

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 Repealed.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 Repealed.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

Editorial Notes

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) 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)”.

Statutory Notes and Related Subsidiaries

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 1301 of Title 49, Transportation.

SHORT TITLE

Pub. L. 91-663, §1, Jan. 8, 1971, 84 Stat. 1975, 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;