Federal Railroad Administration, DOT

§ 260.25 Additional information for Applicants not having a credit rating.

Each application submitted by Applicants not having a recent credit rating from one or more nationally recognized rating agencies shall include, in the order indicated and identified by applicable numbers and letters corresponding to those used in this section, the following information:

(a) A narrative statement detailing management’s business plan to enhance Applicant’s ability to provide rail services including a discussion of the following:
   (1) Applicant’s current and prospective traffic base, including by commodity and geographic region, major markets served, major interchange points, and market development plans;
   (2) Applicant’s current operating patterns, and plans, if any, to enhance its ability to serve its current and prospective traffic base;
   (3) System-wide plans to maintain equipment and rights-of-way at current or improved levels; and
   (4) Specific plans for rationalization of marginal or uneconomic services;

(b) Detailed financial information, including:
   (1) Financial statements prepared by a Certified Public Accountant (audited, if available), for the four calendar years immediately preceding the date of filing of the application, including:
      (i) A copy of Applicant’s most recent year-end general balance sheet and a copy of Applicant’s most recent unaudited general balance sheet; and
      (ii) Applicant’s most recent annual income statement and a spread sheet standing of the project, the project’s relations to the priorities listed in §260.7, and its impact, or to assist the Administrator in making the statutorily prescribed findings; and

(n) Any other information which the Administrator may deem necessary concerning an application filed under this part.

(o) Railroad applicants must also submit a copy of application for financing for the project in the private sector, including terms requested, from at least one commercial lender, and its response refusing to provide such financing.

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(a) A narrative statement detailing management’s business plan to enhance Applicant’s ability to provide rail services including a discussion of the following:
   (1) Applicant’s current and prospective traffic base, including by commodity and geographic region, major markets served, major interchange points, and market development plans;
   (2) Applicant’s current operating patterns, and plans, if any, to enhance its ability to serve its current and prospective traffic base;
   (3) System-wide plans to maintain equipment and rights-of-way at current or improved levels; and
   (4) Specific plans for rationalization of marginal or uneconomic services;

(b) Detailed financial information, including:
   (1) Financial statements prepared by a Certified Public Accountant (audited, if available), for the four calendar years immediately preceding the date of filing of the application, including:
      (i) A copy of Applicant’s most recent year-end general balance sheet and a copy of Applicant’s most recent unaudited general balance sheet; and
      (ii) Applicant’s most recent annual income statement and a spread sheet
§ 260.27 Additional information for loan guarantees.

Applications for a loan guarantee shall also include in the order indicated and identified by applicable numbers and letters corresponding to those used in this section, the following information:

(a) With respect to each existing obligation to be refinanced or proposed obligation:

(1) A certified copy of proposed or executed obligation agreements;

(2) A detailed description of the obligation, and a description of the series or issue of which the obligation is, or will be, a part, including:

(i) Effective date, or anticipated effective date;

(ii) Where a guarantee is sought for an outstanding obligation being refinanced, actual effective rate of interest; or where the obligation is new, the terms of the proposed obligation including the proposed effective rate of interest; and

(iii) All related documents, whether executed or proposed;

(3) For an existing obligation, the Applicant’s payment history on that obligation; and

(b) With respect to each existing Lender, Holder, or prospective Lender, a statement as to:

(1) Full and correct name and principal business address;

(2) Reference to applicable provisions of law and the charter or other governing instruments conferring authority to do business on the Lender, Holder, or prospective Lender;

(3) Brief statement of the circumstances and negotiations leading to the agreement by the Lender, Holder, or prospective Lender to make the loan;

(4) Brief statement of the nature and extent of any affiliation or business relationship between the Lender, Holder, or prospective Lender and the Applicant or any of Applicant’s directors, partners, or principal executive officers; and

(5) Full and complete statement of all sums to be provided by the Lender or Holder, or to be provided by the prospective Lender in connection with the proposed obligation including:

(i) Name and address of each person to whom the payment has been made or will be made and nature of any affiliation, association, or prior business relationship between any person named in this paragraph and the Lender, Holder, or prospective Lender or any of its directors, partners, or officers; and

(ii) Amount of the cash payment, or the nature and value of other consideration.

§ 260.29 Third party consultants.

Applicants may utilize independent third-party consultants to prepare a financial evaluation of the proposed project and the applicant, if approved by FRA. Providing such an evaluation