

RAILCET INTELLIGENCE REPORT #25

To: RAILCET
From: Ray Chambers
Date: July 1, 2025

Subject: Big Beautiful Reconciliation Bill—Impact on Rail Grants

Overview. President Trump's bill has passed the House and Senate in different versions. Efforts are underway to merge them and present a final bill after the 4th of July recess. The House version has over 1000 pages, while the Senate's is 940. The Bill passed the House by a vote of 215-214. The Senate version passed on a 50-50 vote with Vice President Vance breaking the tie. The Congressional Budget Office estimates the deficit produced by either bill will increase by \$3.3 trillion over the next decade. The Bills are wide ranging and cover:

- Extension of Trump's 2017 tax cuts
- Scaled-down versions of Trump's campaign priorities, such as eliminating taxes on tips
- Major overhauls to social safety-net programs, including significant cuts to Medicaid and SNAP (food assistance)
- Increased spending on border security and the military
- A \$5 trillion increase to the federal debt ceiling

Impact on Rail Capital Spending. The question I have researched in this humongous package is the impact on rail capital funding. The news is good.

The Bills do not contain provisions affecting rail grants. Here are the key points based on the latest available information:

- **Intercity National Network Funding is Protected:** The House version of the bill includes an amendment that **prohibits rescission of funding for the National Network now operated by Amtrak.** It specifically protects that funding from being cut.
- **Intercity Long-Distance Network Funding Increased:** The administration's budget proposal, which informs the bill, calls for a **\$291 million increase in funding for the national network** (primarily long-distance routes). It proposes a **25% cut to Amtrak's Northeast Corridor funding** (from \$1.14 billion to \$850 million). This means that while the Northeast Corridor (Boston–Washington) faces a reduction, the National Network will see a funding boost. The National Network includes the state supported routes, which are of interest to RAILCET and AIPRO as they are open to competition for operations and services. Thus, the RAILCET/AIPRO Competition Agenda is benefitted.

- **CRISI Grants Expanded:** The **Consolidated Railroad Infrastructure and Safety Improvement (CRISI) grants**, which support both freight and passenger rail projects, would receive a **\$500 million increase**, bringing the total to \$1.5 billion. This is a significant expansion that should benefit intercity passenger rail projects outside the Northeast Corridor. If we can get a handle on the many projects underway it should be a significant source of projects for our RAILCET contractors.
- **No Major Cuts to Passenger Rail in Reconciliation Bill:** The “Big Beautiful” reconciliation proposal largely **ignores passenger rail**—meaning it neither cuts nor significantly expands funding for new projects. Crucially, it also **leaves passenger rail out of \$4 billion in rescissions** targeting other transportation programs. Thus, the basic framework for passenger rail expansion in the coming years will be set in the Rail Title of the Transportation Reauthorization. The current authorization expires October 1, 2026. Hearings on a Rail Title in the Transportation Reauthorization are underway in both the House and Senate.
- **Failed Democratic Amendments for More Rail Funding:** During committee markups on the Big Beautiful Bill, Democrats offered amendments to **increase Amtrak and competitive rail grant funding** (e.g., \$4.7 billion annually for both Amtrak operations and competitive rail grants). These were rejected on party lines.

Summary Table: Amtrak & Intercity Rail Provisions in the Bill

Provision/Program	Action in Bill / Budget Proposal	Notes
Intercity National Network	Funding protected, increased by \$291M	Prohibition on rescission in House bill
Amtrak Northeast Corridor	Funding cut by 25%	From \$1.14B to \$850M
CRISI Grants	Increased by \$500M to \$1.5B total	Supports both freight & passenger rail
Passenger Rail (general)	No major cuts, not targeted for rescissions	No expansion, but no new cuts

Provision/Program	Action in Bill / Budget Proposal	Notes
Additional Rail Grant Funding	Proposed by Democrats, but rejected	\$4.7B/year proposals failed

Conclusion: The bill increases funding for the intercity national network while reducing it for the Northeast Corridor. It boosts competitive rail grants, including CRISI and Federal-State Partnership grants for National Network projects. No new grant programs are created, but existing ones are preserved or expanded, except for the Northeast Corridor. This program will be fleshed out in the Rail Title of the Transportation Reauthorization.