

Congress of the United States
Washington, DC 20515

May 14, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Biden:

As we work together to rebuild and reimagine our country's aging infrastructure, we appreciate your longstanding commitment to improving rail service. Through the American Jobs Plan, your Administration has moved to address the country's urgent need to Build Back Better following this devastating pandemic. We are grateful that the American Jobs Plan includes robust funding to improve and expand the nation's passenger and freight rail network. We are also pleased to see that the plan highlights the importance of enhancing grant and loan programs that support transportation infrastructure. As your Administration continues to craft the American Jobs Plan, we request that you include a proposal to create more economic opportunity by improving the Department of Transportation's (DOT) Railroad Rehabilitation and Improvement Financing (RRIF) program's provisions on Transit Oriented Development (TOD). TOD projects have the potential to ensure that rail stations serve as hubs for investments to address affordability of housing, sustainable communities, job creation, and economic growth. The improvements we suggest for the RRIF program would remove a barrier in statute to the program's effectiveness in providing advantageous financing for affordable housing, job-creating real estate investments, and transportation infrastructure near passenger railroad stations.

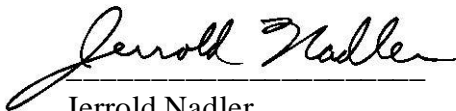
Congress created the RRIF program in 1998 to provide credit assistance for rail infrastructure by making low-cost direct loans or providing loan guarantees to public and private project sponsors. Projects eligible for RRIF assistance include rehabilitating existing rail infrastructure, developing new lines, and building or enhancing rail facilities. The FAST Act of 2015 gave the RRIF program authority to provide loans to cover up to 75% of the cost of qualifying TOD projects. However, that same statute repealed a requirement that DOT refund an upfront deposit equivalent to a bond, referred to as a credit risk premium. By contrast, the other major DOT credit assistance program, the Transportation Infrastructure Finance and Innovation program (TIFIA) covers the cost of the credit risk premium for loan recipients. Private loans typically do not require an upfront credit risk premium. As a result, the program is significantly underutilized. From 2000 to 2020, DOT has only provided \$8.2 billion through the RRIF program, less than 24% of the capacity authorized by Congress.

We recommend two ways to enhance the RRIF program to ensure it can meet the goal of spurring TOD projects. One would be for the federal government to pay the Credit Risk Premium from federal funds. TIFIA has operated this way since its creation in 1997. A second

approach would be to restore the provision requiring that DOT refund borrowers their Credit Risk Premium payment once their loan is satisfied. Last year, the House passed the Moving Forward Act, which included provisions that blended these two approaches for certain types of RRIF loans and borrowers. These approaches have strong bipartisan support and including TOD projects would ensure that the RRIF program can be used as an effective tool to enhance infrastructure near passenger railroad stations. We hope you will support enhancing the RRIF program to make that potential a reality.

Thank you for your consideration of our request, and we look forward to our continued collaboration as we work to improve our nation's infrastructure and Build Back Better.

Sincerely,



Jerrold Nadler
Member of Congress



Mike Levin
Member of Congress

_____/s/_____

Scott Peters
Member of Congress

_____/s/_____

Sarah Jacobs
Member of Congress

_____/s/_____

Adam Smith
Member of Congress

_____/s/_____

Adriano Espaillat
Member of Congress

_____/s/_____

Mondaire Jones
Member of Congress

_____/s/_____

Bonnie Watson Coleman
Member of Congress

_____/s/_____

Anna G. Eshoo
Member of Congress

_____/s/_____

Mikie Sherrill
Member of Congress

_____/s/_____
Sean Patrick Maloney
Member of Congress

_____/s/_____
Jamie Raskin
Member of Congress

_____/s/_____
Juan Vargas
Member of Congress

_____/s/_____
Danny K. Davis
Member of Congress

_____/s/_____
Suzan K. DelBene
Member of Congress

_____/s/_____
Ritchie Torres
Member of Congress

_____/s/_____
Carolyn B. Maloney
Member of Congress

_____/s/_____
Paul D. Tonko
Member of Congress

_____/s/_____
Steve Cohen
Member of Congress

_____/s/_____
Chrissy Houlahan
Member of Congress

_____/s/_____
Nydia Velázquez
Member of Congress

_____/s/_____
Gregory W. Meeks
Member of Congress

_____/s/_____
Anthony G. Brown
Member of Congress

_____/s/_____
Donald S. Beyer Jr.
Member of Congress