (2) Section 9503(f)(3)(A) of such Code is
24 amended to read as follows:

1 “(A) IN GENERAL.—If the rate of tax on
2 any fuel is determined under section
3 4041(b)(2)(A), 4041(k), or 4081(c), the High-
4 way Trust Fund financing rate is the rate so
5 determined after September 30, 1997. In the
6 case of a rate of tax determined under section
7 4081(c), the preceding sentence shall be applied
8 by increasing the rate specified by 0.1 cent.”.

9 (3) Section 9503(f)(3)(C) of such Code is
10 amended to read as follows:

11 “(C) PARTIALLY EXEMPT METHANOL OR
12 ETHANOL FUEL.—In the case of a rate of tax
13 determined under section 4041(m), the High-
14 way Trust Fund financing rate is the rate so
15 determined after September 30, 1995.”.

16 (4) Section 9503(f)(4) of such Code is amended
17 by striking “zero” and inserting “4.3 cents per gal-
18 lon”.

19 (e) EFFECTIVE DATES; SPECIAL RULES.—

20 (1) ACCOUNTS.—The amendments made by
21 subsections (a) and (b) apply with respect to taxes
22 imposed on and after October 1, 1997.

23 (2) TRANSFER OF TAXES.—The amendments
24 made by subsections (c) and (d) apply to fuel re-
25 moved after September 30, 1997.

1 (3) SPECIAL RULES.—

2 (A) Notwithstanding any other provision of
3 law, in calculating amounts under section
4 157(a) of title 23, United States Code, and sec-
5 tions 1013(c), 1015(a), and 1015(b) of the
6 Intermodal Surface Transportation Efficiency
7 Act of 1991 (Public Law 102–240; 105 Stat.
8 1914), deposits in the Highway Trust Fund re-
9 sulting from the amendments made by this sec-
10 tion shall not be taken into account.

11 (B) Notwithstanding any other provision of
12 law, the amounts described in paragraphs
13 (4)(C) and (5) of section 9503(c) of the Inter-
14 nal Revenue Code of 1986 derived from depos-
15 its in the Highway Trust Fund resulting from
16 the amendments made by this section shall not
17 be available without further appropriation.

○