city rail passenger service other than in accordance with provisions of this chapter. See section 24705 of Title 49, Transportation.

Section 643, Pub. L. 91–518, title VIII, § 803, Oct. 30, 1970, 84 Stat. 1340, related to separability of provisions of this chapter.

Section 644, Pub. L. 91–518, title VIII, § 805, Oct. 30, 1970, 84 Stat. 1340; Pub. L. 92–316, § 11, June 22, 1972, 86 Stat. 233; Pub. L. 93–496, § 11, Oct. 28, 1974, 88 Stat. 1531; Pub. L. 99–272, title IV, § 4007(a), Apr. 7, 1986, 100 Stat. 108, related to records and audit of National Railroad Passenger Corporation and certain railroads. See section 24315 of Title 49, Transportation.

§ 645. Repealed. Pub. L. 99–272, title IV, § 4007(b), Apr. 7, 1986, 100 Stat. 108

Section, Pub. L. 91–518, title VIII, § 806, as added Pub. L. 92–316, § 12, June 22, 1972, 86 Stat. 233, provided for a report by Secretary of Transportation to Congress evaluating intercity rail passenger service operations.

§§ 646 to 650c. Repealed. Pub. L. 103–272, § 7(b), July 5, 1994, 108 Stat. 1379

Section 646, Pub. L. 91–518, title VIII, § 807, as added Pub. L. 95–421, § 13, Oct. 5, 1978, 92 Stat. 929, related to development and implementation of a Railroad Safety System Program. See section 24313 of Title 49, Transportation.

Section 647, Pub. L. 91–518, title VIII, § 808, as added Pub. L. 96–73, title I, § 123, Sept. 29, 1979, 93 Stat. 551, related to composition and duties of Employee Compensation and Incentive Commission.

Section 648, Pub. L. 91–518, title VIII, § 809, as added Pub. L. 96–73, title I, § 124, Sept. 29, 1979, 93 Stat. 551, related to development of Model Job Placement Program to accommodate employees displaced by route restructuring.

Section 649, Pub. L. 91–518, title VIII, § 810, as added Pub. L. 101–322, § 3, July 6, 1990, 104 Stat. 295, related to incentives for passenger service operating agreements. See section 26102 of Title 49, Transportation.

A prior section 649, Pub. L. 91–518, title VIII, § 810, as added Pub. L. 96–73, title I, § 125, Sept. 29, 1979, 93 Stat. 552, provided for a study of payment of taxes by Corporation to State and local governments, prior to repeal by Pub. L. 99–272, title IV, § 4007(b), Apr. 7, 1986, 100 Stat. 108.

Section 650, Pub. L. 91–518, title VIII, § 811, as added Pub. L. 102–533, § 2, Oct. 27, 1992, 106 Stat. 3515, related to elimination of all highway at-grade crossings on main line of the Northeast Corridor, except where elimination deemed impracticable or unnecessary. See section 24906 of Title 49, Transportation.

A prior section 650, Pub. L. 91–518, title VIII, § 811, as added Pub. L. 96–73, title I, § 126, Sept. 29, 1979, 93 Stat. 552, provided for a report to Congress on the ratio of revenue to expenses, prior to repeal by Pub. L. 99–272, title IV, § 4007(b), Apr. 7, 1986, 100 Stat. 108.

Section 650a, Pub. L. 100–342, § 18(g), June 22, 1988, 102 Stat. 637, related to petitions by National Railroad Passenger Corporation seeking relocation or other remedial assistance for dangerous conditions, and recommendations by Secretary to Congress to fund such measures.

Section 650b, Pub. L. 91–518, title VIII, § 812, as added Pub. L. 102–533, § 3, Oct. 27, 1992, 106 Stat. 3515, directed National Railroad Passenger Corporation to develop and report to Congress its plans for experimentation with new technologies. See section 24314 of Title 49, Transportation.

Section 650c, Pub. L. 91–518, title VIII, § 813, as added Pub. L. 102–533, § 9, Oct. 27, 1992, 106 Stat. 3520, directed National Railroad Passenger Corporation to assist in and report to Congress on high-speed rail corridor development outside the Northeast Corridor.

§§ 650d, 650e. Repealed. Pub. L. 103–429, § 8(6), Oct. 31, 1994, 108 Stat. 4390

Section 650d, Pub. L. 91–518, title VIII, § 814, as added Pub. L. 102–533, § 11, Oct. 27, 1992, 106 Stat. 3520, related to formation of task force to consider recommendations on emergency training and response and to report to Congress not later than June 1, 1993.

Section 650e, Pub. L. 91–518, title VIII, § 815, as added Pub. L. 102–533, § 13, Oct. 27, 1992, 106 Stat. 3522, directed National Railroad Passenger Corporation to develop comprehensive plan for New York City station facilities.

SUBCHAPTER IX—RAIL PASSENGER CORRIDORS

§§ 651 to 658. Repealed. Pub. L. 103–272, § 7(b), July 5, 1994, 108 Stat. 1379

Section 651, Pub. L. 91–518, title X, § 1001, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 415; amended H. Res. 549, Mar. 25, 1980, required Secretary to develop and submit to Congress a proposed method for evaluating rail passenger corridors, ranking those with greatest potential.

Section 652, Pub. L. 91–518, title X, § 1002, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 415, directed National Railroad Passenger Corporation to develop design and engineering plans for rail corridors in consultation with Secretary and rail carriers owning facilities to be used in the corridors.

Section 653, Pub. L. 91–518, title X, § 1003, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 416; amended H. Res. 549, Mar. 25, 1980, provided for submission of final corridor evaluation to Congress.

Section 654, Pub. L. 91–518, title X, § 1004, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 416, directed National Railroad Passenger Corporation to acquire equipment necessary to provide service in rail passenger corridors.

Section 655, Pub. L. 91–518, title X, § 1005, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 416, directed Secretary to encourage private sector development of potential rail passenger corridors by removing institutional barriers and coordinating funding.

Section 656, Pub. L. 91–518, title X, § 1006, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 417, related to speed restrictions imposed on Amtrak trains by State or local governments.

Section 657, Pub. L. 91–518, title X, § 1007, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 417, related to provision of service between corridors to increase ridership.

Section 658, Pub. L. 91–518, title X, § 1008, as added Pub. L. 96–254, title II, § 212, May 30, 1980, 94 Stat. 417, authorized appropriations for evaluation of corridors, acquisition of equipment, and private sector development.

CHAPTER 15—EMERGENCY RAIL SERVICES

Sec.
661. Definitions.
662. Guarantee of certificates.
663. Inspection of accounts, books, etc., of railroad receiving financial assistance.
664. Issuance of obligations to Secretary of the Treasury.
665. Utilization of services and facilities of Federal departments and agencies; reimbursement; consultation with Board; coordination of activities with Federal departments and agencies.
666. Court supervision of expenditures; findings; report to Secretary.
667. Audit by Comptroller General; report to Congress.
668. Guarantee fees; amount; deposit.
669. Repealed.

§ 661. Definitions

For the purposes of this chapter—

(1) ''Secretary'' means the Secretary of Transportation.

(2) ''Board'' means the Surface Transportation Board.

(3) ''Railroad'' means any rail carrier subject to part A of subtitle IV of title 49.

(4) ''Certificate'' means certificates issued by trustees of a railroad pursuant to subsection 77(c)(3) of the Bankruptcy Act, as amended.

(Pub. L. 91–663, § 2, Jan. 8, 1971, 84 Stat. 1975; Pub. L. 104–88, title III, § 325(1), Dec. 29, 1995, 109 Stat. 951.)

REFERENCES IN TEXT

Section 77(c)(3) of the Bankruptcy Act, referred to in par. (4), was classified to section 205(c)(3) of former Title 11, Bankruptcy. The Bankruptcy Act (act July 1, 1898, ch. 541, 30 Stat. 544, as amended) was repealed effective Oct. 1, 1979, by Pub. L. 95–598, §§ 401(a), 402(a), Nov. 6, 1978, 92 Stat. 2682, section 101 of which enacted revised Title 11. For current provisions relating to railroad reorganization, see subchapter IV (§ 1161 et seq.) of chapter 11 of Title 11.

AMENDMENTS

1995—Par. (2). Pub. L. 104–88, § 325(1)(A), added par. (2) and struck out former par. (2) which read as follows: ''‘Commission’ means the Interstate Commerce Commission.''

Par. (3). Pub. L. 104–88, § 325(1)(B), substituted ''rail carrier subject to part A of subtitle IV of title 49'' for ''common carrier by railroad subject to part I of the Interstate Commerce Act (49 U.S.C. 1–27)''.

EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104–88 effective Jan. 1, 1996, see section 2 of Pub. L. 104–88, set out as an Effective Date note under section 701 of Title 49, Transportation.

SHORT TITLE

Section 1 of Pub. L. 91–663 provided: ''That this Act [enacting this chapter] may be cited as the ‘Emergency Rail Services Act of 1970’.''

§ 662. Guarantee of certificates

(a) Authority of Secretary; prerequisites; procedures; waiver

The trustees of any railroad undergoing reorganization under section 77 of the Bankruptcy Act, as amended, upon approval of the court, may apply to the Secretary for the guarantee of certificates. The Secretary, after consultation with the Board, is authorized to guarantee such certificates upon findings in writing that—

(1) cessation of essential transportation services by the railroad would endanger the public welfare;

(2) cessation of such services is imminent;

(3) there is no other practicable means of obtaining funds to meet payroll and other expenses necessary to provide such services than the issuance of such certificates;

(4) such certificates cannot be sold without a guarantee;

(5) the railroad can reasonably be expected to become self-sustaining; and

(6) the probable value of the assets of the railroad in the event of liquidation provides reasonable protection to the United States.

The Secretary shall publish notice of his intention to make such finding in the Federal Register not less than fifteen days prior to such finding, give interested persons, including agencies of the Federal Government, an opportunity to submit written data, views, or arguments (with or without opportunity for oral presentation), and give consideration to the relevant matter presented. The Secretary for good cause shown and upon a finding that extraordinary circumstances warrant doing so may waive the requirements of the preceding sentence. Notwithstanding any other provision of this section, the Secretary, in guaranteeing certificates under this section, is authorized to waive the findings required by paragraphs (1), (5), and (6) of this subsection.

(b) Conditions to guarantee

As a condition to a guarantee, the Secretary, after consultation with the Board, shall require that:

(1) the proceeds of the sale of certificates guaranteed under this chapter, will be used solely for meeting payroll and other expenses which, if not met, would preclude continued provision of essential transportation services by the railroad;

(2) other revenues of the railroad will be used, to the fullest extent possible, for such expenses;

(3) proceeds from the sale of assets will be devoted to the fullest extent possible to the provision of essential transportation services by the railroad; and

(4) in the event of actual or threatened cessation of essential transportation services by the railroad, the Secretary shall have the option to procure by purchase or lease trackage rights over the lines of the railroad and such equipment as may be necessary to provide such services by the Secretary or his assignee, and, in the event of a default in the payment of principal or interest as provided by the certificates, the money paid or expenses incurred by the United States as a result thereof shall be deemed to have been applied to the purchase or lease price. The terms of purchase or lease shall be subject to the approval of the reorganization court and the operation over the lines shall be subject to the approval of the Board pursuant to subchapter II of chapter 113 of title 49, but in no event shall the rendition of services by the Secretary or his assignee await the outcome of proceedings before the reorganization court or the Board.

(c) Certificate as administrative expense; priority of certificate

The Secretary shall not guarantee any certificate under this section unless such certificate is treated as an expense of administration and receives the highest lien on the railroad's property and priority in payment under the Bankruptcy Act, except that this subsection shall not apply to certificates guaranteed for a railroad that is actively engaged in restructuring, as defined by the Secretary. For purposes of this subsection, the term ''restructuring'' includes an employee ownership plan or an employee-shipper ownership plan.

(d) Interest rate; date of maturity; other terms and conditions

A certificate under this chapter shall bear interest at such per annum rate as the Secretary deems reasonable, taking into account the range

of interest rates prevailing in the private market for similar loans and the risks assumed by the Federal Government; nor may its maturity date, including all extensions and renewals thereof, be later than fifteen years from the date of original issuance. The Secretary may prescribe such other terms and conditions as he deems appropriate. In each case, the Secretary shall consider the feasibility of requiring the railroad to dispose of nonrailroad assets as a condition to a guarantee.

(e) Maximum aggregate principal amount outstanding

At any one time the outstanding aggregate principal amount of all certificates guaranteed under this chapter shall not exceed $200,000,000.

(f) Rules and regulations

The Secretary shall issue such rules and regulations as are appropriate to carry out the authority granted by this chapter.

(Pub. L. 91–663, § 3, Jan. 8, 1971, 84 Stat. 1975; Pub. L. 95–598, title III, § 333, Nov. 6, 1978, 92 Stat. 2679; Pub. L. 95–611, § 3(b), Nov. 8, 1978, 92 Stat. 3089; Pub. L. 96–86, § 115(a), Oct. 12, 1979, 93 Stat. 662; Pub. L. 96–101, § 7(a)–(c), Nov. 4, 1979, 93 Stat. 739, 740; Pub. L. 104–88, title III, § 325(2), Dec. 29, 1995, 109 Stat. 951.)

REFERENCES IN TEXT

The Bankruptcy Act, referred to in subsecs. (a) and (c), is act July 1, 1898, ch. 541, 30 Stat. 544, as amended, which was classified generally to former Title 11, Bankruptcy. Section 77 of this Act was classified to section 205 of former Title 11. The Act was repealed effective Oct. 1, 1979, by Pub. L. 95–598, §§ 401(a), 402(a), Nov. 6, 1978, 92 Stat. 2682, section 101 of which enacted revised Title 11. For current provisions relating to railroad reorganization, see subchapter IV (§ 1161 et seq.) of chapter 11 of Title 11.

AMENDMENTS

1995—Subsec. (a). Pub. L. 104–88, § 325(2)(B), substituted ''Board'' for ''Commission'' in introductory provisions.

Subsec. (b). Pub. L. 104–88 substituted ''Board'' for ''Commission'' wherever appearing and ''subchapter II of chapter 113 of title 49'' for ''the provisions of section 5 of the Interstate Commerce Act'' in par. (4).

1979—Subsec. (a). Pub. L. 96–101, § 7(a), struck out ''upon a finding that the guarantee of certificates is necessary in order for a railroad which has received continued loan advances, pursuant to section 721(d)(1) of this title, to maintain rail services in the region (as such term is defined in section 702(15) of this title)'' after ''of this subsection'' and provision requiring that Secretary not make any waiver under preceding sentence after Dec. 31, 1979.

Subsec. (c). Pub. L. 96–101, § 7(b), added subsec. (c). Former subsec. (c) was repealed by Pub. L. 95–598. See 1978 Amendment note below.

Subsec. (e). Pub. L. 96–101, § 7(c), substituted ''$200,000,000'' for ''$125,000,000'' and struck out provision requiring that with respect to a railroad which filed a petition for reorganization during fiscal year 1978, during period Oct. 1, 1979, through Nov. 30, 1979, certificates be issued without regard to limitations of subsec. (a) of this section and with such priority in payment as Secretary deems appropriate to secure repayment, for purpose of continuing service on railroad system at level in effect on Oct. 1, 1979.

Pub. L. 96–86 provided that, with respect to a railroad which filed a petition for reorganization during fiscal year 1978, during period Oct. 1, 1979, through Nov. 30, 1979, certificates shall be issued without regard to limitations of subsec. (a) of this section and with such priority in payment as Secretary deems appropriate to secure repayment, for purpose of continuing service on railroad system at level in effect on Oct. 1, 1979.

1978—Subsec. (a). Pub. L. 95–611 inserted provision authorizing Secretary to waive requirements of paragraphs (1), (5), and (6) of subsec. (a) until Dec. 31, 1979.

Subsec. (c). Pub. L. 95–598 struck out subsec. (c) which related to treatment of a certificate as an administrative expense and priority of the certificate.

EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104–88 effective Jan. 1, 1996, see section 2 of Pub. L. 104–88, set out as an Effective Date note under section 701 of Title 49, Transportation.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–598 effective Oct. 1, 1979, see section 402(a) of Pub. L. 95–598, set out as an Effective Date note preceding section 101 of Title 11, Bankruptcy.

§ 663. Inspection of accounts, books, etc., of railroad receiving financial assistance

The Secretary is authorized to, and shall as necessary, inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of any railroad which has received financial assistance under this chapter concerning any matter which may bear upon (1) the ability of such railroad to repay the loan within the time fixed therefor, (2) the interest of the United States in the property of such railroad, and (3) to insure that the purpose of this chapter is being carried out.

(Pub. L. 91–663, § 4, Jan. 8, 1971, 84 Stat. 1976.)

§ 664. Issuance of obligations to Secretary of the Treasury

(a) Forms and denominations; maturity dates; terms and conditions; interest rate; purchase and sale of obligations by Secretary of the Treasury; authorization of appropriations

To enable the Secretary to carry out his rights and responsibilities under section 662 of this title, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under that chapter are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes

or other obligations shall be treated as public debt transactions of the United States. There are authorized to be appropriated to the Secretary such sums as may be necessary to pay the principal and interest on the notes or obligations issued by him to the Secretary of the Treasury.

(b) Revocation of guarantee; legal effect of guarantee; validity and incontestability of guaranteed certificate

Any guarantee made by the Secretary under this chapter shall not be terminated, canceled, or otherwise revoked, except as provided by the terms and conditions prescribed by the Secretary under section 662(d) of this title; shall be conclusive evidence that such guarantee complies fully with the provisions of this chapter, and of the approval and legality of the principal amount, interest rate, and all other terms of the certificates and the guarantee; and shall be valid and incontestable in the hands of a holder of a guaranteed certificate except for fraud or material misrepresentation on the part of such holder.

(c) Enforcement by Attorney General of rights accruing to United States because of guarantee

The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States by reason of its having paid money or incurred expenses as a result of making such guarantees.

(Pub. L. 91–663, § 5, Jan. 8, 1971, 84 Stat. 1976.)

CODIFICATION

In subsec. (a), ''chapter 31 of title 31'' and ''that chapter'' substituted for ''the Second Liberty Bond Act, as amended'' and ''that Act, as amended,'', respectively, on authority of Pub. L. 97–258, § 4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

§ 665. Utilization of services and facilities of Federal departments and agencies; reimbursement; consultation with Board; coordination of activities with Federal departments and agencies

(a) In carrying out the provisions of this chapter the Secretary may use available services and facilities of other departments, agencies, and instrumentalities of the Federal Government with their consent and on a reimbursable basis, and shall consult with the Board in carrying out the provisions of this chapter.

(b) Departments, agencies, and instrumentalities of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the provisions of this chapter.

(Pub. L. 91–663, § 6, Jan. 8, 1971, 84 Stat. 1977; Pub. L. 104–88, title III, § 325(3), Dec. 29, 1995, 109 Stat. 951.)

AMENDMENTS

1995—Subsec. (a). Pub. L. 104–88 substituted ''Board'' for ''Interstate Commerce Commission''.

EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104–88 effective Jan. 1, 1996, see section 2 of Pub. L. 104–88, set out as an Effective Date note under section 701 of Title 49, Transportation.

§ 666. Court supervision of expenditures; findings; report to Secretary

In addition to other duties prescribed by section 77 of the Bankruptcy Act, the court shall maintain supervision of the expenditure of funds obtained pursuant to section 662 of this title for the purpose of assuring that such funds are used solely for purposes set forth in subsection (b) of such section, shall make periodic findings regarding such expenditures, and shall report those findings to the Secretary.

(Pub. L. 91–663, § 7, Jan. 8, 1971, 84 Stat. 1977.)

REFERENCES IN TEXT

Section 77 of the Bankruptcy Act, referred to in text, was classified to section 205 of former Title 11, Bankruptcy. The Bankruptcy Act (act July 1, 1898, ch. 541, 30 Stat. 544, as amended) was repealed effective Oct. 1, 1979, by Pub. L. 95–598, §§ 401(a), 402(a), Nov. 6, 1978, 92 Stat. 2682, section 101 of which enacted revised Title 11. For current provisions relating to railroad reorganization, see subchapter IV (§ 1161 et seq.) of chapter 11 of Title 11.

§ 667. Audit by Comptroller General; report to Congress

The Comptroller General of the United States, or any of his duly authorized representatives, shall have access to such information, books, records, and documents as he determines necessary effectively to audit financial transactions and operations carried out by the Secretary in the administration of this chapter. The Comptroller General shall make such reports to the Congress on the results of any such audits as are appropriate.

(Pub. L. 91–663, § 8, Jan. 8, 1971, 84 Stat. 1977.)

§ 668. Guarantee fees; amount; deposit

The Secretary shall prescribe a guarantee fee in connection with each loan guaranteed under this chapter which shall be collected from the railroad upon repayment of the loan guaranteed. Such fee shall be in an amount that the Secretary estimates to be necessary to cover the administrative costs of carrying out the provisions of this chapter with respect to such loan. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

(Pub. L. 91–663, § 9, Jan. 8, 1971, 84 Stat. 1978.)

§ 669. Repealed. Pub. L. 97–375, title I, § 111(e), Dec. 21, 1982, 96 Stat. 1821

Section, Pub. L. 91–663, § 10, Jan. 8, 1971, 84 Stat. 1978; Pub. L. 96–470, title I, § 112(h), Oct. 19, 1980, 94 Stat. 2240, directed the Secretary to make a report to the President and Congress on financial condition of each railroad except Central Railroad Company of New Jersey and Penn Central Transportation Company, having a loan guaranteed under this chapter ninety days after the making of such guarantee and annually thereafter throughout existence of such loan.

CHAPTER 16—REGIONAL RAIL REORGANIZATION

SUBCHAPTER I—GENERAL PROVISIONS

Sec.
701. Congressional declaration of policy.
702. Definitions.