

AMENDMENT TO H.R. 7**OFFERED BY MR. SIRE OF NEW JERSEY**

At the end of subtitle D of title I of the bill, add the following (and conform the table of contents accordingly):

1 **SEC. 1405. NATIONAL FREIGHT INFRASTRUCTURE INVEST-**
2 **MENT GRANTS.**

3 (a) ESTABLISHMENT OF PROGRAM.—Chapter 55 of
4 title 49, United States Code, is amended by adding at the
5 end the following:

6 “SUBCHAPTER III—FINANCIAL ASSISTANCE
7 “§ 5581. **National freight infrastructure investment**
8 **grants**

9 “(a) ESTABLISHMENT OF PROGRAM.—The Secretary
10 of Transportation shall establish a competitive grant pro-
11 gram to provide financial assistance for capital invest-
12 ments that improve the efficiency of the national transpor-
13 tation system to move freight.

14 “(b) ELIGIBLE PROJECTS.—An applicant is eligible
15 for a grant under this section for—

16 “(1) a port development or improvement
17 project;

18 “(2) a multimodal terminal facility project;

1 “(3) a land port of entry project;

2 “(4) a freight rail improvement or capacity ex-
3 pansion project;

4 “(5) an intelligent transportation system
5 project primarily for freight benefit that reduces
6 congestion or improves safety;

7 “(6) a project that improves access to a port or
8 terminal facility;

9 “(7) an aerotropolis system, which for purposes
10 of this section is a planned and coordinated
11 multimodal freight and passenger transportation
12 network that, as determined by the Secretary, pro-
13 vides efficient, cost-effective, sustainable, and inter-
14 modal connectivity to a defined region of economic
15 significance centered around a major airport; or

16 “(8) planning, preparation, or design of any
17 project described in this subsection.

18 “(c) PROJECT SELECTION CRITERIA.—In deter-
19 mining whether to award a grant to an eligible applicant
20 under this section, the Secretary shall consider the extent
21 to which the project—

22 “(1) leverages Federal investment by encour-
23 aging non-Federal contributions to the project, in-
24 cluding contributions from public-private partner-
25 ships;

1 “(2) improves the mobility of goods and com-
2 modities;

3 “(3) incorporates new and innovative tech-
4 nologies, including freight-related intelligent trans-
5 portation systems;

6 “(4) improves energy efficiency or reduces
7 greenhouse gas emissions;

8 “(5) helps maintain or protect the environment,
9 including reducing air and water pollution;

10 “(6) reduces congestion;

11 “(7) improves the condition of the freight infra-
12 structure, including bringing it into a state of good
13 repair;

14 “(8) improves safety, including reducing trans-
15 portation accidents, injuries, and fatalities;

16 “(9) demonstrates that the proposed project
17 cannot be readily and efficiently realized without
18 Federal support and participation; and

19 “(10) enhances national or regional economic
20 development, growth, and competitiveness.

21 “(d) PRIORITY.—The Secretary shall give priority to
22 projects that have the highest system performance im-
23 provement relative to their benefit-cost analysis.

24 “(e) LETTERS OF INTENT.—

1 “(1) The Secretary may issue a letter of intent
2 to an applicant announcing an intention to obligate,
3 for a major capital project under this subsection, an
4 amount from future available budget authority speci-
5 fied in law that is not more than the amount stipu-
6 lated as the financial participation of the Secretary
7 in the project.

8 “(2) At least 30 days before issuing a letter
9 under paragraph (1) of this subsection, the Sec-
10 retary shall notify in writing the Committee on Com-
11 merce, Science, and Transportation of the Senate
12 and the Committee on Transportation and Infra-
13 structure of the House of Representatives of the
14 proposed letter or agreement. The Secretary shall in-
15 clude with the notification a copy of the proposed
16 letter or agreement, the criteria used under sub-
17 section (c) for selecting the project for a grant
18 award, and a description of how the project meets
19 such criteria.

20 “(3) An obligation or administrative commit-
21 ment may be made only when amounts are made
22 available. The letter of intent shall state that the
23 contingent commitment is not an obligation of the
24 Federal Government, and is subject to the avail-
25 ability of funds under Federal law and to Federal

1 laws in force or enacted after the date of the contin-
2 gent commitment.

3 “(f) FEDERAL SHARE OF NET PROJECT COST.—

4 “(1) Based on engineering studies, studies of
5 economic feasibility, and information on the expected
6 use of equipment or facilities, the Secretary shall es-
7 timate the net project cost.

8 “(2) The Federal share of a grant for the
9 project shall not exceed 80 percent of the project net
10 capital cost.

11 “(3) The Secretary shall give priority in allo-
12 cating future obligations and contingent commit-
13 ments to incur obligations to grant requests seeking
14 a lower Federal share of the project net capital cost.

15 “(g) COOPERATIVE AGREEMENTS.—

16 “(1) IN GENERAL.—An applicant may enter
17 into an agreement with any public, private, or non-
18 profit entity to cooperatively implement any project
19 funded with a grant under this subchapter.

20 “(2) FORMS OF PARTICIPATION.—Participation
21 by an entity under paragraph (1) may consist of—

22 “(A) ownership or operation of any land,
23 facility, vehicle, or other physical asset associ-
24 ated with the project;

1 “(B) cost sharing of any project expense or
2 non-Federal share of the project cost, including
3 in-kind contributions;

4 “(C) carrying out administration, construc-
5 tion management, project management, project
6 operation, or any other management or oper-
7 ational duty associated with the project; and

8 “(D) any other form of participation ap-
9 proved by the Secretary.

10 “(h) OVERSIGHT PROGRAM.—

11 “(1) ESTABLISHMENT.—

12 “(A) IN GENERAL.—The Secretary shall
13 establish an oversight program to monitor the
14 effective and efficient use of funds authorized to
15 carry out this section.

16 “(B) MINIMUM REQUIREMENT.—At a min-
17 imum, the program shall be responsive to all
18 areas relating to financial integrity and project
19 delivery.

20 “(2) FINANCIAL INTEGRITY.—

21 “(A) FINANCIAL MANAGEMENT SYS-
22 TEMS.—The Secretary shall perform annual re-
23 views that address elements of the applicant’s
24 financial management systems that affect
25 projects approved under subsection (a).

1 “(B) PROJECT COSTS.—The Secretary
2 shall develop minimum standards for estimating
3 project costs and shall periodically evaluate the
4 practices of applicants for estimating project
5 costs, awarding contracts, and reducing project
6 costs.

7 “(3) PROJECT DELIVERY.—The Secretary shall
8 perform annual reviews that address elements of the
9 project delivery system of an applicant, which ele-
10 ments include one or more activities that are in-
11 volved in the life cycle of a project from conception
12 to completion of the project.

13 “(4) RESPONSIBILITY OF THE APPLICANTS.—

14 “(A) IN GENERAL.—Each applicant shall
15 submit to the Secretary for approval such
16 plans, specifications, and estimates for each
17 proposed project as the Secretary may require.

18 “(B) APPLICANT SUBRECIPIENTS.—The
19 applicant shall be responsible for determining
20 that a subrecipient of Federal funds under this
21 section has—

22 “(i) adequate project delivery systems
23 for projects approved under this section;
24 and

1 “(ii) sufficient accounting controls to
2 properly manage such Federal funds.

3 “(C) PERIODIC REVIEW.—The Secretary
4 shall periodically review the monitoring of sub-
5 recipients by the applicant.

6 “(5) SPECIFIC OVERSIGHT RESPONSIBIL-
7 ITIES.—Nothing in this section shall affect or dis-
8 charge any oversight responsibility of the Secretary
9 specifically provided for under this title or other
10 Federal law.

11 “(i) MAJOR PROJECTS.—

12 “(1) IN GENERAL.—A recipient of a grant for
13 a project under this section with an estimated total
14 cost of \$500,000,000 or more, and a recipient for
15 such other projects as may be identified by the Sec-
16 retary, shall submit to the Secretary for each
17 project—

18 “(A) a project management plan; and

19 “(B) an annual financial plan.

20 “(2) PROJECT MANAGEMENT PLAN.—A project
21 management plan shall document—

22 “(A) the procedures and processes that are
23 in effect to provide timely information to the
24 project decisionmakers to effectively manage the

1 scope, costs, schedules, quality of, and the Fed-
2 eral requirements applicable to, the project; and

3 “(B) the role of the agency leadership and
4 management team in the delivery of the project.

5 “(3) FINANCIAL PLAN.—A financial plan
6 shall—

7 “(A) be based on detailed estimates of the
8 cost to complete the project; and

9 “(B) provide for the annual submission of
10 updates to the Secretary that are based on rea-
11 sonable assumptions, as determined by the Sec-
12 retary, of future increases in the cost to com-
13 plete the project.

14 “(j) OTHER PROJECTS.—A recipient of Federal fi-
15 nancial assistance for a project under this title with an
16 estimated total cost of \$100,000,000 or more that is not
17 covered by subsection (i) shall prepare an annual financial
18 plan. Annual financial plans prepared under this sub-
19 section shall be made available to the Secretary for review
20 upon the request of the Secretary.

21 “(k) OTHER TERMS AND CONDITIONS.—The Sec-
22 retary shall determine what additional grant terms and
23 conditions are necessary and appropriate to meet the re-
24 quirements of this section.

1 “(l) REGULATIONS.—Within 1 year after the date of
2 enactment of this section, the Secretary shall prescribe
3 regulations to implement this section.

4 “(m) APPLICANT DEFINED.—In this subchapter, the
5 term ‘applicant’ includes a State, a political subdivision
6 of a State, government-sponsored authorities and corpora-
7 tions, and the District of Columbia.

8 “(n) SECRETARIAL OVERSIGHT.—

9 “(1) The Secretary may use no more than 1
10 percent of amounts made available in a fiscal year
11 for capital projects under this subchapter to enter
12 into contracts to oversee the construction of such
13 projects.

14 “(2) The Secretary may use amounts available
15 under paragraph (1) of this subsection to make con-
16 tracts for safety, procurement, management, and fi-
17 nancial compliance reviews and audits of a recipient
18 of amounts under paragraph (1).

19 “(3) The Federal Government shall pay the en-
20 tire cost of carrying out a contract under this sub-
21 section.”.

22 “(b) CONFORMING AMENDMENT.—The table of con-
23 tents for chapter 55 of title 49, United States Code, is
24 amended by adding at the end the following:

“SUBCHAPTER III—FINANCIAL ASSISTANCE

“5581. National freight infrastructure investment grants.”.

