



United States

Department of Transportation

American Recovery and Reinvestment Act

Federal Railroad Administration

**Capital Assistance for High Speed Rail Corridors and
Intercity Passenger Rail Corridors**

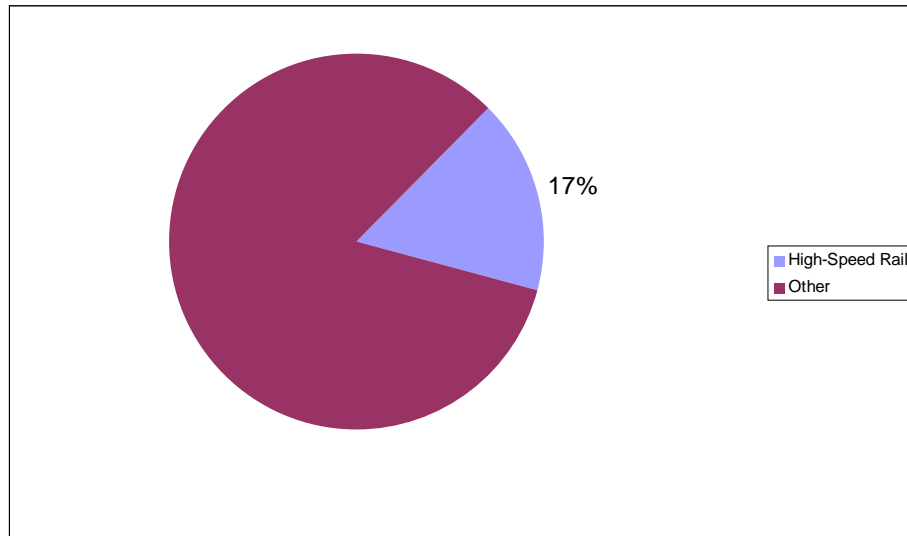
Program Performance Plan



Funding

Funding: \$8,000,000,000

Percentage of DOT total Recovery Act funding:



Type: Grant

Period of Availability: Four years (through 2012)

Time line for announcing:

Date	Announcement
October 2009	First grant awards for construction projects are made.
December 2009	First grant awards for corridor development projects are made.
May 2010	Second set of grant awards for construction projects are made.
July 2010	Second set of grant awards for corridor development projects are made.

Amount allotted for administrative cost: \$20,000,000

Amount allotted for distribution: \$7,980,000,000

Program Description

Program objectives:

The objectives of this program are twofold. In the long-term, the program aims to build an efficient, high speed passenger rail network connecting major population centers 100 to 600 miles apart. In the near-term, the program will begin to lay the foundation for this modernized transportation system by upgrading the reliability and service of conventional intercity passenger rail.

Public benefits:

This program benefits the public in a number of ways. First and foremost, high speed rail provides a cost-effective and efficient alternative to air and automobile travel, particularly for distances of 600 miles or less. High-speed rail can improve travel options by increasing access to underserved communities and interconnecting communities who are already served by rail. Rail is also one of the most energy efficient modes of transportation, with a number of environmental benefits. For example, by utilizing electric and clean diesel power technologies, rail can result in lower pollutant and greenhouse gas emissions per passenger-mile than other modes of travel. The construction of a high-speed rail network is also expected to support the United States economy by revitalizing related domestic production and service industries.

Project level activities:

There are two different applicant-funding tracks that will provide the projects/activities under this program: 1) Individual projects which will include acquisition, construction of or improvements to infrastructure, facilities and equipment; and, 2) Corridor development projects to develop entire phases of geographic sections of high-speed rail corridors that have already completed corridor plans and environmental studies.

Funding determination:

There is no formula used in distributing funds

Project selection criteria:

Projects will be evaluated against the criteria outlined in Recovery Act-required Strategic Plan for the Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service program – Vision for High-Speed Rail in America, which include the achievement of public benefits such as provision of a cleaner and faster transportation alternative and the mitigation of risks such as oversight of the Recovery Act funds. DOT is currently developing a more comprehensive and detailed set of criteria, which it will publish in its interim guidance document, due June 19th.

<http://www.fra.dot.gov/us/content/31>

Funding decisions made by: U.S. Department of Transportation

Contracting vehicle(s):

The majority of contracts will be firm fixed price contracts.

Primary recipients: States

Beneficiaries: General Public

Significant program challenges and mitigation strategies:

Challenge 1: Lack of Industry Expertise and Human Resources. The relatively small investment in passenger rail in recent decades and growing retirements of personnel throughout the rail sector have resulted in a shrinking pool of experts in the field, including engineers skilled in signal, track, and rolling stock design, along with experienced rail planners and managers. A renewed investment program will eventually bring more expertise back into the industry, but that process is likely to lag behind the need to plan, implement and manage a major new program. Moreover, the Federal and State agencies responsible for administering this effort will need to aggressively build capacity to manage their new portfolios; and the freight railroads and Amtrak will need to identify resources to support the new effort without diverting from their core operating and maintenance responsibilities.

Challenge 2: State Fiscal Constraints. The current economic downturn has left many States in a precarious fiscal condition. Many have not budgeted for new capital investments or potential operating expenses, though, some States do currently invest in passenger rail including funding operating costs. While an expansion of passenger rail and development of High-Speed Rail fits well into the transportation vision of many States, decisionmakers will be confronted with difficult budget decisions to advance these programs in coming years, even with an expanded Federal commitment.

Challenge 3: Partnerships with Private Railroads. Although Federal law provides Amtrak a right of access to private railroad facilities, that access has been constrained by the capacity of rail lines and by freight traffic. With the prospect of significant public funding flowing through States to support capital investments – often in existing, privately owned rail lines – for expanded and improved passenger services, partnerships will be needed between States and the private railroads that own the infrastructure. Whether for comprehensive corridor improvement programs or discrete projects, State-railroad agreements will be needed to ensure that public investments will fulfill, and continue to be available for, their intended purposes.

Challenge 4: Multi-State Partnerships. Most intercity passenger rail corridors, including designated high-speed rail corridors, cross State boundaries. Viable HSR corridor strategies will likely require a multi-State partnership in many cases. To successfully plan, fund, build and operate these corridors, the States involved will need to act in a coordinated fashion, through an interstate compact, a multi-State agreement, or other instrument. It will be challenging to organize any such multi-State agreement involving different political and administrative entities within each State.

Mitigation Strategy 1: These risks will be mitigated through a comprehensive risk management strategy. First, FRA will publish detailed guidance setting forth for prospective applicants' strategies for mitigating these risks that should be incorporated into applications (such as reaching partnership agreements with private railroads and establishing multi-State partnerships).

Mitigation Strategy 2: Per the authorizing statute for this program, FRA will require detailed project management plans as part of all major project grants. FRA has also completed, comprehensive, and executed partnership agreements, both between prospective grantees and private railroads and among States for multi-state grant applications, will be a prerequisite for awards for all non-planning grants (which covers all grants made with ARRA funding). FRA may require that elements of such agreements be completed prior to application, as the existence of such agreements will be key to assessing the risk associated with proposed projects and corridor development programs. For example, FRA may require that applicants reach an early agreement with its partner private railroad(s) on issues of project schedule, scope, budget, and risk management, so as to give greater certainty as to these key risk elements.

Mitigation Strategy 3: For high-value, higher-risk project proposals, FRA will administer program funding through cooperative agreements with applicants, similar to full funding grant agreements administered by the Federal Transit Administration, which will allow for oversight and Federal participation at a level greater than that associated with standard grant agreements.

Mitigation Strategy 4: FRA will assign Project Management Oversight teams to all grantees, which will conduct detailed technical, legal, and financial oversight of all projects.

Program Activities

Activities:

Acquisition, construction of or improvements to infrastructure, facilities and equipment; and development of entire phases of geographic sections of high-speed rail corridors that have already completed corridor plans and environmental studies.

Milestones:

	Milestone	Date	Anticipated Accomplishment
1	Publication of Program Interim Guidance	June 2009	Per Recovery Act requirements, the Federal Railroad Administration will publish guidance detailing application requirements, solicitation and funding schedules, evaluation criteria, and technical standards.
2	First Solicitation Round for Project and Corridor Development Program Applications	June 2009	Initiate first round application process for the two funding tracks
3	Selection of first round Project Applications	October 2009	Award grants for construction and/or design and engineering of individual capital improvement projects.
4	Selection of first round Corridor Development Program Applications	December 2009	Enter into cooperative agreements for the implementation of full corridor development programs.
5	Second Solicitation Round for Project and Corridor Development Program Applications	January 2010	Initiate second round application process for the two funding tracks

6	Selection of second round Project Applications	May 2010	Award grants for constuction and/or design and engineering of individual capital improvement projects.
7	Selection of second round Corridor Development Program Applications	July 2010	Enter into cooperative agreements for the implementation of full corridor development programs.

Anticipated Results

Expected Outcome:

Outcomes will be determined after mid-June.

Measure 1:

Publish the Program Interim Guidance by June 17, 2009

Explanation of measure: Per Recovery Act requirements, FRA will publish guidance detailing application requirements, solicitation and funding schedules, evaluation criteria, and technical standards.

Measure 2:

Number of applications received in the First Solicitation Round for Project and Corridor Development Program Applications

Explanation of measure: The number of first round applicants in the two funding tracks.

Measure 3:

Number of grants awarded from the first round project applications

Explanation of measure: The number of grants awarded for construction and/or design and engineering of individual capital improvement projects.

Measure 4:

Number of grants awarded from the first round corridor development program applications

Explanation of measure: The number of cooperative agreements entered into for the implementation of full corridor development programs.

Risk Management & Evaluation

The Department of Transportation created a common risk management protocol for each of its Recovery Act programs to follow. It includes (1) completing a risk assessment to identify risks, (2) completing a risk profile to assess risks, (3) developing a risk mitigation strategy to address identified risks, and (4) participating in a validation and testing process to ensure that risks are being addressed. This Recovery Act program is participating fully in the established risk-management process and may even enhance that process with additional program-specific risk management actions.

General Risk:

The High Speed Rail Program is a new program in the Federal Railroad Administration (FRA), therefore FRA is currently in the process of developing risk assessment/management protocols.

Reporting Risk	Grantees will be required to comply with the reporting requirements provided in the Recovery Act. The Federal Railroad Administration also plans to mandate increased oversight and reporting on High Speed Rail corridor development programs.
Human Resources Risk	At this time, as a new program, High Speed Rail is implementing full-time staff and contractor resources to provide the sufficient personnel to oversee the Recovery Act. Federal Railroad Administration does not have sufficient on-site staff or contractor resources and will fill these positions as the program matures.
Grants Risk	The Federal Railroad Administration is in the process of putting a strategy in place to oversee grantee contract management specifically as it pertains to the Recovery Act guidance. This will include procedures for monitoring internal controls, ensuring prompt and fair contract awarding, and tracking performance targets.
Procurement Risk	The Federal Railroad Administration is in the process of putting together a Risk Management Plan which will provide guidance for managing procurement risk, including timeliness and cost efficiencies.
Budget/Financial Risk	The Federal Railroad Administration allocated specific accounting codes to the High Speed Rail funds provided by the Recovery Act. These codes will separate these funds from other agency program activities.

Systems Risk	Currently the agency utilizes Delphi to capture financial elements of a program. The Recovery Act requires additional reporting information which DOT and the Federal Railroad Administration are working to incorporate into the TIGER Collector program currently in development. Integrating the TIGER Collector to Delphi and other financial systems should provide the link necessary to report all required information.
Audit/Investigations Risk	As with any agency program, the role of internal controls is to ensure that program procedures align to reduce/eliminate waste, fraud, and abuse. The Federal Railroad Administration plans to follow federal guidance in implementing specific monitoring activities to address related risk issues.
Performance Risk	Through the reporting measures mandated under the Recovery Act, as well as additional requirements being developed by the Federal Railroad Administration, the performance of grantee projects will be tracked. The High Speed Rail Program will be closely monitored to ensure that it is meeting a host of Recovery Act requirements; including, delivering programmatic results, achieving economic stimulus, achieving long-term public benefits, and satisfying transparency and accountability objectives.

Planned program assessment / evaluation:

Due to the fact that the High Speed Rail Program is new to the agency, the program's components are currently under development. As the program matures, the Federal Railroad Administration will determine how to evaluate its critical elements.

Estimated Start Date	Estimated Completion Date
To be Determined	To be Determined

Results of recent program assessment / evaluation:

Not applicable. This is a new program.

Accountability & Transparency

Scheduling reviews:

Once the program is underway, contractor progress will be reviewed at least quarterly. However, for projects under the High Speed Rail Corridor Development milestone, monthly reviews will more than likely be performed.

The contractor will be responsible for reporting cost and scheduling information required to measure the program's progress.

Communicating with recipients:

Given the nature of the program, grant technical representatives and project management oversight teams will be in frequent contact with recipients. For simple projects, such communications may take the form of quarterly status teleconferences and annual site visits, while complex corridor development programs may be assigned dedicated FRA staff or contractor resources to work with the recipient on-site.

Communicating with public and stakeholders:

The Federal Railroad Administration intends to hold regional outreach meetings to solicit stakeholder and public input into the development of the program interim guidance. The Federal Railroad Administration will also utilize its website as a comprehensive source of information regarding program requirements and performance.

Collecting and validating project-level data:

DOT's TIGER Collector system is being implemented for grantees to submit required Recovery Act project-level data.

The Federal Railroad Administration will review and confirm the information gathered by the TIGER Collector and other reporting methods. The Federal Railroad Administration will cross-check work performed against disbursement invoices. The Federal Railroad Administration will also use off-site visits to validate the invoices received.

Ensuring best use of federal funds:

For jobs creation and retention	The Federal Railroad Administration is currently developing interim program guidance, which will outline application selection criteria; including a project's ability to contribute to economic recovery efforts through the creation/saving of jobs.
For program or project outputs	The Federal Railroad Administration is currently developing specific program measures and project outputs; however, there are specific programmatic features, such as promoting economic expansion.
For other public benefits	The High Speed Rail Program will benefit the public through its support of interconnected-livable communities, provision of energy efficiencies, foundation for economic competitiveness, and provision of safe and efficient transportation alternatives to automotive and air travel.

Holding program managers and recipients accountable:

Program Managers	The Federal Railroad Administration personnel designated to manage the High Speed Rail Program will have specific duties outlined in their position descriptions which link to the implementation of administering the High Speed Rail program per the Recovery Act oversight specifications.
Primary and Secondary Recipients	In addition to the reporting mandated under the Recovery Act, such as Section 1201 periodic reports and Section 1512 quarterly reports, the Federal Railroad Administration will require increased oversight on the new High Speed Rail Program. Section 1201 periodic reports and Section 1512 quarterly reports require similar information; however, the information is reported on a different time basis. The reports include job creation data, project status and financial data such as program outlays.

Compliance & Results

Reducing environmental impacts:

Rail is already among the cleanest and most energy-efficient of the passenger transportation modes. A future High Speed Rail/Intercity Passenger Rail network using new clean diesel or electric power can further enhance rail's advantages. According to one recent study, implementation of pending plans for the federally designated high-speed rail corridors could result in an annual reduction of 6 billion pounds of carbon dioxide.

Complying with National Environmental Policy:

All construction project grants will be required to have completed National Environmental Policy Act (NEPA) clearance prior to award, with required Environmental Assessments or Environmental Impact Statements completed prior to application. Corridor development cooperative agreements will be required to have completed sufficient corridor/section/phase programmatic or project NEPA documentation prior to award, and full project NEPA documentation prior to construction.

Complying with National Historic Preservation Standards:

National Historic Preservation Act compliance will be achieved in concert with the overall National Environmental Policy Act process.

Holding recipients accountable for energy efficiency and/or green building standards:

No specific standards are anticipated, although energy efficiency, green building approaches, and overall environmental benefits will be incorporated into the application evaluation criteria.