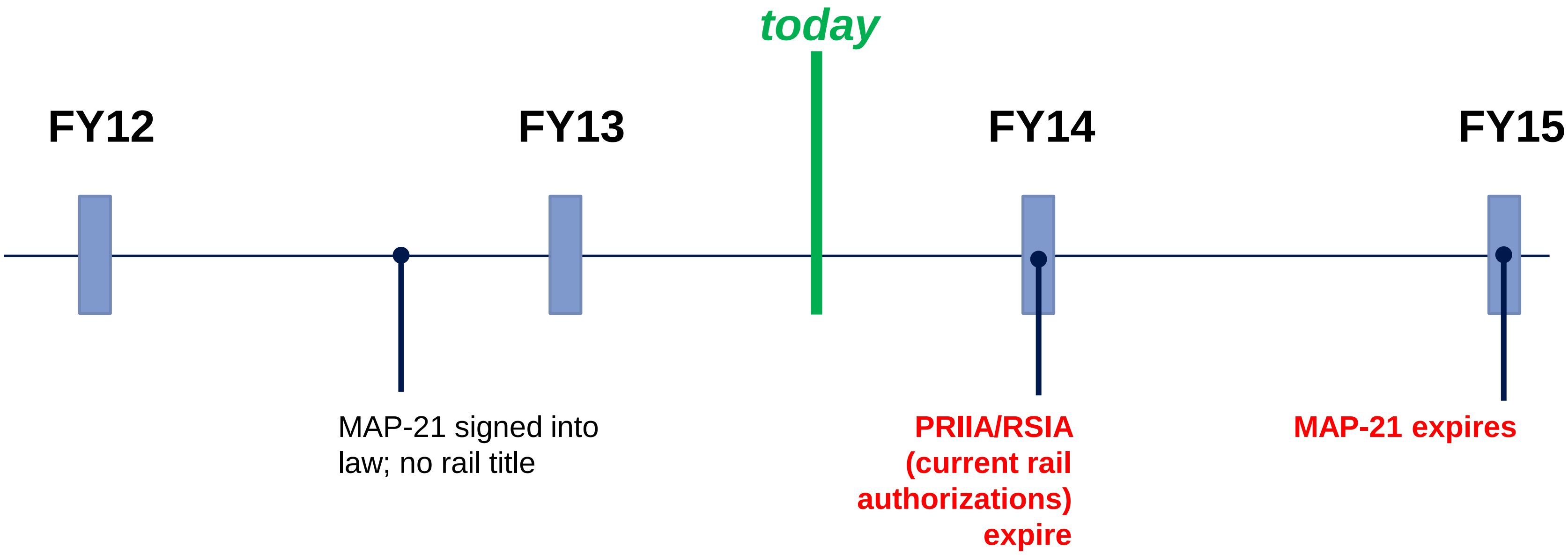
FY 2014 Budget & Five-Year Reauthorization Proposal

10 April 2013

Contents

Context

The FY 2014 budget signals proposed direction for reauthorization



Context

A changed rail landscape since the
Passenger Rail Investment and Improvement Act of 2008…

— Accidents and incidents at record lows

— Train ridership and reliability at record highs

— Historic levels of public and private investment

— Strong financial performance of freight rail & Amtrak

…but after decades of underinvestment, much work remains to be done.

Key themes for FY 2014 budget and five-year plan

Enhancing World-Class Safety
FRA's budget continues to enhance rail safety, already among the safest modes of transportation, building on last year's record.

Modernizing our Rail Infrastructure
FRA's budget invests in modernizing the infrastructure built by past generations of Americans, lowering long-term costs and ensuring a safer, more reliable and efficient rail system.

Meeting the Growing Market Demand
FRA's budget makes targeted investments to ensure America's rail system is prepared to meet the growing demand for movement of people and goods.

Promoting Innovation
FRA's budget invests in research, development and workforce training to ensure America's global lead in safety, productivity and technological innovation.

Ensuring Transparency & Accountability
FRA's budget provides program transparency to ensure delivery of public benefits and accountability of public resources.

FY 2014 and five-year plan

Five coordinated accounts, two funding sources

		FY 14 ($M)	FIVE-YEAR (FY14-18, $M)	
Traditional FRA accounts	**FRA Safety & Operations**	**185**	**n/a**	***General Fund***
	Research & Development	**35**	**183**	
Current services (incl. Amtrak) organized by "business lines"	**Current Passenger Rail Service***	**2,700**	**13,200**	***Transportation Trust Fund*** ***(new Rail Account)***
	Northeast Corridor	675	4,225	
	State Corridors	300	800	
	Long-Distance Routes	800	3,675	
	National Assets	925	4,500	
Integrated passenger + freight improvement programs	**Rail Service Improvement Program****	**3,660**	**26,400**	
	Passenger Corridors	3,250	23,180	
	Congestion Mitigation	150	1,300	
	Freight Capacity	190	1,570	
	Planning	70	350	
New focus on workforce, innovation	**Research, Development, & Technology****	**55**	**217**	
	High-Performance Rail R&D	25	67	
	National Cooperative Rail Research Program	5	25	
	Workforce Development	25	125	
	TOTAL	**6,635**	**40,000** *(excl. S&O)*	

* Incl. 0.5% oversight takedown
** Incl. 1% oversight takedown

Current Passenger Rail Service (*FY14 Request = $2.7 billion*)

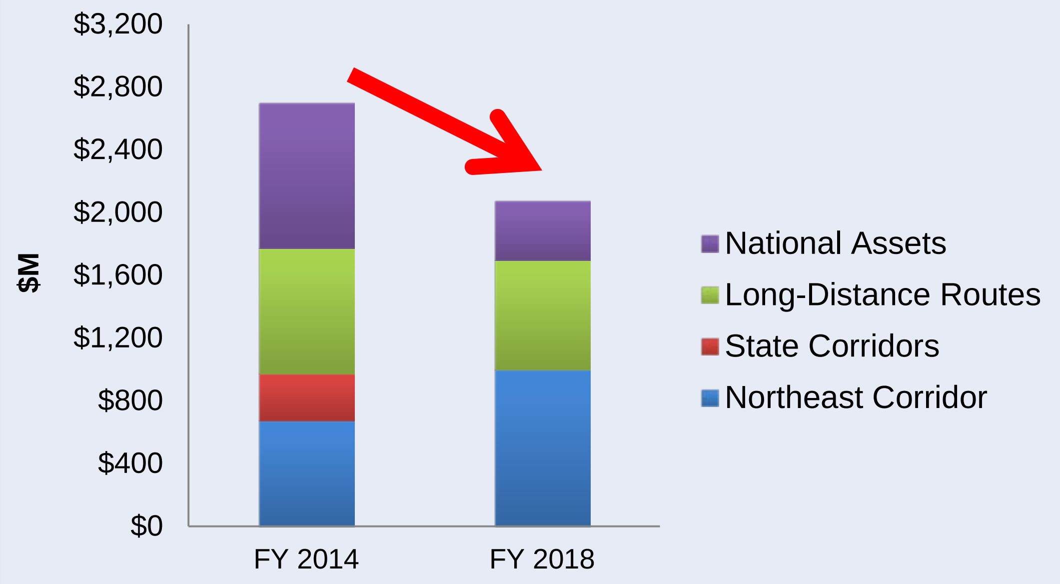
Program Area	Eligible Activities	Eligible Recipients
Northeast Corridor $675 million	• Capital – backlog and ongoing state-of-good repair • Capital – equipment replacement • Operating surplus reinvested into NEC infrastructure	Amtrak *(others as designated in capital plan)*
State Corridors *(transitional)* $300 million	• Capital and operating – transitional assistance to phase-in PRIIA 209 • Capital – equipment replacement	States
Long-Distance Routes $800 million	• Capital and operating to support long-distance route service	Amtrak
National Assets $925 million	• Capital and operating – National "backbone" assets • Capital – Positive train control • Capital – ADA at stations • Debt service	Amtrak

Current Passenger Rail Service (*FY14 Request = $2.7 billion*)

Key Outcomes:

- Amtrak fully-funded, with additional capital to address historic underinvestment
- Over five-year plan, full funding for ADA and replacement of all legacy corridor equipment.
- Efficient phase-in of State control over State corridors

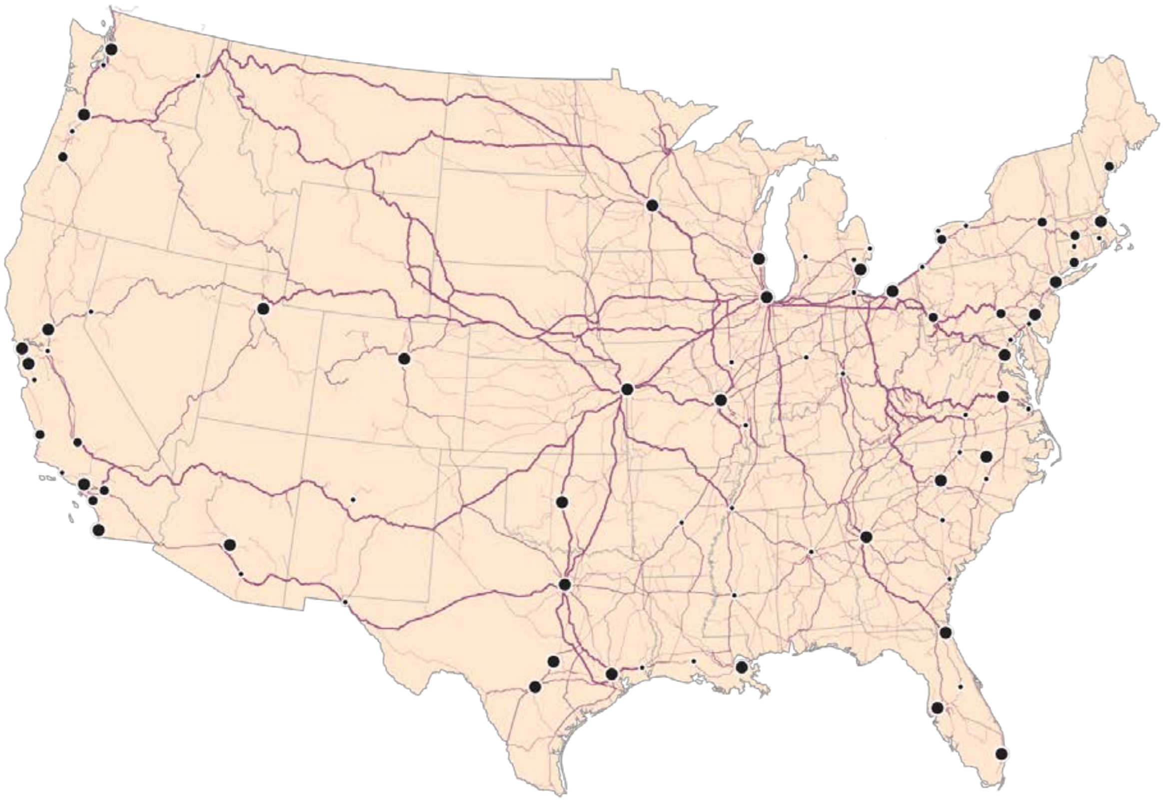
Funding needs decline over five years as major "one-time" activities are completed



Rail Service Improvement Program (*FY14 Request = $3.66 billion*)

Program Area	Eligible Activities	Eligible Recipients
Passenger Corridors $3,250 million	• Infrastructure, stations, equipment for service upgrades on existing corridors and for building new corridors • Support for implementing PTC on commuter railroads	• States and multi-State entities • Amtrak • Equipment entity • Commuter railroads *(PTC only)*
Congestion Mitigation $150 million	• Address major intercity/freight/commuter rail bottlenecks • Upgrade shared-use infrastructure in terminal areas	• States and multi-State entities • Amtrak • Freight railroads • Rail terminal companies
Freight Capacity $190 million	• Intermodal corridors and connection point capacity • Short-line capital upgrades • Community impact mitigation – safety enhancements & rail line relocation	• States and multi-State entities • Freight railroads • Rail terminal companies • Ports • Local governments
Planning $70 million	• National, multi-state, and state rail planning • Corridor and terminal area planning • Northeast Corridor FUTURE	• States and multi-State entities • Metropolitan planning organizations • FRA

Rail Service Improvement Program (*FY14 Request = $3.66 billion*)



Key Outcomes:

- Market-based improvements to capacity, speed, and reliability of passenger & freight systems
- Continuous safety improvements
- Coordinated planning program to set stage for future phases of investment
- Support for implementing PTC on commuter railroads

Research, Development, &Technology (*FY14 Request = $55 million*)

Program Area	Eligible Activities	Eligible Recipients
High-Performance Rail R&D $25 million	• Upgrade the Transportation Technology Center (TTCI) in Pueblo to test high-speed rail equipment, supplies, technology	• FRA
National Cooperative Rail Research Program $5 million	• Cooperative research projects to advance rail policy	• Transportation Research Board
Workforce Development $25 million	• Buy America support (Manufacturing Extension Partnership) • Rail University Transportation Centers (UTCs) • Training and technical assistance in conjunction with key partners	• States and multi-State entities • UTCs • Manufacturing Extension Partnership • FRA

Immediate Transportation Investments

$50 billion to jump-start infrastructure improvements, create jobs – $5 billion for rail

- **$40 billion** for "fix-it-first" investments that improve our existing transportation system
  - $2 billion for Current Passenger Rail Service (*directed to Amtrak)*

- **$10 billion** for investments that spur reform through competition
  - $3 billion for Rail Service Improvement Program (*competitively awarded)*

Summary

This five year plan…

Enhancing World-Class Safety

- Advances comprehensive safety mission through proactive investments, training, and inspection programs
- Provides funds to support PTC implementation

Modernizing our Rail Infrastructure

- Fully replaces all legacy corridor equipment
- Makes major progress on NEC maintenance backlog
- Provides full funding level needed to achieve ADA compliance at stations

Meeting the Growing Market Demand

- Makes targeted investments in passenger & freight rail where the business & public investment case is strongest

Promoting Innovation

- Invests in American workforce, technology, suppliers
- Positions domestic industry to be world-leading

Ensuring Transparency & Accountability

- Clarifies grant program structure
- Facilitates effective performance measurement