

BUDGET ESTIMATES

FISCAL YEAR 2010

**FEDERAL RAILROAD
ADMINISTRATION**

**CONGRESSIONAL JUSTIFICATION
SUBMISSION**

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

FY 2010 CONGRESSIONAL BUDGET SUBMISSION

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SECTION 1: OVERVIEW

Federal Railroad Administration FY 2010 Congressional Budget Justification Overview

The Federal Railroad Administration (FRA) is pleased to submit its FY 2010 Congressional Budget Justification. Since its establishment, over four decades ago, the FRA has continued to make significant contributions toward the safety, operations, and evolution of the Nation's passenger and freight rail industry and infrastructure. Although the FRA remains the Federal agency charged with ensuring the Nation's rail transportation is safe, secure, efficient, and enhances the quality of life for all, three major pieces of recently enacted legislation significantly expanded FRA's mission and responsibilities.

First, in October 2008, FRA was reauthorized for the first time since 1997 under the Rail Safety Improvement Act of 2008 (RSIA). RSIA mandated approximately forty regulations, studies, and reports to Congress and the public, and model State laws. These efforts focus on implementing positive train control, developing a safety risk reduction program, changing hours of service requirements, certifying conductors, and enhancing highway-rail grade crossing safety.

Second, the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) was also enacted in October 2008. PRIIA not only reauthorized programs in support of the National Railroad Passenger Corporation (Amtrak), it also authorized several new activities related to intercity passenger rail service and the enhancement of the Nation's rail infrastructure.

And third, in January 2009, the American Recovery and Reinvestment Act (ARRA) was enacted. ARRA further expanded FRA's mission by adding a new dimension to its historically safety-focused mission. ARRA identified FRA as a champion to lead an unprecedented transformation of the Nation's high-speed rail system. FRA leadership embraced ownership of this initiative and formally articulated its vision on how to effectively advance the Administration's vision to build a foundation to develop a comprehensive high-speed intercity passenger rail network that: (1) ensures a safe and efficient transportation choice, (2) builds a foundation for economic competitiveness, (3) promotes energy efficiency and environmental quality, and (4) supports interconnected livable communities.

FRA's \$2.7 billion FY 2010 budget request reflects its diverse charge, which continues its strong safety mission and highlights the Administration's vision for a national rail renaissance. The funding request is as follows:

Safety & Operations: \$169 million and 885.5 FTE/936 positions are requested for this mission essential activity. This request is \$9.3 million and 16.5 FTE/27 positions above the FY 2009 enacted level of \$159.4 million and 869 FTE/909 positions. Of this amount, \$135 million directly supports the Department's goal of reducing railroad accidents and incidents, while the remaining \$34 million contributes to the avoidance of serious hazardous materials incidents in rail transportation.

Research & Development: \$34 million is requested to support research efforts in the areas of rail systems safety, track and structures, train occupant protection, human factors

in train operations, rolling stock and components, track and train interaction, train control, grade crossings, hazardous materials, and transportation and research development facilities and test equipment.

Grants to the National Passenger Rail Corporation: \$1.5 billion enables Amtrak’s management team to keep the trains running efficiently while acting on its mandate to reshape the company. This request includes \$572 million for capital costs and \$930 million for capital and debt services grants.

High-Speed Rail Program: \$1 billion is requested in support of the Administration’s vision to provide a sustainable 21st century rail transportation solution that is energy-efficient, environmentally sound, and leverage state, local, and private sector resources and partnerships. This new program is the cornerstone initiative that the Administration will use to advance the high-speed rail infrastructure activities initiated with the \$8 billion in resources provided in ARRA.

Advancing Rail Safety. FRA has served as the Federal government’s lead railroad safety compliance and regulatory agency since its establishment in 1966. Over the past 40 years, the railroad industry has made significant safety improvements. Since the year 2000, the total number of rail-related accidents and incidents declined by 28 percent, train accidents fell by 20 percent, casualties (i.e.: deaths and injuries) dropped by 20 percent, and highway-rail grade crossing incidents decreased 32 percent. These statistical drops are especially significant due to their occurrence in an era of ever-increasing train miles (a 6 percent increase from the year 2000 to 2008). However, as remarkable as these numbers are, train accidents continue to occur, including several major freight and passenger train accidents in 2004 and 2005 (e.g.: Macdona, Texas and Glendale, California). The severity of these accidents raised specific concerns about railroad safety issues deserving Government and industry attention; specifically revolving around the Nation’s rail infrastructure network.

In 2005, the U.S. Department of Transportation and FRA jointly launched the National Rail Safety Action Plan (Action Plan). The Action Plan’s broad goals targeted the most frequent, highest-risk causes of train accidents, focused FRA oversight and inspection resources more precisely, and accelerated research efforts that may mitigate the largest risks.

In May 2008, FRA successfully completed all of the original elements of the Action Plan. A few noteworthy achievements include:

- Issuance of a Federal rule addressing the top causes of human factors-caused train accidents.
- Establishment of a “close call” pilot project to analyze and learn from incidents or events that could have caused or resulted in train accidents.



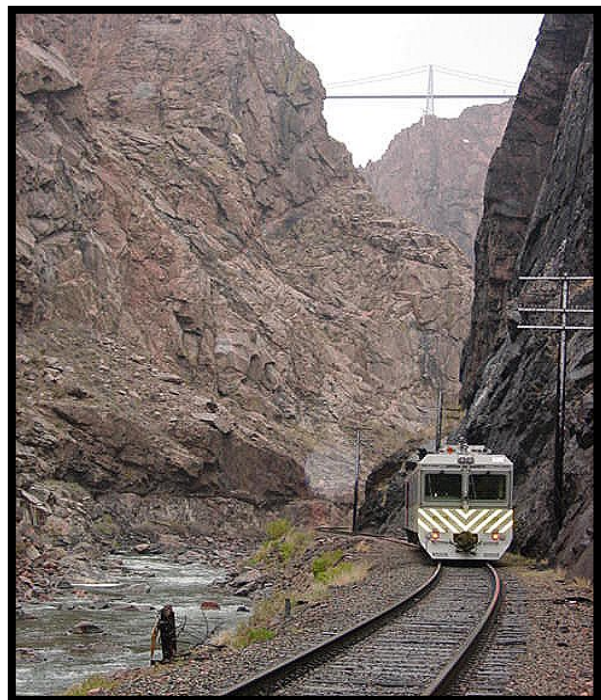
- Accelerated research on railroad-crew work histories and validation of a fatigue model for use in monitoring crew scheduling.
- Demonstration of a vehicle-mounted photo imaging technology to detect cracks in joint bars that can lead to derailments.
- Deployment of two additional automated track-geometry inspection vehicles to measure weaknesses in the track structure.
- Assurance that emergency responders have access to key information about hazardous materials transported by rail.

Since the Action Plan's inauguration, train accidents have fallen 27 percent. While FRA has succeeded in reducing track-caused and human-factors-caused train accidents, the agency recognizes that continued success may lie in risk reduction programs. FRA is currently developing such programs to align with the Railroad Safety Advisory Committee (RSAC) regulatory efforts and the recently passed RSIA.

As a regulatory agency, FRA works collaboratively, through the RSAC, with government entities, railroads, unions, trade associations, suppliers, and other stakeholders to fashion mutually satisfactory solutions on safety regulatory issues. Recent RSAC efforts include rules regarding passenger train emergency systems; accident/incident reporting; the transporting of hazardous material; railroad operating rules; and electronically controlled pneumatic brakes.

The Nation's freight railroads operate over 140,000 miles of track, employ roughly 200,000 workers, and account for 43 percent of all intercity domestic freight. Unlike trucks, barges, and airlines, U.S. freight railroads operate almost exclusively over infrastructure that they build and maintain. Since 1980, freight railroads have invested more than \$420 billion (i.e.: 40 cents per revenue-dollar) to maintain and improve their infrastructure and equipment.

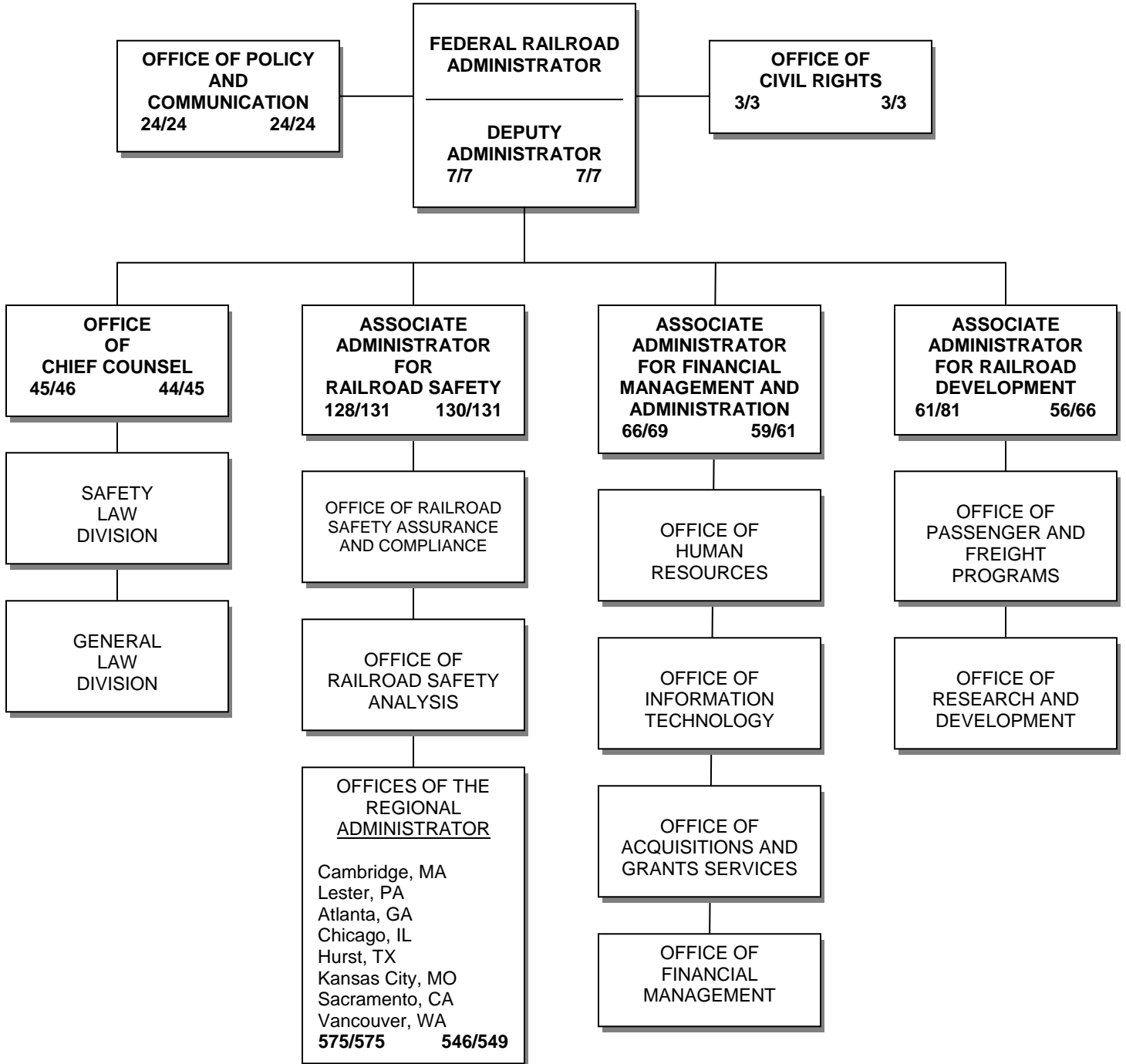
Although this investment has helped the industry keep its infrastructure in relatively good shape and maintain levels of service at or below capacity, FRA's FY 2010 high-speed rail initiative will further ensure a sustained, high-speed rail network investment that is efficient and accessible for the American people.



FEDERAL RAILROAD ADMINISTRATION
Positions/FTE Related to Safety, Reduced Congestion, Security, and
Organizational Excellence

Positions: 2009/2010

FTE: 2009/2010



Totals:

Positions: 909/936

FTE: 869/886

**SECTION 2: BUDGET
SUMMARY TABLES**

EXHIBIT II-I

**COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
FEDERAL RAILROAD ADMINISTRATION
Budget Authority
\$(000)**

ACCOUNT NAME	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 REQUEST
1. Safety and Operations	150,193	159,445	159,445	168,770
2. Railroad Research and Development	35,964	33,950	33,950	34,145
3. Rail Line Relocation & Improvement Program	20,040	25,000	25,000	-
4. Operating Grants to the National Railroad Passenger Corporation	475,000	550,000	550,000	572,348
5. Capital / Debt Service Grants to the National Railroad Passenger Corporation	850,000	940,000	940,000	929,625
6. Intercity Passenger Rail Grant Program	30,000	90,000	90,000	-
7. Emergency Railroad Rehabilitation and Repair	20,000	-	-	-
8. Efficiency Incentive Grants to the National Railroad Passenger Corporation ^{2/}	-	-	-	-
9. Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service	-	-	8,000,000	1,000,000
10. Capital Grants to the National Railroad Passenger Corporation	-	-	1,300,000	-
TOTAL	1,581,198	1,798,395	11,098,395	2,704,888

Notes:

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009.

^{2/} The FY 2009 Omnibus rescinds all unobligated balances provided to the Efficiency Incentive Grants to the National Railroad Passenger Corporation account under P.L. 109-115 and P.L. 110-5. FRA had no unobligated balances at the time the FY 2009 Omnibus was enacted.

EXHIBIT II-2
FY 2010 BUDGET REQUEST BY APPROPRIATION ACCOUNT
FEDERAL RAILROAD ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

ACCOUNT NAME	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY2010 REQUEST
Safety and Operations	150,193	159,445	159,445	168,770
Salaries and Expenses	148,870	158,151	158,151	167,463
Contract Support	588	559	559	572
Alaska Railroad Liabilities	735	735	735	735
Railroad Research and Development	35,964	33,950	33,950	34,145
Railroad System Issues	3,168	3,155	3,155	3,155
Human Factors	3,616	3,075	3,075	3,075
Rolling Stock and Components	2,871	3,500	3,500	3,000
Track and Structures	3,861	4,450	4,450	4,645
Track and Train Interaction	3,168	3,100	3,100	3,600
Train Control	5,600	7,120	7,120	7,120
Grade Crossings	2,178	1,850	1,850	1,850
Hazardous Materials Transportation	1,287	1,550	1,550	1,550
Train Occupant Protection	5,120	3,600	3,600	3,600
R&D Facilities and Test Equipment	1,881	2,550	2,550	2,550
Advanced Freight Locomotive Safety	980	-	-	-
Dem. & Deploy PTC (Alaska)	735	-	-	-
Center for Comm. Deployment of Trans. (CALTECH)	245	-	-	-
WVU Constructed Facility Center	191	-	-	-
Marshall Univ - Univ. of Nebraska	573	-	-	-
PEERS, IL	490	-	-	-
Rail Line Relocation & Improvement Program	20,040	25,000	25,000	-
Rail Line Relocation	14,905	7,900	7,900	-
Mt. Vernon RR Cut, NY	245	-	-	-
Pecos St. Grade Crossing, Adams Cty, CO	196	190	190	-
Pierre Rail Improvements, Pierre, SD	196	-	-	-
Rail Safety Upgrades, Coos Cty, NH	392	475	475	-
Rail Line Relocation, Chester, SC	392	-	-	-
Railroad Grade Separation, Elkhart, IN	441	-	-	-
Railroad Relocation Planning, Terre Haute, IN	431	475	475	-
Sacramento Intermodal Terminal Facility Track Reloc., CA	392	950	950	-
Wisconsin West Rail Transit Authority, Barron, WI	2,450	-	-	-
COLT Overpass over U.S. 63, Boone County, MO	-	950	950	-
Downeast Rail Rehabilitation, ME	-	190	190	-
East Belt Railroad Grade Crossing Safety Improvements, Houston, TX	-	475	475	-
Elevated Railroad Track Project, Claremore, OK	-	333	333	-
Grand Rapids Amtrak Railroad Relocation, MI	-	3,800	3,800	-
High Speed Railroad Passenger Service, Duluth, MN	-	475	475	-
Lackawaxen Interchange Rehabilitation, Pike County, PA	-	48	48	-
Passenger Rail Corridor CREATE Projects, Chicago, IL	-	1,900	1,900	-
Phase 3 Rail Rehabilitation in Redwood Falls, MN	-	950	950	-
Quad Cities Track Improvement, IL	-	475	475	-
Railroad Bridge Rehabilitation, El Dorado, AR	-	333	333	-
Railroad Bridge Rehabilitation, Perry County, IN	-	380	380	-
Railroad Grade Crossing Safety Improvements, Huntington, NY	-	95	95	-
Short Line Rehabilitation, Salem, NJ	-	950	950	-
Southeast 44th Avenue Railroad Crossing Improvements, Des Moines, IA	-	238	238	-
Stourbridge Line Maintenance and Repair, Honesdale, PA	-	95	95	-
Transbay Transit Center, San Francisco, CA	-	1,900	1,900	-
West Freight Access Project, Fort of Vancouver, WA	-	950	950	-
Zanesville-Muskingum County Port Authority, OH	-	475	475	-
Intercity Passenger Rail Funding	1,355,000	1,580,000	1,580,000	1,501,973
Operating Grants to the National Railroad Passenger Corporation	475,000	550,000	550,000	572,348
Capital / Debt Service Grants to the National Railroad Passenger Corporation	850,000	940,000	940,000	929,625
Intercity Passenger Rail Grant Program	30,000	90,000	90,000	-
Emergency Railroad Rehabilitation and Repair	20,000	-	-	-
Efficiency Incentive Grants to the National Railroad Passenger Corporation ^{2/}	-	-	-	-
Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service	-	-	8,000,000	1,000,000
Capital Grants to the National Railroad Passenger Corporation	-	-	1,300,000	-
TOTAL	1,581,197	1,798,395	11,098,395	2,704,888

Notes:

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009.

^{2/} The FY 2009 Omnibus rescinds all unobligated balances provided to the Efficiency Incentive Grants to the National Railroad Passenger Corporation account under PL. 109-115 and PL. 110-5. FRA had no unobligated balances at the time the FY 2009 Omnibus was enacted.

EXHIBIT II-3

FY 2010 BUDGET REQUEST BY ACCOUNT
 FEDERAL RAILROAD ADMINISTRATION
 Budget Authority
 (\$000)

ACCOUNT NAME	Mandatory/ Discretionary	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 REQUEST
1. Safety and Operations	D	150,193	159,445	159,445	168,770
2. Railroad Research and Development	D	35,964	33,950	33,950	34,145
3. Rail Line Relocation & Improvement Program	D	20,040	25,000	25,000	-
4. Operating Grants to the National Railroad Passenger Corporation	D	475,000	550,000	550,000	572,348
5. Capital / Debt Service Grants to the National Railroad Passenger Corporation	D	850,000	940,000	940,000	929,625
6. Intercity Passenger Rail Grant Program	D	30,000	90,000	90,000	-
7. Emergency Railroad Rehabilitation and Repair	D	20,000	-	-	-
8. Efficiency Incentive Grants to the National Railroad Passenger Corporation ^{2/}	D	-	-	-	-
9. Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service	D	-	-	8,000,000	1,000,000
10. Capital Grants to the National Railroad Passenger Corporation	D	-	-	1,300,000	-
11. RR Rehab & Improvement Financing Fund - Loan Program Account	M	20,751	16,753	16,753	-
12. RR Rehab & Improvement Financing Fund - Liquidating Account	M	(3,722)	(6,704)	(6,704)	(3,324)
TOTAL		1,598,226	1,808,444	11,108,444	2,701,564
<i>Discretionary</i>		<i>1,581,197</i>	<i>1,798,395</i>	<i>11,098,395</i>	<i>2,704,888</i>
<i>Mandatory</i>		<i>17,029</i>	<i>10,049</i>	<i>10,049</i>	<i>(3,324)</i>
PROPRIETARY AND OTHER GOVERNMENTAL RECEIPTS					
1.		0	0	0	0
TOTAL		0	0	0	0

Notes:

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009.

^{2/} The FY 2009 Omnibus rescinds all unobligated balances provided to the Efficiency Incentive Grants to the National Railroad Passenger Corporation account under P.L. 109-115 and P.L. 110-5. FRA had no unobligated balances at the time the FY 2009 Omnibus was enacted.

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
FEDERAL RAILROAD ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

SAFETY AND OPERATIONS

	FY 2009 Enacted Omnibus	FY 2009 PC&B by Program	FY 2009 # of FTE Per Program	FY 2009 Contracts Expense	Baseline Changes				FY 2009 Adjusted Base	Program Increases/ Decreases	FY 2010 PC&B by Program	FY 2010 # of FTE Per Program	FY 2010 Contracts Expense	FY 2010 Request
					Annualization of FY 2009 FTE	Annualization of 2009 Pay Raises	Pay Raise	GSA Rent							WCF Increase/ Decrease	Inflation/ Deflation
PERSONNEL RESOURCES														
Direct FTE	869.0		3.0					872.0	13.5				885.5	
FINANCIAL RESOURCES														
ADMINISTRATIVE EXPENSES														
Salaries and Benefits	111,577	[111,577]		[869.0]										
Travel	9,744	[9,744]			798	1,696				1,893				
Transportation	282	[282]						52	210					
GSA Rent	5,267	[5,267]												
Communications, Rent & Utilities	1,104	[1,104]							88					
Printing	186	[186]												
Other Services														
-WCF	6,822	[6,822]												
-Other	21,462	[21,462]												
Supplies and Materials	612	[612]						27	3,200					
Equipment	1,374	[1,374]												
Grants, Subsidies and Contributions	1,015	[1,015]							98					
Total by Object Class	159,445	[159,445]	3.0	[869.0]	798	1,696	457	84	163,281	5,489	[13.5]	[3,200]	168,770	
PROGRAMS														
Salaries and Expenses	158,151	[158,151]												
Contract Support	559	[559]												
Alaska Railroad Liabilities	735	[735]												
Programs Subtotal	159,445	[159,445]	3.0	[869.0]	798	1,696	457	84	163,281	5,489	[13.5]	[3,200]	168,770	

1/ Annualization of FY 2009 FTE includes costs to fully fund the 3 FTE requested in the FY 2009 Congressional Budget and the additional 16 FTE authorized in the FY 2009 Enacted Omnibus.

EXHIBIT II-4A

WORKING CAPITAL FUND
FEDERAL RAILROAD ADMINISTRATION
Appropriations, Obligation Limitations, Exempt Obligations and Reimbursable Obligations
(\$000)

	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2010 REQUEST</u>	<u>CHANGE</u>
DIRECT:			
Safety and Operations	<u>6,822</u>	<u>6,209</u>	<u>(613)</u>
SUBTOTAL	6,822	6,209	(613)
REIMBURSABLE:			
	<u>0</u>	<u>0</u>	<u>0</u>
SUBTOTAL	0	0	0
TOTAL	6,822	6,209	(613)

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
 FEDERAL RAILROAD ADMINISTRATION
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

RAILROAD RESEARCH AND DEVELOPMENT

	FY 2009 Enacted Omnibus	FY 2009 PC&B by Program	FY 2009 # of FTE Per Program	Baseline Changes				FY 2009 Program Increases/ Decreases	FY 2009 Adjusted Base	FY 2010 PC&B by Program	FY 2010 # of FTE Per Program	FY 2010 Contracts Expense	FY 2010 Request
				FY 2009 Annualization of 2009 FTE	FY 2010 Annualization of 2009 Pay Raises	FY 2010 Pay Raise	GSA Rent							WCF Increase/ Decrease	Inflation/ Deflation
PERSONNEL RESOURCES													
Direct FTE	0.0						0.0						0.0
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Other Services	11,067	[-]	[-]	-	-	-	11,067	(2,153)	[-]	[-]	[-]	8,914	
Operation and Maintenance of Facilities	1,896	[-]	[-]	-	-	-	1,896	654	[-]	[-]	[-]	2,550	
Research and Development Contracts	19,451	[-]	[-]	-	-	-	19,451	1,694	[-]	[-]	[-]	21,145	
Grants, Subsidies and Contributions	1,536	[-]	[-]	-	-	-	1,536	-	[-]	[-]	[-]	1,536	
Total by Object Class	33,950	[0]	[0.0]	0	0	0	33,950	195	[0]	[0.0]	[0]	34,145	
PROGRAMS													
Railroad System Issue	3,155	[-]	[-]	-	-	-	3,155	-	[-]	[-]	[-]	3,155	
Human Factors	3,075	[-]	[-]	-	-	-	3,075	-	[-]	[-]	[-]	3,075	
Rolling Stock and Components	3,500	[-]	[-]	-	-	-	3,500	-	[-]	[-]	[-]	3,500	
Track and Structures	4,450	[-]	[-]	-	-	-	4,450	195	[-]	[-]	[-]	4,645	
Track and Train Interaction	3,100	[-]	[-]	-	-	-	3,100	-	[-]	[-]	[-]	3,100	
Train Control	7,120	[-]	[-]	-	-	-	7,120	-	[-]	[-]	[-]	7,120	
Grade Crossings	1,850	[-]	[-]	-	-	-	1,850	-	[-]	[-]	[-]	1,850	
Hazardous Materials Transportation	1,550	[-]	[-]	-	-	-	1,550	-	[-]	[-]	[-]	1,550	
Train Occupant Protection	3,600	[-]	[-]	-	-	-	3,600	-	[-]	[-]	[-]	3,600	
R&D Facilities and Test Equipment	2,550	[-]	[-]	-	-	-	2,550	-	[-]	[-]	[-]	2,550	
Total by Program	33,950	[0]	[0.0]	0	0	0	33,950	195	[0]	[0.0]	[0]	34,145	

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
 FEDERAL RAILROAD ADMINISTRATION
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

RAIL LINE RELOCATION AND IMPROVEMENT PROGRAM

	Baseline Changes													
	FY 2009 Enacted Omnibus	FY 2009 # of FTE Per Program	FY 2009 Contracts Expense	FY 2009 Annualization of 2009 Pay Raises	FY 2010 Pay Raise	GSA Rent	WCF Increase/ Decrease	Inflation/ Deflation	FY 2009 Adjusted Base	FY 2009 Program Increases/ Decreases	FY 2010 PC&B by Program	FY 2010 # of FTE Per Program	FY 2010 Contracts Expense	FY 2010 Request
PERSONNEL RESOURCES														
Direct FTE	0.0			0.0					0.0					0.0
FINANCIAL RESOURCES														
ADMINISTRATIVE EXPENSES														
Grants, Subsidies and Contributions	25,000								25,000	(25,000)				0
Total by Object Class	25,000	[0]	[0]	0	0	0	0	0	25,000	(25,000)	[0]	[0]	[0]	0
PROGRAMS														
Rail Line Relocation	7,900								7,900	(7,900)				0
Pecos St. Grade Crossing, Adams Cty, CO	190								190	(190)				0
Rail Safety Upgrades, Coos Cty, NH	475								475	(475)				0
Railroad Relocation Planning, Terre Haute, IN	475								475	(475)				0
Sacramento Intermodal Terminal Facility Track Reloc., CA	950								950	(950)				0
COLT Overpass over U.S. 63, Boone County, MO	950								950	(950)				0
Downeast Rail Rehabilitation, ME	190								190	(190)				0
East Belt Railroad Grade Crossing Safety Improvements, Houston	475								475	(475)				0
Elevated Railroad Track Project, Claremore, OK	333								333	(333)				0
Grand Rapids Amtrak Railroad Relocation, MI	3,800								3,800	(3,800)				0
High Speed Railroad Passenger Service, Duluth, MN	475								475	(475)				0
Lackawaxen Interchange Rehabilitation, Pike County, PA	48								48	(48)				0
Passenger Rail Corridor CREATE Projects, Chicago, IL	1,900								1,900	(1,900)				0
Phase 3 Rail Rehabilitation in Redwood Falls, MN	950								950	(950)				0
Quad Cities Track Improvement, IL	475								475	(475)				0
Railroad Bridge Rehabilitation, El Dorado, AR	333								333	(333)				0
Railroad Bridge Rehabilitation, Perry County, IN	380								380	(380)				0
Railroad Grade Crossing Safety Improvements, Huntington, NY	95								95	(95)				0
Short Line Rehabilitation, Salem, NJ	950								950	(950)				0
Southeast 44th Avenue Railroad Crossing Improvements, Des Mc	238								238	(238)				0
Stourbridge Line Maintenance and Repair, Honesdale, PA	95								95	(95)				0
Transbay Transit Center, San Francisco, CA	1,900								1,900	(1,900)				0
West Freight Access Project, Fort of Vancouver, WA	950								950	(950)				0
Zanesville-Muskingum County Port Authority, OH	475								475	(475)				0
Total by Program	25,000	[0]	[0]	0	0	0	0	0	25,000	(25,000)	[0]	[0]	[0]	0

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
 FEDERAL RAILROAD ADMINISTRATION
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

INTERCITY PASSENGER RAIL GRANTS PROGRAM

	FY 2009 Enacted Omnibus	FY 2009 # of FTE Per Program	FY 2009 Contracts Expense	Baseline Changes			FY 2009 Adjusted Base	FY 2009 Program Increases/ Decreases	FY 2010 PC&B by Program	FY 2010 # of FTE Per Program	FY 2010 Contracts Expense	FY 2010 Request
				FY 2009 Annualization of 2009 Pay Raises	FY 2010 Pay Raise	WCF Increase/ Decrease							Inflation/ Deflation
PERSONNEL RESOURCES												
Direct FTE	0.0						0.0					0.0
		Note Non-Add								Note Non-Add		
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Grants, Subsidies and Contributions	1,580,000						1,580,000	(78,027)				1,501,973
Total by Object Class	1,580,000	[0]	[0]	[0]	0	0	1,580,000	(78,027)	[0]	[0.0]	[0]	1,501,973
PROGRAMS												
Operating Grants to the National Railroad Passenger Corporation	550,000						550,000	22,348				572,348
Capital / Debt Service Grants to the National Railroad Passenger Corporation	940,000						940,000	(10,375)				929,625
Intercity Passenger Rail Grant Program	90,000						90,000	(90,000)				0
Total by Program	1,580,000	[0]	[0]	[0]	0	0	1,580,000	(78,027)	[0]	[0.0]	[0]	1,501,973

EXHIBIT II-4

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
 FEDERAL RAILROAD ADMINISTRATION
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

CAPITAL ASSISTANCE FOR HIGH SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE

	FY 2009 Enacted Omnibus	FY 2009 # of FTE Per Program	FY 2009 Contracts Expense	Baseline Changes				FY 2009 Adjusted Base	FY 2009 Program Increases/ Decreases	FY 2010 PC&B by Program	FY 2010 # of FTE Per Program	FY 2010 Contracts Expense	FY 2010 Request
				FY 2009 Annualization of 2009 Pay Raises	FY 2010 Pay Raise	WCF Increase/ Decrease	GSA Rent						
PERSONNEL RESOURCES													
Direct FTE	0.0						0.0					0.0	
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Grants, Subsidies and Contributions	-	[-]	[-]	-	-	-	-	-	1,000,000	[-]	[-]	[-]	1,000,000
Total by Object Class	0	[0]	[0]	0	0	0	0	0	1,000,000	[0]	[0.0]	[0]	1,000,000
PROGRAMS													
Capital Assistance for HSR Corridors	-	[-]	[-]	-	-	-	-	-	1,000,000	[-]	[-]	[-]	1,000,000
Total by Program	0	[0]	[0]	0	0	0	0	0	1,000,000	[0]	[0.0]	[0]	1,000,000

EXHIBIT II-5

FEDERAL RAILROAD ADMINISTRATION
PERSONNEL RESOURCE - SUMMARY
Total Full-Time Equivalents

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL</u>	<u>FY 2010 REQUEST</u>
1. Safety and Operations	812.0	869.0	869.0	885.5
SUBTOTAL, DIRECT FUNDED	812.0	869.0	869.0	885.5
REIMBURSEMENTS/ALLOCATIONS/OTHER:				
Reimbursements and 'Other'	0.0	0.0	0.0	0.0
Allocations from other Organizations	0.0	0.0	0.0	0.0
SUBTOTAL, REIMBURSE/ALLOC./OTH	0.0	0.0	0.0	0.0
TOTAL FTE	812.0	869.0	869.0	885.5
INFO:				
Allocation to Other Agencies	0.0	0.0	0.0	0.0

EXHIBIT II-6

FEDERAL RAILROAD ADMINISTRATION
 RESOURCE SUMMARY - STAFFING
 Full Time Permanent Positions

<u>DIRECT FUNDED BY APPROPRIATION</u>	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL</u>	<u>FY 2010 REQUEST</u>
1. Safety and Operations	887	909	909	936
SUBTOTAL, DIRECT FUNDED	887	909	909	936
REIMBURSEMENTS/ALLOCATIONS/OTHER:				
Reimbursements and 'Other'	0	0	0	0
Allocations from other Organizations	0	0	0	0
SUBTOTAL, REIMBURSE/ALLOC./OTH	0	0	0	0
TOTAL FTE	887	909	909	936
INFO:				
Allocation to Other Agencies	0	0	0	0

EXHIBIT II-7

FY 2010 BUDGET REQUEST BY APPROPRIATION ACCOUNT
 FEDERAL RAILROAD ADMINISTRATION
 OUTLAYS
 (\$000)

ACCOUNT NAME	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 REQUEST
1. Safety and Operations	109,439	267,356	267,356	174,838
2. Railroad Research and Development	37,030	29,159	29,159	35,470
3. Rail Line Relocation & Improvement Program	-	22,520	22,520	22,520
4. Operating Grants to the National Railroad Passenger Corporation	475,000	559,900	559,900	572,348
5. Capital / Debt Service Grants to the National Railroad Passenger Corporation	807,875	982,125	982,125	929,625
6. Intercity Passenger Rail Grant Program	-	6,000	6,000	18,000
7. Emergency Railroad Rehabilitation and Repair	-	20,000	20,000	-
8. Efficiency Incentive Grants to the National Railroad Passenger Corporation	15,140	47,543	47,543	-
9. Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service (ARRA)	-	-	160,000	1,200,000
10. Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service	-	-	-	20,000
11. Capital Grants to the National Railroad Passenger Corporation (ARRA)	-	-	260,000	780,000
12. Capital Grants to the National Railroad Passenger Corporation	11,043	9,834	9,834	-
13. Alaska Railroad Rehabilitation	785	646	646	--
14. Next Generation High-Speed Rail	3,751	12,276	12,276	12,275
15. Northeast Corridor Improvement Program	-	6,228	6,228	--
16. Pennsylvania Station Redevelopment Project	-	4,805	4,805	23,931
Subtotal, Discretionary	1,460,063	1,968,392	2,388,392	3,789,007
Railroad Rehabilitation and Improvement Program - Liquidating Account	17,029	10,049	10,049	-3,324
Subtotal, Mandatory	17,029	10,049	10,049	-3,324
Total	1,477,092	1,978,441	2,398,441	3,785,683
<i>[Discretionary]</i>	<i>1,460,063</i>	<i>1,968,392</i>	<i>2,388,392</i>	<i>3,789,007</i>
<i>[Mandatory]</i>	<i>17,029</i>	<i>10,049</i>	<i>10,049</i>	<i>-3,324</i>

Notes:

1/ Includes outlays from funds provided under the American Recovery and Reinvestment Act of 2009.

FEDERAL RAILROAD ADMINISTRATION E-GOVERNMENT ACTIVITIES

FRA has benefited from participating in a number of OMB E-Government and Line of Business initiatives including: e-Payroll, e-Gov Travel, Grants.gov, Recruitment One-Stop, and the Budget Formulation and Execution Module (BFEM).

For example, FRA fully implemented GovTrip as its end-to-end solution to optimize the organization's mission essential travel management activities. This enterprise solution has streamlined the processing of FRA's travel documents and strengthened internal controls. FRA has also migrated to the Grants.gov portal. As the FRA portfolio of grant programs has expanded, the use of Grants.gov has modernized FRA's business processes and provided potential grantees with centralized capacity to find and apply for Federal assistance on-line. FRA is also actively engaged in DOT's broader efforts to migrate to a Grant Management Line of Business (GMLoB) service provider and anticipates realizing additional efficiencies from this eGov initiative in the near future. FRA's participation in the Recruitment One-Stop Initiative has been invaluable in streamlining the recruitment process; enhancing our abilities to identify, recruit and hire the most qualified individuals in the most efficient manner possible. Finally, FRA's recent undertaking of the BFEM pilot project will provide an electronic budget data gathering structure for use in future budget submissions.

Looking to the future, FRA is supportive of the Administration's efforts to harness technology innovations as a means to improve internal controls and program performance, as well as provide better services to our partners and stakeholders.

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**SECTION 3: BUDGET
BY APPROPRIATION
ACCOUNT**

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

SAFETY AND OPERATIONS

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, [\$159,445,000], \$168,770,000, of which [\$12,268,890] \$12,300,000 shall remain available until expended. (*Department of Transportation Appropriations Act, 2009*)

EXHIBIT III-1

SAFETY AND OPERATIONS
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2009	FY 2010	Change
	ACTUAL	ENACTED	ENACTED	REQUEST	FY09-10
		OMNIBUS	TOTAL ^{1/}		
Salaries and Expenses	\$148,870	\$158,151	\$158,151	\$167,463	\$9,312
Contract Support	588	559	559	572	13
Alaska Railroad Liabilities	735	735	735	735	0
TOTAL	\$150,193	\$159,445	\$159,445	\$168,770	\$9,325
FTE					
Direct Funded	850.0	869.0	869.0	885.5	16.5
Reimbursable, Allocated, Other	0.0	0.0	0.0	0.0	0.0
Total FTE	850.0	869.0	869.0	885.5	16.5

Notes:

1/ Includes funds provided under the American Recovery and Reinvestment Act of 2009.

Program and Performance

The Safety and Operations account funds the following activities:

Salaries and expenses - Provides support for Federal Railroad Administration (FRA) rail safety activities and all other administrative and operating activities related to FRA staff and programs.

Contract support - Provides support for policy-oriented economic, industry, and systems analysis.

Alaska Railroad Liabilities - Provides reimbursement to the Department of Labor for compensation payments to former Federal employees of the Alaska Railroad who were on the rolls during the period of Federal ownership and support for clean-up activities at hazardous waste sites located at properties once owned by the FRA. The FY 2010 request is for workers' compensation.

EXHIBIT III-2

**SAFETY AND OPERATIONS
SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

Item	Change from FY 2009 to FY 2010	
	FTE	(\$000)
FY 2009 Enacted Omnibus	869.0	\$159,445
Adjustments to Base:		
Annualization of FY 2009 FTE	3.0	1,414 ^{1/}
Annualization of FY 2009 Comparability Pay Increase	0.0	798
FY 2010 Comparability Pay Increase	0.0	1,696
Non-Pay Inflation	0.0	84
GSA Rent	0.0	457
WCF	0.0	(613)
Subtotal, Adjustments to Base	3.0	\$3,836
Program Changes		
Salaries and Expenses	13.5	2,289
Positive Train Control	0.0	300
Risk Reduction Program and Close Call Confidential Rpt	0.0	800
System Safety Programs	0.0	300
Grade Crossing Inventory	0.0	300
Integ. of Financial Systems in Support of RDV Grant Prg.	0.0	1,500
Subtotal, Program Changes	13.5	\$5,489
Total FY 2010 Request	885.5	\$168,770

Notes:

1/ Annualization of FY 2009 FTE includes costs to fully fund the 3 FTE requested in the FY 2009 Congressional Budget and the additional 16 FTE authorized in the FY 2009 Enacted Omnibus.

Detailed Justification for Salaries and Expenses

Safety and OperationsFY 2010 Request: \$ 168,770,000; 885.5 FTE

Overview:

In FY 2010, FRA requests a total of \$168,770,000 and 885.5 FTE/936 positions under Safety and Operations. Of this amount, \$167,463,000 is for Salaries and Expenses, which is \$9,312,000 above the FY 2009 enacted omnibus amount. Of the remaining balance, \$572,000 is for Contract Support, which is \$13,000 more than the FY 2009 enacted level, and \$735,000 is for Alaska Railroad Liabilities remains unchanged. Details on the Salaries and Expenses enhancements are below.

FRA is the single Federal government agency charged with promoting and ensuring the safety of the Nation's railroad industry. FRA accomplishes its mission by promulgating and enforcing safety regulations and through consistent, onsite monitoring of railroad operations. However, with the recent passage of three major pieces of legislation - the Rail Safety Improvement Act, the Passenger Rail Investment and Improvement Act, and the American Recovery and Reinvestment Act, FRA's historical safety mission has greatly expanded to include championing the unprecedented investment in developing a national high-speed passenger rail network.

In FY 2010, FRA requests \$167,463,000 for Salaries and Expenses and an additional 13.5 FTE/27 positions, in support of FRA's rail safety program activities, its newly established high-speed passenger rail financial assistance program activities, and its overarching administrative and management operating activities.

FY 2009 Base:

This appropriation funds personnel compensation and benefits for a projected 885.5 FTE as well as other major operational costs including: official travel, GSA rent, service contracts, employee training, information technology, supplies and equipment, and the annual grant for the Operation Lifesaver initiative.

Anticipated FY 2009 Accomplishments:

- Reduce the rate of rail-related accidents and incidents per million train-miles to 17.00 by:
 - Reducing the grade crossing incident rate to 3.65;
 - Reducing the human factors caused train accident rate to 1.35;
 - Reducing the track caused train accident rate to 1.15;
 - Reducing the equipment caused train accident rate to 0.450;
 - Reducing the other (signal & miscellaneous) train accident rate to 0.647; and
 - Reducing the non-accident hazmat releases rate to 0.800.

FY 2010 Budget Request:..... \$5,489,000; 13.5 FTE/27 Pos.

In FY 2010, FRA requests program enhancements totaling \$5,489,000 under the Safety and Operations account. Of the total, \$3,200,000 is to finance five individual projects essential to implementing activities mandated under the Rail Safety Improvement Act of 2008 (RSIA), the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), and the American Recovery and Reinvestment Act (ARRA). The resources requested for these initiatives are to acquire contractor support and expertise. The remaining \$2,289,000 is requested to fund 13.5 FTE/ 27 positions. This new staff will enable FRA to effectively implement its FY 2010 high-speed rail initiative.

New FRA Staff..... \$2,289,000; 13.5 FTE/27 Pos.

In order to successfully implement the Administration’s national high-speed passenger rail vision, FRA must enhance its current workforce. The requested positions will allow FRA the opportunity to hire new staff with the specialized skills and experience (e.g., civil and mechanical engineers, environmental specialist, financial analysts) necessary to fully support FRA’s implementation of its high-speed passenger rail initiative.

Currently, there is a staff of 20 responsible for managing FRA’s rapidly growing portfolio of competitive discretionary grant programs such as Rail Line Relocation and Improvement and Intercity Passenger Rail; dozens of the SAFTEA-LU projects; and the operational, capital and debt grants to Amtrak. In addition, this staff is responsible for overseeing the Railroad Rehabilitation and Improvement Financing (RRIF) program, which in the past 12 months has realized over a 100 percentage growth in the number of loan applications. For the period of FY 2002 through FY 2008, FRA made loans that totaled \$752 million. In FY 2009, FRA anticipates making loans that will total \$2 billion.

Absent this staffing enhancement, the FRA will face operational and oversight challenges. The availability of an adequate number of experienced staff will minimize the agency’s risk and increase its capacity to effectively implement its mission essential financial assistance activities.

Positive Train Control (PTC) \$300,000

Current estimates indicate that there will be at least 30 statutorily mandated PTC implementation plans requiring FRA review and approval within a 90-day window. Associated with those PTC implementation plans are an equal number of regulatory PTC product development plans. This documentation will require close technical scrutiny to determine the feasibility of the proposed product fulfilling the requirements of the RSIA. Conducting the required engineering review will create a herculean workload for the limited Signal and Train Control PTC Division staff as well as the senior technical staff. Additional technical support will be required to temporarily augment FRA’s technical staff 2-man years of senior-level engineering support.

- Review, analyze, and provide technical evaluation of the feasibility of proposed railroad implementation plans and
- Review, analyze, and provide technical evaluation of the capability of products proposed by the railroad to meet the statutory requirements and the associated regulatory requirements.

Although FRA is hiring new staff to support its PTC activities, absent this funding enhancement, there are required technical reviews as to the practicality of the railroads' proposed implementation, deployment, and proposed technologies that will not be properly staffed. Failure to have sufficient engineering resources to augment limited in-house FRA engineering capabilities to review the railroad submissions in a timely manner is expected to present a major barrier to FRA from meeting its statutory obligation to complete reviews and advise railroads of any deficiencies (as well as recommend corrective actions) to their PTC implementation plans within the required 90-day window.

System Safety Programs..... \$300,000

Successfully launching new passenger service will require careful system safety planning and effective interface with FRA. The system safety rule now under development will thus form the basis for the New Start Passenger Railroad development work. The New Starts team will apply the new system safety rule to their conduct of collision hazard analysis and safety certification. The Passenger System Safety regulation work has implications on the Risk Reduction Program (RRP) requirements of the RSIA. Once the system safety regulation is in place, passenger railroad requirements for RRP will be satisfied in substantial part through the System Safety Program Plan regulation. The funding is critical to address the system safety issues such as noncompliant rail equipment recently found on CMTA, a New Start commuter railroad in Austin, Texas. There are 20 new commuter railroads in the developmental stage. The rule will ensure that New Start commuter railroads consult with FRA. FRA will work with the Federal Transit Administration (FTA), APTA and State Governments to identify New Starts and ensure predictable and desirable outcomes. Currently, FRA is working with Denton, TX; Detroit, MI; and North Carolina on the same safety issues.

FRA is currently developing a system safety rule within the Railroad Safety Advisory Committee (RSAC) General Passenger Safety Task Force. The rule will require hazard management activities that satisfy RSIA risk reduction requirements for intercity passenger and commuter rail operations.

Support for the General Passenger Safety Task Force: Expert advice and consultation to support the work of the General Passenger Safety Task Force includes:

- Data analysis to define System Safety issues;
- Support for development of the System Safety regulation;
- Facilitation of GPS Task Force RSAC meetings to address risk reduction strategies; and,
- Development and delivery of training courses on system safety and risk reduction to support the system safety rule.

Grade Crossing Inventory..... \$300,000

The RSIA imposes very tight timelines on FRA to develop the necessary regulatory changes to achieve compliance with its provisions. The volume of rulemaking activity will require extensive data management support to accomplish the required regulatory analysis, implementation, and support. The inability to obtain the requisite data management support will adversely impact the agency's ability to effect rulemaking and will require technical work-

arounds to produce the required supporting data. Section 204 of the RSIA mandates that railroads and States report information on grade crossing physical and operating characteristics to DOT's Crossing Inventory. This funding is critical for the redesign of the Grade Crossing Inventory System (GCIS) to better manage the National Inventory (RSIA Section 204, 209, 210). The funds will be used to:

- Improve the database architecture to handle the influx of updates now made mandatory by RSIA; better manage new attributes to be collected in proposed Inventory form (requires rulemaking);
- Add the ability to manage multiple tracks and operating carriers at a crossing; and,
- Redesign the GCIS applications:
 - GX32 – Inventory management software FRA provides to States and railroads
 - PCAPS – FRA accident prediction software provided to States and railroads for crossing improvement project management
 - WBAPS – Web-based accident prediction application on Safetydata Web site
 - Quiet Zone Calculator – Web application for used by communities to apply for quiet zone status
 - GIS mapping – Mapping capability on Safetydata Web site (collaboration with the Office of Policy and Communication, or Railroad Office of the Administrator)
 - Safetydata Web site queries and reports.

FRA's Capital Planning Board (CPB) supports this request. The GCIS database has not been revised since the early 1970s. This need is urgent due to the new RSIA mandate. There are no operation and maintenance costs involved; this is a one-time developmental task and migration effort. The work will be done by contract staff offsite.

Innovative Risk Reduction Programs..... \$800,000

The RSIA requires FRA to conduct pilot projects and develop requirements for innovative risk reduction programs on major railroads by 2012. In order to meet this mandated requirement, pilot projects need to be advanced and evaluated rapidly. A Close Call Confidential Reporting System (C3RS) is a process for proactively collecting and analyzing leading indicator data, and for improving the safety reporting culture for the railroad industry. FRA's Offices of Railroad Safety (RRS) and Office of Railroad Development (RDV) have partnered with two Class I freight railroads and several labor organizations to demonstrate the safety benefits of C3RS for reporting unsafe conditions and events that could result in accidents. Two additional railroads will be added to this system in 2009-2010, and will complete the number of sites needed to evaluate the effects of the system on safety and safety culture. Preliminary results indicate that a system like C3RS could be the core of the Railroad Safety Risk Reduction Program if established nationally. Experience over the past two years, however, indicates that the current system is too labor-intensive and costly for a national implementation without significant changes. Additional contractor funds are required to test an alternative model of data collection and analysis that would achieve the same safety benefits at a lower cost.

The resources requested under risk reduction will also fund fatigue prevention and management activities as they relate to FRA's overall risk reduction program. The RSIA greatly expands

FRA's role with respect to fatigue among railroad employees performing safety-sensitive functions.

- An expanded capability is required to provide guidance for railroad fatigue program development, refinement of FRA's existing fatigue model, and review of various industry proposals (e.g.: pilot projects, waivers related to consecutive days worked, scheduling of operating employees in passenger service, and fatigue elements of risk reduction programs).

Grant Management System Transparency and Integration..... \$1,500,000

Because of FRA's enhanced grant financial assistance responsibilities, the lack of fully integrated, end-to-end financial systems complicate and compromise its capacity to provide quality financial management, oversight, and reporting for all mission essential activities-- including the grant program resources recently appropriated under the American Recovery and Reinvestment Act (ARRA).

Last year, in support of the Department's efforts to modernize its grant management business processes, the FRA launched a project to modernize its cumbersome manual grant process to a more efficient, automated, web-based system. This system, called *GrantSolutions*, is sponsored by HHS' Center of Excellence, the Administration for Children and Families (ACF). In December 2008, Phase I of *GrantSolutions* was brought on-line as scheduled and in time to process \$50 million in FRA discretionary grants. However, in January 2009, FRA was appropriated an unprecedented \$9.3 billion in ARRA grant program resources. Of this total, FRA leadership decided to use *GrantSolutions* to manage \$8 billion in high-speed rail grant program activities.

The FY 2010 request will allow FRA to integrate *GrantSolutions* and the DOT accounting system, DELPHI, as well as plan and begin implementation of phase II of *GrantSolutions*.

- The *GrantSolutions*/DELPHI interface will allow FRA to efficiently perform real-time, accurate financial reporting. It will also (1) significantly reduce obligation delays and errors associated with manual operations and (2) allow FRA staff more time to focus on program implementation and oversight.
- Phase II of *GrantSolutions* includes all post-award functionality such as: amendment requests, recipient reporting capabilities, and close-out.

Explanation of Funding Changes for Salaries and Expenses

Salaries and Expenses.....FY 2009 to FY 2010 base change: \$3,836,000; 3 FTE

Overview:

FRA's FY 2010 budget request includes a number of base adjustments necessary to sustain its workforce and current operations. Explanations of these changes are listed below.

Annualization of FY 2009 FTE..... \$1,414,000; 3 FTE

This adjustment to base represents certain projects and programs for which resources were first provided in FY 2009 and which were funded only for part of the year. Additional funding and Full-time Equivalents (FTE) are required to provide full year resources. This increase annualizes the salary and benefits for 19 new FTE that FRA received in FY 2009. Of the 19 FTE provided, the FY 2009 Omnibus provided 16 additional positions and 16 FTE funded for part of the year to perform Rail Safety Improvement Act (RSIA) activities.

Annualization of FY 2009 Comparability Pay Increase.....\$798,000

This adjustment to base finances the funding for one-quarter of the pay raise (3.9%) that was effective January, 2009. The FY 2010 base must be increased to annualize the FY 2009 pay increase for the staff.

FY 2010 Comparability Pay Increase\$1,696,000

This adjustment to base finances the funding required for the proposed 2010 pay raise (2.0%) that is effective January, 2010.

Working Capital Fund(\$613,000)

The Working Capital Fund (WCF) is a fully reimbursable fund that finances a range of administrative support services to DOT. This centrally managed account provides Department-wide functions such as information technology, facilities, operational support and personnel administration. Centralizing administrative support functions has enabled DOT to achieve economies of scale, reducing costs and increasing operational efficiencies, and has allowed DOT operating administrations to focus on and accomplish their goals. WCF allocates costs based on various algorithms, depending on the service provided. This request is associated with operating costs in these WCF activities. Request levels are based on estimates provided by the WCF, and determined by actual usage costs (including inflation). WCF estimates FRA's costs in FY 2010 will decrease by \$613,000.

GSA Rent\$457,000

This adjustment to base represents the proposed increase in costs for FRA rent. This request funds GSA lease space requirements and offsets costs exceeding non-pay inflation. The GSA Rent account is a demand account that reflects costs resulting from occupancy agreements established with GSA to meet specific facility requirements. The GSA Rent account is a "bill" that must be paid.

Non-pay Inflation\$84,000

FRA relies upon contract support for certain goods and services. Price escalation for goods and services during FY 2009 must be accommodated. Funding is requested at the non-pay inflation rate of 2.0% to ensure that contracts are adequately funded to maintain essential services and enable FRA activities to execute their responsibilities in FY 2010.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
SAFETY AND OPERATIONS
PROGRAM AND FINANCING**

(In thousands of dollars)

Identification code 69-0700-0-1-401	FY 2008 <u>Actual</u>	FY 2009 <u>Omnibus</u>	FY 2010 <u>Request</u>
Obligations by program activity:			
00.01 Salaries and expenses	144,744	166,568	167,463
00.02 Contract Support	270	588	572
00.03 Alaska Railroad Liabilities	766	916	735
01.00 Total direct program	145,780	168,072	168,770
09.01 Reimbursable program	47,393	66,500	0
10.00 Total new obligations	193,173	234,572	168,770
Budgetary resources available for obligation			
21.40 Unobligated balance available, start of year	4,499	11,717	3,090
21.45 Adjustments to unobligated balance carried forward, start of year	3,090	0	0
22.00 New budget authority (gross)	198,736	225,945	168,770
22.10 Resources available from recoveries of prior year obligations	65	0	0
23.90 Total budgetary resources available for obligation	206,390	237,662	171,860
23.95 Total new obligations	-193,173	-234,572	-168,770
23.98 Unobligated balance expiring or withdrawn	-1,500	0	0
24.40 Unobligated balance available, end of year	11,717	3,090	3,090
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	150,193	159,445	168,770
Spending authority from offsetting collections:			
58.00 Offsetting collections (cash)	47,393	66,500	0
58.10 Change in uncollected customer payments from Federal sources (unexpired)	1,150	0	0
58.90 Spending authority from offsetting collections (total discretionary)	48,543	66,500	0
70.00 Total new budget authority (gross)	198,736	225,945	168,770
Change in obligated balances:			
72.40 Obligated balance , start of year	67,113	122,728	23,444
72.45 Adjustment to obligated balance carried forward, SOY	-3,090	0	0
73.10 Total new obligations	193,173	234,572	168,770
73.20 Total outlays (gross)	-161,215	-333,856	-174,838
73.32 Obligated balance transferred from other accounts	25,000	0	0
73.40 Adjustments in expired accounts (net)	-662	0	0
73.45 Recoveries of prior year obligations	-65	0	0
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-1,150	0	0
74.10 Change in uncollected customer payments from Federal sources (expired)	3,624	0	0
74.40 Obligated balance, end of year	122,728	23,444	17,377
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	127,967	202,501	151,893
86.93 Outlays from discretionary balances	33,248	131,355	22,945
87.00 Total outlays (gross)	161,215	333,856	174,838
Offsets:			
Against gross budget authority and outlays			
Offsetting collections (cash) from:			
88.00 Federal sources	51,776	66,500	0
88.40 Non-federal sources	-101		
Against gross budget authority only			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	1,150	0	0
88.96 Portion of offsetting collections (cash) credited to expired accounts	-4,383	0	0
Net budget authority and outlays:			
89.00 Budget authority (net)	150,193	159,445	168,770
90.00 Outlays (net)	109,439	267,356	174,838
95.02 Unpaid Obligations, EOY	126,211		

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
SAFETY AND OPERATIONS**

Object Classification (in thousands of dollars)

Identification Code 69-0700-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Direct Obligations:			
Personnel compensation:			
11.1 Full-time permanent	91,599	85,512	82,215
11.3 Other than full-time permanent	813	0	451
11.5 Other personnel compensation	2,425	4,000	3,835
11.9 Total personnel compensation	94,837	89,512	86,501
12.1 Civilian personnel benefits	19,538	25,489	30,877
21.0 Travel and transportation of persons	9,881	9,744	9,006
23.1 Rental payments to GSA	3,050	5,267	5,812
23.3 Communications, utilities and miscellaneous charges	1,001	1,104	1,109
25.2 Other services	2,417	12,903	8,557
25.3 Purchases of goods and services from Government accounts	12,883	9,822	12,009
25.7 Operation and maintenance of equipment	2,033	9,603	10,590
26.0 Supplies and materials	0	612	612
31.0 Equipment	1,167	3,001	2,682
41.0 Grants, subsidies, and contributions	1,015	1,015	1,015
Subtotal, Direct obligations	147,822	168,072	168,770
99.0 Subtotal, Reimbursable obligations	45,351	66,500	0
99.9 Total new obligations	193,173	234,572	168,770

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, [\$33,950,000], \$34,145,000, to remain available until expended. (*Department of Transportation Appropriations Act, 2009*)

EXHIBIT III-1

RAILROAD RESEARCH AND DEVELOPMENT
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2008	FY 2009	FY 2009	FY 2010	Change
	ACTUAL	ENACTED	ENACTED	REQUEST	FY09-10
		OMNIBUS	TOTAL ^{1/}		
Railroad System Issues	\$3,168	\$3,155	\$3,155	\$3,155	\$0
Human Factors	3,616	3,075	3,075	3,075	-
Rolling Stock and Components	2,871	3,500	3,500	3,000	(500)
Track and Structures	3,861	4,450	4,450	4,645	195
Track and Train Interaction	3,168	3,100	3,100	3,600	500
Train Control	5,600	7,120	7,120	7,120	-
Grade Crossings	2,178	1,850	1,850	1,850	-
Hazardous Materials Transportation	1,287	1,550	1,550	1,550	-
Train Occupant Protection	5,120	3,600	3,600	3,600	-
R&D Facilities and Test Equipment	1,881	2,550	2,550	2,550	-
Adv. Freight Locomotive Safety	980	-	-	-	-
Dem. & Deploy PTC (Alaska)	735	-	-	-	-
Center for Comm. Deployment of Trans. (CALTECH)	245	-	-	-	-
WVU Constructed Facility Center	191	-	-	-	-
Marshall University	573	-	-	-	-
Peers, IL	490	-	-	-	-
TOTAL	\$35,964	\$33,950	\$33,950	\$34,145	\$195
FTE					
Direct Funded	0.0	0.0	0.0	0.0	0.0
Reimbursable, Allocated, Other	0.0	0.0	0.0	0.0	0.0
Total FTE	0.0	0.0	0.0	0.0	0.0

Notes:

1/ Includes funds provided under the American Recovery and Reinvestment Act of 2009.

Program and Performance

The Railroad Research and Development Program provides science and technology support for FRA's rail safety rulemaking and enforcement efforts. It also stimulates technological advances in conventional and high-speed railroads and serves as the catalyst for the Administration's vision and policy, and continues to advance the science of railroad safety into the 21st century.

The program focuses on the following areas of research:

Railroad system issues - Provides for research in railroad system safety, performance-based regulations, railroad systems and infrastructure security, railroad environmental issues, and locomotive R&D.

Human factors - Provides for research in train operations, and yard and terminal accidents and incidents.

Rolling stock and components - Provides for research in onboard monitoring systems, wayside monitoring systems, and material and design improvements.

Track and structures - Provides for research in inspection techniques, material and component reliability, track and structure design and performance, and track stability data processing and feedback.

Track and train interaction - Provides for research in derailment mechanisms, and vehicle/track performance.

Train control - Provides for research in train control test and evaluation.

Grade crossings - Provides for research in grade crossing human factors and infrastructure.

Hazardous materials transportation - Provides for research in hazmat transportation safety, damage assessment and inspection, and tank car safety.

Train occupant protection - Provides for research in locomotive safety, and passenger car safety and performance.

R&D facilities and test equipment - Provides support to the Transportation Technology Center (TTC) and the track research instrumentation platform. The TTC is a Government-owned facility near Pueblo, Colorado, operated by the Association of American Railroads under a contract for care, custody and control.

EXHIBIT III-2

RAILROAD RESEARCH AND DEVELOPMENT
 SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

Item	Change from FY 2009 to FY 2010	
	FTE	(\$000)
FY 2009 Enacted Omnibus	-	\$33,950
Adjustments to Base:		
Annualization of 2009 FTE	-	-
Annualization of FY 2009 Comparability Pay Increase	-	-
FY 2010 Comparability Pay Increase	-	-
Non-Pay Inflation	-	-
GSA Rent	-	-
WCF	-	-
		<hr/>
Subtotal, Adjustments to Base	-	\$0
Program Changes		
Track and Structures	-	195
		<hr/>
Subtotal, Program Changes	-	\$195
		<hr/>
Total FY 2010 Request	-	\$34,145

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD RESEARCH AND DEVELOPMENT
PROGRAM AND FINANCING ^{1/}**

(In thousands of dollars)

Identification code 690745-0-1-401	FY 2008 <u>Actual</u>	FY 2009 <u>Omnibus</u>	FY 2010 <u>Request</u>
Obligations by program activity:			
00.01	3,043	4,587	3,155
00.02	3,859	3,075	3,075
00.03	1,779	5,140	3,000
00.04	3,871	4,485	4,645
00.05	3,708	3,903	3,600
00.06	3,921	9,900	7,120
00.07	2,196	2,408	1,850
00.08	1,692	1,858	1,550
00.09	5,490	5,296	3,600
00.10	1,714	2,733	2,550
00.11	1,616	0	0
00.12	586	0	0
00.14	735	0	0
00.15	0	245	0
00.16	191	0	0
00.17	490	0	0
00.91	34,891	43,630	34,145
09.01	0	4,000	0
10	34,891	47,630	34,145
Budgetary resources available for obligation			
21	10,049	9,680	0
22	34,376	37,950	34,145
22	146	0	0
24	44,571	47,630	34,145
24	-34,891	-47,630	-34,145
24	9,680	0	0
New budget authority (gross), detail:			
Discretionary:			
40	35,964	33,950	34,145
Spending authority from offsetting collections:			
58	500	4,000	0
58	-2,088	0	0
59	-1,588	4,000	0
70	34,376	37,950	34,145
Change in obligated balances:			
72	52,487	51,790	66,261
73	34,891	47,630	34,145
73	-37,530	-33,159	-35,383
73	-146	0	0
74	2,088	0	0
74	0	0	0
74	51,790	66,261	65,023
Outlays (gross), detail:			
87	11,198	22,370	20,400
87	26,332	10,789	14,983
87	37,530	33,159	35,383
Offsets:			
Against gross budget authority and outlays			
Offsetting collections (cash) from:			
88	500	4,000	0
88	0	0	0
89	-2,088	0	0
Net budget authority and outlays:			
89	35,964	33,950	34,145
90	37,030	29,159	35,383
95	52,836	0	0

Notes:

1/ This Railroad Research and Development Program and Financing Schedule corrects the Railroad Research and Development Program and Financing Schedule in the Budget Appendix. The spending authority from offsetting collections was incorrectly recorded as \$2 million in the Budget Appendix. The spending authority from offsetting collections is corrected here and recorded as \$0.5 million.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD RESEARCH AND DEVELOPMENT**

Object Classification (in thousands of dollars)

Identification Code 69-0745-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
25.2 Other services	16,702	18,757	7,769
25.4 Operation and maintenance of facilities	0	2,846	2,550
25.5 Research and development contracts	15,314	20,491	22,290
41.0 Grants, subsidies, and contributions	2,875	1,536	1,536
Subtotal, Direct obligations	34,891	43,630	34,145
99.0 Subtotal, Reimbursable obligations	0	4,000	0
99.9 Total new obligations	34,891	47,630	34,145

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

RAIL LINE RELOCATION AND IMPROVEMENT PROGRAM

[For necessary expenses of carrying out section 20154 of title 49, United States Code, as authorized by section 9002 of Public Law 109-59, \$25,000,000, to remain available until expended.] (*Department of Transportation Appropriations Act, 2009.*)

EXHIBIT III-1

RAIL LINE RELOCATION AND IMPROVEMENT PROGRAM
 Summary by Program Activity
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 REQUEST	Change FY09-10
Rail Line Relocation	14,905	7,900	7,900	-	(7,900)
Rail Line Relocation Earmarks					
Mt. Vernon RR Cut, NY	245	-	-	-	-
Pecos St. Grade Crossing, Adams Cty, CO	196	190	190	-	(190)
Pierre Rail Improvements, Pierre, SD	196	-	-	-	-
Rail Safety Upgrades, Coos Cty, NH	392	475	475	-	(475)
Rail Line Relocation, Chester, SC	392	-	-	-	-
Railroad Grade Separation, Elkhart, IN	441	-	-	-	-
Railroad Relocation Planning, Terre Haute, IN	431	475	475	-	(475)
Sacramento Intermodal Terminal Facility Track Reloc., CA	392	950	950	-	(950)
Wisconsin West Rail Transit Authority, Barron, WI	2,450	-	-	-	-
COLT Overpass over U.S. 63, Boone County, MO	-	950	950	-	(950)
Downeast Rail Rehabilitation, ME	-	190	190	-	(190)
East Belt Railroad Grade Crossing Safety Improvements, Houston, TX	-	475	475	-	(475)
Elevated Railroad Track Project, Claremore, OK	-	333	333	-	(333)
Grand Rapids Amtrak Railroad Relocation, MI	-	3,800	3,800	-	(3,800)
High Speed Railroad Passenger Service, Duluth, MN	-	475	475	-	(475)
Lackawaxen Interchange Rehabilitation, Pike County, PA	-	48	48	-	(48)
Passenger Rail Corridor CREATE Projects, Chicago, IL	-	1,900	1,900	-	(1,900)
Phase 3 Rail Rehabilitation in Redwood Falls, MN	-	950	950	-	(950)
Quad Cities Track Improvemnet, IL	-	475	475	-	(475)
Railroad Bridge Rehabilitation, El Dorado, AR	-	333	333	-	(333)
Railroad Bridge Rehabilitation, Perry County, IN	-	380	380	-	(380)
Railroad Grade Crossing Safety Improvements, Huntington, NY	-	95	95	-	(95)
Short Line Rehabilitation, Salem , NJ	-	950	950	-	(950)
Southeast 44th Avenue Railroad Crossing Improvements, Des Moines, IA	-	238	238	-	(238)
Stourbridge Line Maintenance and Repair, Honesdale, PA	-	95	95	-	(95)
Transbay Transit Center, San Francisco, CA	-	1,900	1,900	-	(1,900)
West Freight Access Project, Fort of Vancouver, WA	-	950	950	-	(950)
Zanesville-Muskingum County Port Authority, OH	-	475	475	-	(475)
Earmarks Subtotal	5,135	17,100	17,100	-	(17,100)
TOTAL	20,040	25,000	25,000	-	(25,000)
FTE					
Direct Funded	-	-	-	-	-
Reimbursable, Allocated, Other	-	-	-	-	-
Total FTE	0.0	0.0	0.0	0.0	0.0

Notes:

1/ Includes funds provided under the American Recovery and Reinvestment Act of 2009.

Program and Performance

This program provides Federal assistance to States for relocating or making necessary improvements to local rail lines. In FY 2010, no funds are requested for the Rail Line Relocation and Improvement Program.

EXHIBIT III-2

**RAIL LINE RELOCATION AND IMPROVEMENT PROGRAM
SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

Item	Change from FY 2009 to FY 2010	
	FTE	(\$000)
FY 2009 Enacted Omnibus	-	\$25,000
Adjustments to Base:		
Annualization of 2009 FTE	-	-
Annualization of FY 2009 Comparability Pay Increase	-	-
FY 2010 Comparability Pay Increase	-	-
Non-Pay Inflation	-	-
GSA Rent	-	-
WCF	-	-
Subtotal, Adjustments to Base	-	\$0
Program Changes		
Rail Line Relocation	-	(7,900)
Rail Line Relocation Earmarks	-	(17,100)
Subtotal, New/Expanded Programs	-	(25,000)
Total FY 2010 Request	-	\$0

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAIL LINE RELOCATION AND IMPROVEMENT PROGRAM**

Program and Financing (in thousands of dollars)

Identification Code 69-0716-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Rail Line Relocation.	-	45,040	-
10.00 Total new obligations (object class 41.0).	-	45,040	-
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	-	20,040	-
22.00 New budget authority (gross)	20,040	25,000	-
23.90 New budgetary resources available for obligation.	20,040	45,040	-
23.95 Total new obligations	-	(45,040)	-
24.40 Unobligated balance carried forward, end of year	20,040	-	-
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	20,145	25,000	-
40.33 Appropriation permanently reduced (H.R. 2764).	(105)	-	-
43.00 Appropriation (total discretionary).	20,040	25,000	-
Change in obligated balances:			
72.40 Obligated balance, start of year	-	-	22,520
73.10 Total new obligations	-	45,040	-
73.20 Total outlays (gross)	-	(22,520)	(22,520)
74.40 Obligated balance, end of year	-	22,520	-
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	-	12,500	-
86.93 Outlays from discretionary authority	-	10,020	22,520
87.00 Total outlays (gross)	-	22,520	22,520
Net budget authority and outlays:			
89.00 Budget authority (net)	20,040	25,000	-
90.00 Outlays (net)	-	22,520	22,520

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 RAIL LINE RELOCATION AND IMPROVEMENT PROGRAM**

Object Classification (in thousands of dollars)

Identification Code 69-0716-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	0	45,045	0

EXHIBIT III-1

INTERCITY PASSENGER RAIL FUNDING
 Summary by Program Activity
 Appropriations, Obligation Limitations, and Exempt Obligations
 (\$000)

	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 REQUEST	Change FY09-10
Operating Grants to the National Railroad Passenger Corporation	475,000	550,000	550,000	572,348	22,348
Capital / Debt Service Grants to the National Railroad Passenger Corporation	850,000	940,000	940,000	929,625	(10,375)
Intercity Passenger Rail Grant Program	30,000	90,000	90,000	-	(90,000)
Efficiency Incentive Grants to the National Railroad Passenger Corporation ^{2/}	-	-	-	-	-
Capital Grants to the National Railroad Passenger Corporation (ARRA)	-	-	1,300,000	-	-
TOTAL	1,355,000	1,580,000	2,880,000	1,501,973	(78,027)
FTE					
Direct Funded	-	-	-	-	-
Reimbursable, Allocated, Other	-	-	-	-	-
Total FTE	0.0	0.0	0.0	0.0	0.0

Notes:

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009.

^{2/} The FY 2009 Omnibus rescinds all unobligated balances provided to the Efficiency Incentive Grants to the National Railroad Passenger Corporation account under P.L. 109-115 and P.L. 110-5. FRA had no unobligated balances at the time the FY 2009 Omnibus was enacted.

In FY 2010, FRA requests a total of \$1,501,973,000 to support the infrastructure and operating of the Nation's passenger rail services.

Operating Grants - The National Railroad Passenger Corporation (Amtrak) was established in 1970 through the Rail Passenger Service Act. Amtrak is a private corporation and not an agency or instrument of the U.S. Government. Its Board members are appointed by the Executive Branch with the advice and consent of the U. S. Senate.

Capital/Debt Service Grants - Resources in this account are provided to the Secretary of Transportation to make grants to the National Passenger Railroad Corporation for capital requirements.

Intercity Passenger Rail Grant Program - Under this program, a State or States applied to FRA for grants for up to 50 percent of the cost of capital investments necessary to support improved intercity passenger rail service that either requires no operating subsidy or for which the State or States agree to provide any needed operating subsidy. To qualify for funding, States had to include intercity passenger rail service as an integral part of Statewide transportation planning as required under 23 U.S.C. 135. Additionally, the specific project had to be on the Statewide Transportation Improvement Plan. **In FY 2010, the Administration is proposing to continue this program under the President's High Speed Rail Initiative.** All activities under this program will be folded into Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service appropriation account.

EXHIBIT III-2

**INTERCITY PASSENGER RAIL FUNDING
SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

Item	Change from FY 2009 to FY 2010	
	FTE	(\$000)
FY 2009 Enacted Omnibus		
Operating Grants to the National Railroad Passenger Corporation	-	550,000
Capital / Debt Service Grants to the National Railroad Passenger Corporation	-	940,000
Intercity Passenger Rail Grant Program	-	90,000
Total	-	\$ 1,580,000
Adjustments to Base:		
Annualization of 2009 FTE	-	-
Annualization of FY 2009 Comparability Pay Increase	-	-
FY 2010 Comparability Pay Increase	-	-
Non-Pay Inflation	-	-
GSA Rent	-	-
WCF	-	-
Subtotal, Adjustments to Base	-	\$0
Program Changes		
Operating Grants to the National Railroad Passenger Corporation	-	22,348
Capital / Debt Service Grants to the National Railroad Passenger Corporation	-	(10,375)
Intercity Passenger Rail Grant Program	-	(90,000)
Subtotal, New/Expanded Programs	-	(\$78,027)
Total FY 2010 Request	-	\$1,501,973

Detailed Justification for Intercity Passenger Rail Grants

Intercity Passenger Rail Grants FY 2010 Request: \$1,501,973

FY 2009 Base:

Includes \$1,501,973 billion for the continuation of intercity passenger rail service.

FY 2010 Budget Request:

Intercity Passenger Rail Service

In FY 2010, FRA requests \$1.5 billion for intercity passenger rail. Resources are requested to be distributed as follows:

Operating Subsidy Grants	\$572M
Capital / Debt Service Grants	\$930M

FRA remains committed to improving the manner by which intercity passenger rail services are provided. This program activity includes improvements to how Amtrak provides services and lays the groundwork for States to have a more prominent role in determining (1) key characteristics of services States will support financially and (2) opportunities for other providers of intercity passenger rail service to contract with States and/or Amtrak.

Operating Subsidy Grants

For FY 2010, the FRA requests \$572 million in direct Amtrak subsidies. This amount enables Amtrak's management team to act on its mandate to reshape the company through undertaking meaningful reforms and controlling spending. Overall, this level of support is appropriate as it provides Amtrak continuing incentives to more effectively manage costs, rationalize services, and pursue innovations.

Capital/Debt Service Grants

In FY 2010, FRA requests \$930 million to provide direct Federal subsidies to Amtrak for capital improvement activities. FRA expects this funding level will be sufficient to appropriately support Amtrak and its partners to execute a capital improvement programs that, when combined with other Amtrak partner initiatives, will address the priority investment needs on the Northeast Corridor infrastructure, as well as essential equipment investments.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

**OPERATING SUBSIDY GRANTS TO THE NATIONAL RAILROAD PASSENGER
CORPORATION**

To enable the Secretary of Transportation to make quarterly grants to the National Railroad Passenger Corporation for operation of intercity passenger rail, [\$550,000,000] *as authorized by Section 101 of the Passenger Rail Investment and Improvement Act of 2008 (Division B of Pub. L. 110-432), \$572,348,000, to remain available until expended: Provided, That [the Secretary shall withhold such sums as shall be necessary for the costs associated with the second retroactive wage payment to Amtrak employees and shall transmit such funding to the corporation for the sole and exclusive purpose of making such payments only at such time as said payments are due: Provided further, That such remaining] the amounts available under this paragraph shall be available for the Secretary to approve funding to cover operating losses for the Corporation only after receiving and reviewing a grant request for each specific train route: Provided further, That each such grant request shall be accompanied by a detailed financial analysis, revenue projection, and capital expenditure projection justifying the Federal support to the Secretary's satisfaction: Provided further, That the Corporation is directed to achieve savings through operating efficiencies including, but not limited to, modifications to food and beverage service and first class service: Provided further, That the Inspector General of the Department of Transportation shall report to the House and Senate Committees on Appropriations beginning 3 months after the date of the enactment of this Act and quarterly thereafter with estimates of the savings accrued as a result of all operational reforms instituted by the Corporation: [Provided further, That not later than 120 days after enactment of this Act, the Corporation shall transmit to the House and Senate Committees on Appropriations the status of its plan to improve the financial performance of food and beverage service and its plan to improve the financial performance of first class service (including sleeping car service)] Provided further, That not later than 120 days after enactment of this Act, the Corporation shall transmit to the House and Senate Committees on Appropriations its Fiscal Year 2010 plan to improve the financial performance of food and beverage service and its plan to improve the financial performance of first class service (including sleeping car service): Provided further, That the Corporation shall report quarterly to the House and Senate Committees on Appropriations on its progress against the milestones and target dates contained in the plan provided in fiscal year [2008] 2009 and quantify savings realized to date on a monthly basis compared to those projected in the plan, identify any changes in the plan or delays in implementing these plans, and identify the causes of delay and proposed corrective measures: Provided further, That not later than 90 days after enactment of this Act, the Corporation shall transmit, in electronic format, to the Secretary, the House and Senate Committees on Appropriations, the House Committee on Transportation and Infrastructure and the Senate Committee on Commerce, Science, and Transportation a comprehensive business plan approved by the Board of Directors for fiscal year [2009] 2010 under section [24104(a) of title 49, United States Code] 101 of the Passenger Rail Investment and Improvement Act of 2008: Provided further, That the business plan shall include, as applicable, targets for ridership, revenues, and capital and operating expenses: Provided further,*

That the plan shall also include a separate accounting of such targets for the Northeast Corridor; commuter service; long distance Amtrak service; State-supported service; each intercity train route, including Autotrain; and commercial activities including contract operations: *Provided further*, That the business plan shall include a description of the work to be funded, along with cost estimates and an estimated timetable for completion of the projects covered by this business plan: *Provided further*, That the Corporation shall continue to provide monthly reports in electronic format regarding the pending business plan, which shall describe the work completed to date, any changes to the business plan, and the reasons for such changes, and shall identify all sole source contract awards which shall be accompanied by a justification as to why said contract was awarded on a sole source basis: *Provided further*, That the Corporation's business plan and all subsequent supplemental plans shall be displayed on the Corporation's website within a reasonable timeframe following their submission to the appropriate entities: *Provided further*, That none of the funds under this heading may be obligated or expended until the Corporation agrees to continue abiding by the provisions of paragraphs 1, 2, 5, 9, and 11 of the summary of conditions for the direct loan agreement of June 28, 2002, in the same manner as in effect on the date of enactment of this Act: *Provided further*, That none of the funds provided in this Act may be used after March 1, 2006, to support any route on which Amtrak offers a discounted fare of more than 50 percent off the normal, peak fare: *Provided further*, That the preceding proviso does not apply to routes where the operating loss as a result of the discount is covered by a State and the State participates in the setting of fares: *Provided further*, That of the amounts made available under this heading not less than [\$18,500,000] \$21,000,000 shall be available for the Amtrak Office of Inspector General. (*Department of Transportation Appropriations Act, 2009.*)

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
OPERATING SUBSIDY GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Program and Financing (in thousands of dollars)

Identification Code 69-0121-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Operating Subsidy Grants	475,000	550,000	572,348
00.03 Managerial cost accounting system	9,900	-	-
10.00 Total new obligations (object class 41.0)	<u>484,900</u>	<u>550,000</u>	<u>572,348</u>
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	9,900	-	-
22.00 New budget authority (gross)	475,000	550,000	572,348
23.95 Total new obligations	<u>(484,900)</u>	<u>(550,000)</u>	<u>(572,348)</u>
24.40 Unobligated balance carried forward, end of year	-	-	-
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	475,000	550,000	572,348
Change in obligated balances:			
72.40 Obligated balance, start of year	-	9,900	-
73.10 Total new obligations	484,900	550,000	572,348
73.20 Total outlays (gross)	<u>(475,000)</u>	<u>(559,900)</u>	<u>(572,348)</u>
74.40 Obligated balance, end of year	9,900	-	-
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	475,000	550,000	572,348
86.93 Outlays from discretionary balance	-	9,900	-
87.00 Total outlays (gross)	<u>475,000</u>	<u>559,900</u>	<u>572,348</u>
Net budget authority and outlays:			
89.00 Budget authority (net)	475,000	550,000	572,348
90.00 Outlays (net)	475,000	559,900	572,348
95.02 Unpaid obligation, end of year	9,900		

Program and Performance

For FY 2010, this account includes funds for Operating Subsidy Grants to the National Passenger Railroad Corporation.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 OPERATING SUBSIDY GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Object Classification (in thousands of dollars)

Identification Code 69-0121-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	484,900	550,000	572,348

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

**CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD
PASSENGER CORPORATION**

To enable the Secretary of Transportation to make quarterly grants to the National Railroad Passenger Corporation for [the maintenance and repair of capital infrastructure owned by the Corporation, including railroad equipment, rolling stock, legal mandates and other services, \$940,000,000] *capital investments supporting intercity passenger services as authorized by section 101(c) of the Passenger Rail Investment and Improvement Act of 2008 (Division B of Pub. L. 110-432), \$929,625,000*, to remain available until expended, of which not to exceed [\$285,000,000] *\$264,000,000 shall be for debt service obligations as authorized by section 102 of the Act: Provided, That [the Secretary may retain up to one-quarter of 1 percent of the funds under this heading to fund the oversight by the Federal Railroad Administration of the design and implementation of capital projects funded by grants made under this heading] in addition to the project management oversight funds the Secretary is authorized to retain by section 101(d) of the Act, the Secretary may retain up to an additional one-half of one percent of the funds provided under this heading to fund expenses associated with implementing sections 208 and 212 of the Act, including the amendments made by section 212 to section 24905 of title 49, United States Code: Provided further, That the Secretary shall approve funding for capital expenditures, including advance purchase orders of materials, for the Corporation only after receiving and reviewing a grant request for each specific capital [grant] project justifying the Federal support to the Secretary's satisfaction: Provided further, That none of the funds under this heading may be used to subsidize operating losses of the Corporation: Provided further, That none of the funds under this heading may be used for capital projects not approved by the Secretary of Transportation or on the Corporation's fiscal year[2009] 2010 business plan: Provided further, That, the business plan shall be accompanied by a comprehensive fleet plan for all Amtrak rolling stock which shall address the Corporation's detailed plans and timeframes for the maintenance, refurbishment, replacement and expansion of the Amtrak fleet: Provided further, That said fleet plan shall establish year-specific goals and milestones and discuss potential, current, and preferred financing options for all such activities. (Department of Transportation Appropriations Act, 2009.)*

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Program and Financing (in thousands of dollars)

Identification Code 69-0125-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 General Capital Improvements	522,875	652,650	644,625
00.02 Debt Service Grants	285,000	285,000	285,000
00.03 Managerial Cost Accounting System	5,000	-	-
00.04 Amtrak Efficiencies.	-	35,000	-
00.05 Contract oversight	-	4,475	-
10.00 Total new obligations (object class 41.0).	<u>812,875</u>	<u>977,125</u>	<u>929,625</u>
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year.	-	37,125	-
22.00 New budget authority (gross)	<u>850,000</u>	<u>940,000</u>	<u>929,625</u>
23.90 Total budgetary resources available for obligation.	850,000	977,125	929,625
23.95 Total new obligations	<u>(812,875)</u>	<u>(977,125)</u>	<u>(929,625)</u>
24.40 Unobligated balance carried forward, end of year.	37,125	-	-
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	850,000	940,000	929,625
Change in obligated balances:			
72.40 Obligated balance, start of year.	-	5,000	-
73.10 Total new obligations	812,875	977,125	929,625
73.20 Total outlays (gross)	<u>(807,875)</u>	<u>(982,125)</u>	<u>(929,625)</u>
74.40 Obligated balance, end of year	5,000	-	-
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	807,875	940,000	929,625
86.93 Outlays from discretionary balances	-	42,125	-
87.00 Total outlays (gross)	<u>807,875</u>	<u>982,125</u>	<u>929,625</u>
Net budget authority and outlays:			
89.00 Budget authority (net)	850,000	940,000	929,625
90.00 Outlays (net)	807,875	982,125	929,625
95.02 Unpaid obligation, end of year	5,000		

Program and Performance

For FY 2010, resources in this account are provided to the Secretary of Transportation to make grants to the National Passenger Railroad Corporation for capital requirements.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Object Classification (in thousands of dollars)

Identification Code 69-0125-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	812,875	977,125	929,625

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

**EFFICIENCY INCENTIVE GRANTS TO THE NATIONAL RAILROAD PASSENGER
CORPORATION**

[RESCISSION]

[Of the amounts made available under this heading in Public Laws 109-115 and 110-5, all unobligated balances as of the date of enactment of this provision are hereby rescinded].
(Department of Transportation Appropriations Act, 2009.)

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
EFFICIENCY INCENTIVE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Program and Financing (in thousands of dollars)

Identification Code 69-0120-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Incentive Grants	62,683	-	-
10.00 Total new obligations (object class 41.0).	62,683	-	-
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	62,683	-	-
23.95 Total new obligations	(62,683)	-	-
24.40 Unobligated balance carried forward, end of year	-	-	-
Change in obligated balances:			
72.40 Obligated balance, start of year	-	47,543	-
73.10 Total new obligations	62,683	-	-
73.20 Total outlays (gross)	(15,140)	(47,543)	-
74.40 Obligated balance, end of year	47,543	-	-
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	15,140	47,543	-
Net budget authority and outlays:			
89.00 Budget authority (net)	-	-	-
90.00 Outlays (net)	15,140	47,543	-
95.02 Unpaid obligation, end of year	47,543	-	-

Program and Performance

Resources in this account are provided to the Secretary of Transportation to make grants to the National Passenger Railroad Corporation for operating expenses contingent upon efficiency gains.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 EFFICIENCY INCENTIVE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Object Classification (in thousands of dollars)

Identification Code 69-0120-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	62,683	-	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION (ARRA)**

Program and Financing (in thousands of dollars)

Identification Code 69-0704-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Capital Grants - Recovery	-	1,300,000	-
10.00 Total new obligations (object class 41.0).	-	1,300,000	-
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	-	1,300,000	-
23.95 Total new obligations	-	(1,300,000)	-
24.40 Unobligated balance carried forward, end of year	-	-	-
New budget authority (gross), detail			
Discretionary:			
40.01 Appropriation, Recovery Act	-	1,300,000	-
Change in obligated balances:			
72.40 Obligated balance, start of year	-	-	1,040,000
73.10 Total new obligations	-	1,300,000	-
73.20 Total outlays (gross)	-	(260,000)	(780,000)
74.40 Obligated balance, end of year	-	1,040,000	260,000
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	-	260,000	-
86.93 Outlays from discretionary balances	-	-	780,000
87.00 Total outlays (gross)	-	260,000	780,000
Net budget authority and outlays:			
89.00 Budget authority (net)	-	1,300,000	-
90.00 Outlays (net)	-	260,000	780,000

Program and Performance

In FY 2009, the American Recover and Reinvestment Act provided \$1.3 billion to Amtrak for capital grants, of which \$450 million was specifically designated for capital security grants. The security projects will focus on enhancements in situational awareness, Improvised Explosive Device (IED) and Vehicle Borne Improvised Explosive Device (VBIED) detection, risk assessment/risk reduction cycle optimization (when vulnerabilities are discovered), and quick response communications within the intercity passenger rail network. The remaining \$850 billion will be directed towards projects that remediate vulnerabilities in the system's physical infrastructure and enhance national incident management and risk mitigation capabilities in the intercity passenger rail network.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION (ARRA)**

Object Classification (in thousands of dollars)

Identification Code 69-0704-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	-	1,300,000	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Program and Financing (in thousands of dollars)

Identification Code 69-0704-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.02 System Engineering/program management	10	450	-
00.04 Amtrak Asset Valuation	-	1,022	-
10.00 Total new obligations (object class 41.0).	10	1,472	-
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	1,343	1,472	-
22.10 Resources available from recoveries of prior year obligations. . .	139	-	-
23.90 Total budgetary resources available for obligation	1,482	1,472	-
23.95 Total new obligations	(10)	(1,472)	-
24.40 Unobligated balance carried forward, end of year	1,472	-	-
Change in obligated balances:			
72.40 Obligated balance, start of year	19,534	8,362	-
73.10 Total new obligations	10	1,472	-
73.20 Total outlays (gross)	(11,043)	(9,834)	-
73.45 Recoveries of prior year obligations	(139)	-	-
74.40 Obligated balance, end of year	8,362	-	-
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	11,043	9,834	-
Net budget authority and outlays:			
89.00 Budget authority (net)	-	-	-
90.00 Outlays (net)	11,043	9,834	-
95.02 Unpaid obligation, end of year	8,362		

Program and Performance

The National Railroad Passenger Corporation (Amtrak) was established in 1970 through the Rail Passenger Service Act. Amtrak is operated and managed as a for profit corporation with all Board members appointed by the Executive Branch of the Federal Government, with the advice and consent of the Senate. Amtrak is not an agency or instrument of the U.S. Government. Since 2006, funds for Amtrak have been provided through separate appropriation accounts for capital, operating, and efficiency incentive grants.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION**

Object Classification (in thousands of dollars)

Identification Code 69-0704-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
25.5 Research and development contracts	10	1,472	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

CAPITAL ASSISTANCE TO STATES – INTERCITY PASSENGER RAIL SERVICE

[To enable the Federal Railroad Administrator to make grants to States for the capital costs of improving existing intercity passenger rail service and providing new intercity passenger rail service, \$90,000,000, to remain available until expended: *Provided*, That grants shall be provided to a State only on a reimbursable basis: *Provided further*, That grants cover no more than 50 percent of the total capital cost of a project selected for funding: *Provided further*, That no more than 10 percent of funds made available under this program may be used for planning activities that lead directly to the development of a passenger rail corridor investment plan consistent with the requirements established by the Administrator: *Provided further*, That no later than eight months following enactment of this Act, the Secretary shall establish and publish criteria for project selection, set a deadline for grant applications, and provide a schedule for project selection: *Provided further*, That to be eligible for this assistance, States must include intercity passenger rail service as an integral part of statewide transportation planning as required under section 135 of title 23, United States Code: *Provided further*, That to be eligible for capital assistance the specific project must be on the Statewide Transportation Improvement Plan at the time of the application to qualify: *Provided further*, That the Secretary give priority to capital and planning applications for projects that improve the safety and reliability of intercity passenger trains, involve a commitment by freight railroads to an enforceable on-time performance of passenger trains of 80 percent or greater, involve a commitment by freight railroads of financial resources commensurate with the benefit expected to their operations, improve or extend service on a route that requires little or no Federal assistance for its operations, and involve a commitment by States or railroads of financial resources to improve the safety of highway/rail grade crossings over which the passenger service operates: *Provided further*, That the Administrator is directed to report to the Committees on Appropriations not later than 180 days upon enactment of this Act detailing the recipients and outcomes of grants issued pursuant to Public Law 110-116, under this heading, the Capital Assistance to States Program, any and all usage and performance fees paid to a freight railroad for access to the right of way: *Provided further*, That the Administrator may retain up to one-quarter of 1 percent of the funds provided under this heading to fund the award and oversight by the Administrator of grants made under this heading.] (*Department of Transportation Appropriations Act, 2009.*)

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
INTERCITY PASSENGER RAIL GRANT PROGRAM**

Program and Financing (in thousands of dollars)

Identification Code 69-0715-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Intercity Passenger Rail Grants.	-	120,000	-
10.00 Total new obligations (object class 41.0).	-	120,000	-
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	-	30,000	-
22.00 New budget authority (gross)	30,000	90,000	-
23.90 Total budgetary resources available for obligation.	30,000	120,000	-
23.95 Total new obligations	-	(120,000)	-
24.40 Unobligated balance carried forward, end of year	30,000	-	-
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	30,000	90,000	-
Change in obligated balances:			
72.40 Obligated balance, start of year	-	-	114,000
73.10 Total new obligations	-	120,000	-
73.20 Total outlays (gross)	-	(6,000)	(18,000)
74.40 Obligated balance, end of year	-	114,000	96,000
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	-	4,500	-
86.93 Outlays from discretionary authority	-	1,500	18,000
87.00 Total outlays (gross)	-	6,000	18,000
Net budget authority and outlays:			
89.00 Budget authority (net)	30,000	90,000	-
90.00 Outlays (net)	-	6,000	18,000

Program and Performance

A Capital Grant Program encourages state participation in its passenger rail service. Under this program, a State or States may apply for grants for up to 50 percent of the cost of capital investments necessary to support improved intercity passenger rail service that either requires no operating subsidy or for which the State or States agree to provide any needed operating subsidy. To qualify for funding, States would have to include intercity passenger rail service as an integral part of Statewide transportation planning as required under 23 U.S.C. 135. Additionally, the specific project would have to be on the Statewide Transportation Improvement Plan at the time of application.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 INTERCITY PASSENGER RAIL GRANT PROGRAM**

Object Classification (in thousands of dollars)

Identification Code 69-0715-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	-	120,000	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

**CAPITAL ASSISTANCE FOR HIGH SPEED RAIL CORRIDORS AND INTERCITY
PASSENGER RAIL SERVICE**

To enable the Secretary of Transportation to make grants for high-speed rail projects as authorized under section 26106 of title 49, United States Code, for capital investment grants to support intercity passenger rail service as authorized under section 24406 of title 49, United States Code, and for congestion grants as authorized under section 24105 of 49, United States Code, and to enter into cooperative agreements for these purposes as authorized, \$1,000,000,000, to remain available until expended: Provided, That the Secretary shall issue interim guidance to applicants covering application procedures and administer the grants provided under this heading pursuant to that guidance until final regulations are issued: Provided further, That the Federal share payable of the costs for which a grant or cooperative agreement is made under this heading shall not exceed 80 percent: Provided further, That in addition to the provisions of title 49, United States Code, that apply to each of the individual programs funded under this heading, subsections 24402(a)(2), 24402(f), 24402(i), and 24403(a) and (c) of title 49, United States Code, shall also apply to the provision of funds provided under this heading: Provided further, That a project need not be in a State rail plan developed under Chapter 227 of title 49, United States Code, to be eligible for assistance under this heading: Provided further, That in lieu of the provisions of the subsection 24403(b) of title 49, United States Code, the Administrator of the Federal Railroad Administration may use up to 1 percent of the funds provided under this heading, to fund the award and oversight by the Administrator of grants and cooperative agreements made under this heading: Provided further, That the Administrator of the Federal Railroad Administration may use up to an additional 1 percent of the funds provided under this heading for the purposes of conducting research, development and demonstration of technologies and undertaking analyses supporting development of high-speed rail in the United States, including implementation of the Rail Cooperative Research Program authorized by section 24910 of title 49, United States Code: Provided further, That the Administrator of the Federal Railroad Administration may use up to an additional 1 percent of the funds provided under this heading for the purposes of implementing section 24316 of title 49, United States Code.

EXHIBIT III-1

CAPITAL ASSISTANCE FOR HIGH SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL ^{1/}</u>	<u>FY 2010 REQUEST</u>	<u>Change FY09-10</u>
Capital Assistance for HSR Corridors (ARRA)	-	-	8,000,000	-	-
Capital Assistance for HSR Corridors	-	-	-	1,000,000	1,000,000
TOTAL	-	-	8,000,000	1,000,000	1,000,000
FTE					
Direct Funded	-	-	-	-	-
Reimbursable, Allocated, Other	-	-	-	-	-
Total FTE	0.0	0.0	0.0	0.0	0.0

Notes:

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009.

Program and Performance

Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service – The American Recovery and Reinvestment Act of 2008 provided \$8 billion to fund the President’s High Speed Rail initiative. The High Speed Rail/Intercity Passenger Rail funding contained in ARRA is a major “jump start” for the widespread development of improved intercity passenger rail service. These ARRA funds direct the Secretary of Transportation to give priority to projects that support the development of High Speed Rail service, and require the Secretary to submit to Congress a High Speed Rail strategic plan describing how the funding will be used to further the ARRA objectives.

In FY 2010, this program is requesting \$1 billion. Through this program, FRA will provide capital grants to states to invest in high-speed passenger rail capacity. This investment will address five primary transportation priorities: (1) optimize existing transportation infrastructure; (2) build a foundation for economic competitiveness; (3) promote energy efficiency and environmental quality; (4) support inter-connected, livable communities; and (5) ensure safe transportation.

EXHIBIT III-2

CAPITAL ASSISTANCE FOR HIGH SPEED RAIL CORRIDORS
AND INTERCITY PASSENGER RAIL SERVICE
SUMMARY ANALYSIS OF CHANGE FROM FY 2009 TO FY 2010
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

Item	Change from FY 2009 to FY 2010	
	FTE	(\$000)
FY 2009 Enacted Omnibus	-	\$0
Adjustments to Base:		
Annualization of 2009 FTE	-	-
Annualization of FY 2009 Comparability Pay Increase	-	-
FY 2010 Comparability Pay Increase	-	-
Non-Pay Inflation	-	-
GSA Rent	-	-
WCF	-	-
Subtotal, Adjustments to Base	-	\$0
Program Changes		
Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service	-	1,000,000
Subtotal, New/Expanded Programs	-	\$1,000,000
Total FY 2010 Request	-	\$1,000,000

Detailed Justification for Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service

This Nation faces a new set of transportation challenges – creating a foundation for economic growth in a more complex global economy, promoting energy independence and efficiency, addressing global climate change and environmental quality, and fostering livable communities connected by safe, efficient, modes of travel. The existing transportation system requires significant investment simply to rebuild and maintain critical infrastructure and modernize aging technologies. Meeting our 21st century challenges will require new transportation solutions as well. In FY 2010, the Administration proposes to help address the Nation’s transportation challenges by investing in an efficient, high-speed passenger rail network of 100-600 mile intercity corridors that connect communities across America.

The high-speed rail initiative has begun with an \$8 billion down payment provided in the American Recovery and Reinvestment Act of 2009 (ARRA). However, delivering on the vision and realizing the potential benefits of high-speed rail will require a long-term commitment at both the Federal and State levels. For that reason, the Administration proposes an on-going Federal investment of \$1 billion per year, which would leverage resources at the State and local level and the private sector to fund strategic investments that yield tangible benefits to intercity rail infrastructure, equipment, performance and intermodal connections over the next several years, while also creating a “pipeline” of projects to enable future corridor development. Decisions on which projects and corridor programs are funded would be based upon merit, and evaluated against the goals articulated in the Administration’s April 2009 “*Vision for High-Speed Rail in America*,” and the more detailed criteria to be provided in June in the interim guidance.

The proposed program will consist of the following parts:

- **Capital investment to develop high-speed rail systems:** Building on initial investments with funds made available by ARRA, FRA would award grants for specific capital improvements that are part of high-speed rail corridor development plans and are “ready to go”. As authorized by section 501 of the Passenger Rail Investment and Improvement Act (PRIIA), FRA would also enter into cooperative agreements with States, or groups of States, to develop entire phases or geographic sections of corridor programs that have completed corridor plans and environmental documentation and have a prioritized list of projects that meet the corridor service objectives. For corridors where planning is less developed, FRA would make grants through the Intercity Passenger Rail Service Corridor Capital Assistance program, which is authorized under section 301 of PRIIA. These grants would be for planning efforts needed to incorporate high-speed corridor development into State rail plans, and the design, environmental studies and other activities necessary to advance these corridor plans to the point that their proposed investments can be objectively judged on their merits. Also included in projects eligible for funding would be capital projects necessary to reduce congestion or facilitate ridership growth under the Congestion Grant program, which is authorized under section 302 of PRIIA. As provided for in the authorization of these programs, they would reflect a new Federal/State funding partnership with the maximum Federal share being 80

percent. Finally, on December 16, 2008, the Department solicited expressions of interest for financing, design, construction, operation and maintenance of a high-speed intercity passenger rail system operating within a high-speed rail corridor as required by Section 502 of PRIIA. The Secretary would have the discretion to use a portion of the funding made available under this heading to further explore any proposals the Department, in consultation with the Commissions to be established under this section, decides warrants further development.

- **High-speed rail research and development:** A number of technological and analytical challenges exist that, if successfully addressed, could facilitate the realization of the vision of high-speed rail in the United States. Among these are: (1) high-speed capable locomotives that provide the performance required on emerging, pre-electrified, high-speed corridors; (2) improvements in passenger car design that recognize the overriding need for safety, but does so in a way that incorporates recent research into crash energy management, risk reduction and mitigation and materials science; (3) train control and communications; (4) addressing other issues related to assuring a safe reliable and efficient passenger rail systems compatible, where necessary, with other rail operations; and (5) RSIA studies including Standards for Passenger Equipment, Standards for Passenger Station Safety, and Highway-Rail Crossing Strategies for High-Speed Rail. The Administration proposes to fund this research by retaining up to one percent of the funds appropriated for high-speed rail.

The high-speed rail program seeks to learn lessons from the successful highway and transit programs. One area of success is how these programs have used cooperative research programs under the auspices of the Transportation Research Board of the National Academy of Science to engage academia, industry, international experts and others in exploring issues facing these programs. A similar Rail Cooperative Research Program is authorized under section 306 of PRIIA. The Administration sees this program as an excellent vehicle to promote research into particularly important areas that might have a less technological orientation such as improving methods for reliable ridership projection, evaluating the impacts of high-speed rail on highway and aviation congestion, and quantification of the external benefits of high-speed rail in areas such as improved environmental quality and encouragement of the development of more livable communities. Up to one-half the one percent of funds retained by the Secretary under the broader high-speed rail initiative for research would be used to fund this program.

- **Program administration and oversight:** FRA proposes that up to one percent of the funds requested for this Presidential initiative would be available for program administration and oversight. Specifically, these funds will be available for necessary contractor expertise to support the following activities: pre-award stakeholder outreach and technical assistance; technical analysis, assessment, and review of engineering, environmental, applicant management capabilities and other program requirements; post-award program and financial compliance monitoring; and overarching project management support.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
CAPITAL ASSISTANCE for HIGH SPEED RAIL CORRIDORS and INTERCITY PASSENGER RAIL SERVICE**

Program and Financing (in thousands of dollars)

Identification Code 69-0718-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Discretionary Grants - Recovery Act	-	380,000	5,200,000
00.02 Administrative Oversight	-	20,000	-
00.03 Discretionary Grants	-	-	1,000,000
10.00 Total new obligations	-	400,000	6,200,000
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	-	-	7,600,000
22.00 New budget authority (gross)	-	8,000,000	1,000,000
23.90 Total budgetary resources available for obligation	-	8,000,000	8,600,000
23.95 Total new obligations	-	(400,000)	(6,200,000)
24.40 Unobligated balance carried forward, end of year	-	7,600,000	2,400,000
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	-	-	1,000,000
40.01 Appropriation, Recovery Act	-	8,000,000	-
43.00 Appropriation (total discretionary)	-	8,000,000	1,000,000
Change in obligated balances:			
72.40 Obligated balance, start of year	-	-	240,000
73.10 Total new obligations	-	400,000	6,200,000
73.20 Total outlays (gross)	-	(160,000)	(1,220,000)
74.40 Obligated balance, end of year	-	240,000	5,220,000
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	-	160,000	20,000
86.93 Outlays from discretionary balances	-	-	1,200,000
87.00 Total outlays (gross)	-	160,000	1,220,000
Net budget authority and outlays:			
89.00 Budget authority (net)	-	8,000,000	1,000,000
90.00 Outlays (net)	-	160,000	1,220,000

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 CAPITAL ASSISTANCE for HIGH SPEED RAIL CORRIDORS and INTERCITY PASSENGER RAIL SERVICE**

Object Classification (in thousands of dollars)

Identification Code 69-0718-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
25.2 Other services	-	20,000	-
41.0 Grants, subsidies, and contributions	-	380,000	6,200,000
99.9 Total new obligations	-	400,000	6,200,000

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
ALASKA RAILROAD REHABILITATION**

Program and Financing (in thousands of dollars)

Identification Code 69-0730-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Change in obligated balances:			
72.40 Obligated balance, start of year	1,431	646	-
73.20 Total outlays (gross)	(785)	(646)	-
74.40 Obligated balance, end of year	646	-	-
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	785	646	-
Net budget authority and outlays:			
89.00 Budget authority (net)	-	-	-
90.00 Outlays (net)	785	646	-
95.02 Unpaid obligations, end of year	646		

Program and Performance

These funds are earmarked for direct payments to the Alaska railroad. No funds are requested for FY 2010.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING PROGRAM

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That pursuant to section 502 of such Act, as amended, no new direct loans or loan guarantee commitments shall be made using Federal funds for the credit risk premium during fiscal year [2009] 2010. (*Department of Transportation Appropriations Act, 2009.*)

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM ACCOUNT**

Program and Financing (in thousands of dollars)

Identification Code 69-0750-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.05 Upward Reestimate.	17,136	5,968	-
00.06 Interest on re-estimates of direct loan subsidy.	3,615	10,785	-
10.00 Total new obligations (object class 41.0).	20,751	16,753	-
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	20,751	16,753	-
23.95 Total new obligations	(20,751)	(16,753)	-
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	20,751	16,753	-
Change in obligated balances:			
73.10 Total new obligations	20,751	16,753	-
73.20 Total outlays (gross)	(20,751)	(16,753)	-
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	20,751	16,753	-
Net budget authority and outlays:			
89.00 Budget authority.	20,751	16,753	-
90.00 Outlays	20,751	16,753	-

Program and Performance

Data includes funds for the Railroad Rehabilitation and Improvement (RRIF) Program.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM ACCOUNT**

Object Classification (in thousands of dollars)

Identification Code 69-0750-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	20,751	16,753	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT GUARANTEED LOAN FINANCING ACCOUNT**

Program and Financing (in thousands of dollars)

Identification Code 69-4288-0-3-401	2008 Actual	2009 Estimate	2010 Estimate
Budgetary resources available for obligation			
21.40 Unobligated balance carried forward, start of year.	-	-	3,000
22.00 New financing authority (gross)	-	3,000	3,000
23.90 Total budgetary resources available for obligation	-	3,000	6,000
24.40 Unobligated balance carried forward, end of year.	-	3,000	6,000
New financing authority (gross), detail			
Mandatory			
69.00 Offsetting collections (credit risk premium)	-	3,000	3,000
Offsets:			
Against gross financing authority and financing disbursements			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	-	3,000	3,000
Net financing authority and financing disbursements			
89.00 Financing authority	-	-	-
90.00 Financing disbursements	-	(3,000)	(3,000)

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT GUARANTEED LOAN FINANCING ACCOUNT**

Status of Guaranteed Loans

Identification Code 69-4288-0-3-401	2008 Actual	2009 Estimate	2010 Estimate
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders.	-	-	100,000
2131 Guaranteed loan commitments exempt from limitation.	-	100,000	-
2150 Total guaranteed loan commitments.	-	100,000	100,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year.	-	-	95,000
2231 Disbursements of new guaranteed loans.	-	100,000	100,000
2251 Repayments and prepayments.	-	(5,000)	(5,000)
2290 Outstanding, end of year.	-	95,000	190,000
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year.	-	95,000	189,000

Program and Performance

The RRIF program was established by the Transportation Equity Act for the 21st Century (TEA-21) and amended by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). RRIF program funds may be used to acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings and shops.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT DIRECT LOAN FINANCING ACCOUNT**

Program and Financing (in thousands of dollars)

Identification Code 69-4420-0-3-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
00.01 Direct loans	-	600,000	600,000
00.02 Interest paid to Treasury	20,791	38,000	38,000
00.91 Direct Program by Activities - Subtotal	20,791	638,000	638,000
08.02 Downward reestimate	2,203	13,833	-
08.04 Interest on Downward reestimate	4,747	5,343	-
08.91 Direct Program by Activities - subtotat (1 level)	6,950	19,176	-
10.00 Total new obligations	27,741	657,176	638,000
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year.	337	817	821
22.00 New financing authority (gross)	27,741	657,180	638,004
22.10 Resources available from recoveries of prior year obligations.	13,788	-	-
22.60 Portion applied to repay debt	480	-	-
22.70 Balance of authority to borrow withdrawn.	(13,788)	-	-
23.90 Total budgetary resources available for obligation	28,558	657,997	638,825
23.95 Total New obligations	(27,741)	(657,176)	(638,000)
24.40 Unobligated balance carried forward, end of year.	817	821	825
New budget authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow	6,515	619,176	600,000
67.90 Authority to borrow (total mandatory)	6,515	619,176	600,000
69.00 Offsetting collections (interest on uninvested funds).	5,361	3,000	3,000
69.00 Offsetting collections (principal-borrowers).	277,331	60,000	60,000
69.00 Offsetting collections (Upward Re-estimate)	20,751	16,753	-
69.00 Offsetting collections (interest-borrowers).	12,152	29,000	29,000
69.00 Offsetting collections (Credit Risk Premium).	1,407	6,000	6,000
69.00 Offsetting collections (fees).	1	4	4
69.10 Change in uncollected customer payments from Federal sources (unexpired).	(188)	-	-
69.47 Portion applied to repay debt	(295,110)	(76,753)	(60,000)
69.90 Spending authority from offsetting collections (total mandatory)	21,705	38,004	38,004
70.00 Total new financing authority (gross)	28,220	657,180	638,004
Change in obligated balances:			
72.40 Obligated balance, start of year	165,477	81,643	81,647
73.10 Total new obligations	27,741	657,180	638,004
73.20 Total financing disbursements (gross)	(97,975)	(657,176)	(657,176)
73.45 Recoveries from prior year obligations.	(13,788)	-	-
74.00 Change in uncollected customer payments from Federal sources (unexpired)	188	-	-
74.40 Obligated balance, end of year	81,643	81,647	62,475
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	97,975	657,176	657,176
Offsets:			
Against gross financing authority and financing disbursements			
Offsetting collections (cash) from:			
88.00 Federal sources (Upward Re-estimate).	20,751	16,753	-
88.25 Interest on uninvested funds.	5,361	3,000	3,000
88.40 Credit premium.	1,403	6,000	6,000
88.40 Principal repayment.	277,331	60,000	60,000
88.40 Interest repayment.	12,152	29,000	29,000
88.40 Fees.	5	-	-
88.90 Total, offsetting collections (cash)	317,003	114,753	98,000
Net budget authority and outlays:			
89.00 Financing authority	(288,783)	542,427	540,004
90.00 Financing disbursements	(219,028)	542,423	559,176
95.02 Unpaid obligation, end of year	81,643		

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT DIRECT LOAN FINANCING ACCOUNT**

Status of Direct Loans

Identification Code 69-4420-0-3-401	2008 Actual	2009 Estimate	2010 Estimate
Position with respect to appropriations act limitation on obligations			
1111 Limitation on direct loans	-	-	600,000
1131 Direct loan obligations exempt from limitation	-	<u>600,000</u>	<u>-</u>
1150 Total direct loan obligations	-	600,000	600,000
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	494,678	287,581	827,581
1231 Disbursements; Direct loan disbursements	70,234	600,000	600,000
1251 Repayments: Repayments and prepayments	<u>(277,331)</u>	<u>(60,000)</u>	<u>(60,000)</u>
1290 Outstanding, end of year	287,581	827,581	1,367,581

Program and Performance

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans. The amounts in this account are a means of financing and are not included in the budget totals.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 RAILROAD REHABILITATION AND IMPROVEMENT
 DIRECT LOAN FINANCING ACCOUNT**

Balance Sheet

	2008 Actual
Identification Code 69-4420-0-3-401	
Assets:	
Net value of assets related to post-1991 direct loans receivable	
1401 Direct loans receivable, gross	287,581
1499 Net present value of assets related to direct loans	<u>287,581</u>
1999 Total assets	<u>287,581</u>
 Liabilities:	
2105 Federal liabilities: Other	287,581
2999 Total liabilities	<u>287,581</u>
4999 Total liabilities and net position	<u>287,581</u>

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 RAILROAD REHABILITATION AND IMPROVEMENT
 DIRECT LOAN FINANCING ACCOUNT**

Receipts - Policy/Baseline

Identification Code 69-276030-0-3-401		2008	2009	2010
		Actual	Estimate	Estimate
Receipts - Policy				
2004	All other offsetting receipts	6,950	19,176	-
2004	Mandatory, authorizing committee, regular.	6,950	19,176	-
Receipts - Baseline				
2004	All other offsetting receipts	6,950	19,176	-
2004	Mandatory, authorizing committee, regular.	6,950	19,176	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT LIQUIDATING ACCOUNT**

Program and Financing (in thousands of dollars)

Identification Code 69-4411-0-3-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity			
00.02 Interest paid to Treasury	645	702	298
10.00 Total new obligations (object class 43.0)	645	702	298
Budgetary resources available for obligation			
22.00 New financing authority (gross)	645	702	298
23.95 Total New obligations	-645	-702	-298
New budget authority (gross), detail			
Mandatory			
69.00 Offsetting collections (cash)	4,367	7,406	3,622
69.47 Portion applied to repay debt	-3,722	-6,704	-3,324
69.90 Spending authority from offsetting collections (total mandatory)	645	702	298
Change in obligated balances:			
73.10 Total new obligations	645	702	298
73.20 Total financing disbursements (gross)	-645	-702	-298
Outlays (gross), detail:			
86.98 Outlays from new mandatory balances	645	702	298
Offsets:			
Against gross budget authority and outlays			
Offsetting collections (cash) from:			
88.40 Non-Federal sources	4,367	7,406	3,622
Net budget authority and outlays:			
89.00 Financing authority	-3,722	-6,704	-3,324
90.00 Financing disbursements	-3,722	-6,704	-3,324

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT LIQUIDATING ACCOUNT**

Status of Direct Loans

Identification Code 69-4411-0-3-401		2008 Actual	2009 Estimate	2010 Estimate
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	17,479	13,757	7,053
1251	Repayments: Repayments and prepayments	(3,722)	(6,704)	(3,324)
1290	Outstanding, end of year	13,757	7,053	3,729

Program and Performance

This account shows credit activity that occurred prior to the passage of the Federal Credit Reform Act, including:

Section 505 – Redeemable preference shares – Authority for the section 505 redeemable preference shares program expired on September 30, 1988. The account reflects actual and projected outlays resulting from payments of principal and interest as well as repurchases of redeemable preference shares and the sale of redeemable preference shares to the private sector.

Section 511 – Loan repayments – This program reflects repayments of principal and interest on outstanding borrowings by the railroads to the Federal Financing Bank under the section 511 loan guarantee program.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in this program (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program accounts and financing accounts.

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
RAILROAD REHABILITATION AND IMPROVEMENT
LIQUIDATING ACCOUNT**

Balance Sheet

	2008
Identification Code 69-4411-0-3-401	Actual
Assets:	
Net value of assets related to post-1991	
direct loans receivable	
1601 Direct loans , gross	13,757
1602 Interest receivable	645
1699 Value of assets related to direct loans	14,402
1999 Total Assets	14,402
 Liabilities:	
Federal liabilities:	
2102 Interest payable	645
2103 Debt	13,757
2999 Total liabilities	14,402
4999 Total liabilities and net position	14,402

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 RAILROAD REHABILITATION AND IMPROVEMENT LIQUIDATING ACCOUNT**

Object Classification (in thousands of dollars)

Identification Code 69-4411-0-3-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
43.0 Interest and dividends	645	702	298

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
NEXT GENERATION HIGH-SPEED RAIL**

Program and Financing (in thousands of dollars)

Identification Code 69-0722-0-1-401	2008 Actual	2009 Estimate	2010 Estimate	
Obligations by program activity:				
Direct program:				
00.03	Grade crossing and innovative technology . . . . .	...	2,414	...
00.05	Corridor planning	1,696	5,356	...
10.00	Total new obligations	1,696	7,770	...
Budgetary resources available for obligation:				
21.40	Unobligated balance carried forward, start of year	9,238	7,770	...
22.10	Resources available from recoveries of prior year obligations. . .	228	...	...
23.90	Total budgetary resources available for obligation	9,466	7,770	...
23.95	Total new obligations	-1,696	-7,770	...
24.40	Unobligated balance carried forward, end of year	7,770	...	...
Change in obligated balances:				
72.40	Obligated balance, start of year	19,064	16,781	12,275
73.10	Total new obligations	1,696	7,770	...
73.20	Total outlays (gross)	-3,751	-12,276	-12,275
73.45	Recoveries of prior year obligations.	-228	...	...
74.40	Obligated balance, end of year	16,781	12,275	...
Outlays (gross), detail:				
86.93	Outlays from discretionary balances	3,751	12,276	12,275
Net budget authority and outlays:				
89.00	Budget authority (net) . . . . .	...	...	...
90.00	Outlays (net)	3,751	12,276	12,275
95.02	Unpaid Obligations, end of year.	16,781		

Program and Performance

The Next Generation High-Speed Rail Program funds: research, development, and technology demonstration programs and the planning and analysis required to evaluate technology proposals under the program. No funds are requested in FY 2010.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 NEXT GENERATION HIGH-SPEED RAIL**

Object Classification (in thousands of dollars)

Identification Code 69-0722-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Direct Obligations:			
25.2 Other services	704	6,529	0
25.3 Other purchases of goods and services from Govt accts	992	1,240	0
99.9 Total new obligations	1,696	7,769	0

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
NORTHEAST CORRIDOR IMPROVEMENT PROGRAM**

Program and Financing (in thousands of dollars)

Identification Code 69-0123-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Northeast corridor improvement program	-	5,582	-
10.00 Total new obligations	-	5,582	-
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	5,582	5,582	-
23.95 Total new obligations	-	(5,582)	-
24.40 Unobligated balance carried forward, end of year	5,582	-	-
Change in obligated balances:			
72.40 Obligated balance, start of year	646	646	-
73.10 Total new obligations	-	5,582	-
73.20 Total outlays (gross)	-	(6,228)	-
74.40 Obligated balance, end of year	646	-	-
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	-	6,228	-
Net budget authority and outlays:			
89.00 Budget authority	-	-	-
90.00 Outlays	-	6,228	-
95.02 Unpaid obligations, end of year.	646		

Program and Performance

This program provided funds to continue the upgrade of passenger rail service in the corridor between Washington, D.C. and Boston. Since 2001, capital funding has been provided in the Amtrak appropriation.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 NORTHEAST CORRIDOR IMPROVEMENT PROGRAM**

Object Classification (in thousands of dollars)

Identification Code 69-0123-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Direct Obligations:			
25.2 Other services	0	5,582	0

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
PENNSYLVANIA STATION REDEVELOPMENT PROJECT**

Program and Financing (in thousands of dollars)

Identification Code 69-0723-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Pennsylvania Station redevelopment project	-	59,827	-
10.00 Total new obligations	-	59,827	-
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	59,827	59,827	-
23.95 Total new obligations	-	(59,827)	-
24.40 Unobligated balance carried forward, end of year	59,827	-	-
Change in obligated balances:			
72.40 Obligated balance, start of year	19	19	55,041
73.10 Total new obligations	-	59,827	-
73.20 Total outlays (gross)	-	(4,805)	(23,931)
74.40 Obligated balance, end of year	19	55,041	31,110
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	-	4,805	23,931
Net budget authority and outlays:			
89.00 Budget authority (net)	-	-	-
90.00 Outlays (net)	-	4,805	23,931
95.02 Unpaid obligations, end of year	19		

Program and Performance

Funds are used to redevelop the Pennsylvania Station in New York City, which involves renovating the James A. Farley Post Office building. Funding for this project was included in the Grants to the National Railroad Passenger Corporation appropriation in 1995 through 1997, and the Northeast Corridor Improvement Program in 1998. In 2000, an advance appropriation of \$20 million was provided for 2001 to 2003. In 2001, Congress specified that the \$20 million advance appropriation provided in 2000 for the Farley Building was to be used exclusively for fire and life safety initiatives. No funds are requested in FY 2010.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 PENNSYLVANIA STATION REDEVELOPMENT PROJECT**

Object Classification (in thousands of dollars)

Identification Code 69-0723-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	-	59,827	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
EMERGENCY RAILROAD REHABILITATION AND REPAIR**

Program and Financing (in thousands of dollars)

Identification Code 69-0124-0-1-401	2008 Actual	2009 Estimate	2010 Estimate
Obligations by program activity:			
Direct program:			
00.01 Emergency Railroad Rehabilitation and Repair	-	19,900	-
00.02 Oversight	-	100	-
10.00 Total new obligations (object class 41.0).	-	20,000	-
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	-	20,000	-
22.00 New budget authority (gross).	20,000	-	-
23.90 Total budgetary resources available for obligation	20,000	20,000	-
23.95 Total new obligations	-	(20,000)	-
24.40 Unobligated balance carried forward, end of year	20,000	-	-
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	20,000	-	-
Change in obligated balances:			
72.40 Obligated balance, start of year	-	-	-
73.10 Total new obligations	-	20,000	-
73.20 Total outlays (gross)	-	(20,000)	-
74.40 Obligated balance, end of year	-	-	-
Outlays (gross), detail:			
86.93 Outlays from discretionary balances	-	20,000	-
Net budget authority and outlays:			
89.00 Budget authority (net)	20,000	-	-
90.00 Outlays (net)	-	20,000	-

Program and Performance

No funds are requested in FY 2010.

**DEPARTMENT OF TRANSPORTATION
 FEDERAL RAILROAD ADMINISTRATION
 EMERGENCY RAILROAD REHABILITATION AND REPAIR**

Object Classification (in thousands of dollars)

Identification Code 69-0124-0-1-401	2008 Actual	2009 Enacted	2010 Estimate
Direct Obligations:			
41.0 Grants, subsidies, and contributions	-	20,000	-

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

FRA 2010 ADMINISTRATIVE PROVISIONS

SEC. 151. The Secretary may purchase promotional items of nominal value for use in public outreach activities to accomplish the purposes of 49 U.S.C. 20134: *Provided*, That the Secretary shall prescribe guidelines for the administration of such purchases and use.

[SEC. 152. Hereafter, notwithstanding any other provision of law, funds provided in this Act for the National Railroad Passenger Corporation shall immediately cease to be available to said Corporation in the event that the Corporation contracts to have services provided at or from any location outside the United States. For purposes of this section, the word "services" shall mean any service that was, as of July 1, 2006, performed by a full-time or part-time Amtrak employee whose base of employment is located within the United States.]

SEC. [153.] 152. The Secretary of Transportation may receive and expend cash, or receive and utilize spare parts and similar items, from non-United States Government sources to repair damages to or replace United States Government owned automated track inspection cars and equipment as a result of third party liability for such damages, and any amounts collected under this section shall be credited directly to the Safety and Operations account of the Federal Railroad Administration, and shall remain available until expended for the repair, operation and maintenance of automated track inspection cars and equipment in connection with the automated track inspection program.

[SEC. 154. The Federal Railroad Administrator shall submit a quarterly report on April 1, 2009, and quarterly reports thereafter, to the House and Senate Committees on Appropriations detailing the Administrator's efforts at improving the on-time performance of Amtrak intercity rail service operating on non-Amtrak owned property. Such reports shall compare the most recent actual on-time performance data to pre-established on-time performance goals that the Administrator shall set for each rail service, identified by route. Such reports shall also include whatever other information and data regarding the on-time performance of Amtrak trains the Administrator deems to be appropriate. The amounts made available in this title under the heading "Office of the Secretary, Salaries and Expenses" shall be reduced \$100,000 for each day after the first day of each quarter that the quarterly reports required by this section are not submitted to the Congress.] (*Department of Transportation Appropriations Act, 2009.*)

EXHIBIT III-3

PERFORMANCE OVERVIEW

Annual Performance Results and Targets

The Federal Railroad Administration integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's Strategic Plan. FRA tracks the following DOT level performance measures to demonstrate program results:

Strategic Objective: Safety

Reduce Rail-Related Accidents and Incidents	2005	2006	2007	2008	2009	2010
Target	17.14	16.08	16.70	18.45	17.00	16.40
Actual	18.03	17.47	17.02	16.00	14.11*	--

* (FY 2009 - This is a preliminary figure based on two months of data.)

Strategic Objective: Safety

Reduce Number of Serious HAZMAT Incidents	2005	2006	2007	2008	2009	2010
Target	503	460	466	462	458	458
Actual	474	492	512	451*	--	--

* (FY 2008 - This is a preliminary figure based on nine months of data.)

Program Assessment

FRA, in conjunction with the Office of Management and Budget, assessed the following programs for effectiveness. The assessment results are below.

Program	FY Assessed	Score	Assessment Rating
Railroad Safety	FY 2005	80	Moderately Effective
Research and Development	FY 2006	78	Moderately Effective
Amtrak	FY 2007	25	Ineffective

The following updates the status of recommendations made during the FRA-OMB reviews:

Program	Recommendation	Status
Railroad Safety	Schedule an evaluation of program effectiveness	Complete - evaluations have been scheduled and are underway
	Develop an efficiency measure for the rail safety program.	Efficiency goal was included in FRA's FY 2006 – FY 2010 budgets
Railroad Research and Development	Develop a strategic framework for managing the program and its component research projects.	Resources approved in FY 2006 budget – employee hired in FY 2007, framework is being developed.
	Request funding in the FY 2006 budget for staff and resources to coordinate strategic planning effort.	Complete - funding requested and approved
	Include in FRA's annual performance reports a numeric chart showing progress made towards achieving performance goals at the R&D project level	Complete – efficiency performance indicators included in FY 2009 through the current budget.
	Develop process for tracking "on-budget" and "on-schedule" efficiency measures	Completed during the FY 2009 budget process
Amtrak	Work with the board of directors to increase Amtrak's accountability for its financial and operational performance	Complete / Ongoing - In future grant agreements with Amtrak, various financial and operational accountability conditions and contingencies are included.
	Evaluate capital projects and proposed route changes to assess the return on investment (ROI) as well as any operating impacts.	Complete – FRA worked with Amtrak to ensure that capital grant agreements include ROI analysis on the majority of their capital projects.
	Work with Congress to develop legislation that better articulates the Federal policy on intercity passenger rail, including Amtrak's mission and goals	Ongoing

**FEDERAL RAILROAD ADMINISTRATION
HISTORY OF APPROPRIATIONS
FY 1999 - 2009
(Dollars in Thousands)**

<u>Account</u>	<u>FY 1999 P.L. 105-277</u>	<u>FY 2000 P.L. 106-69</u>	<u>FY 2001 P.L. 106-346 P.L. 106-554</u>	<u>FY 2002 P.L. 107-87 P.L. 107-117</u>	<u>FY 2003 P.L. 108-7</u>
<u>Appropriations Realized:</u>					
Safety and Operations	--	93,852	101,493 ^{3/}	116,398 ^{4/}	116,300
Office of the Administrator	20,706	--	--	--	--
Railroad Safety	61,488	--	--	--	--
Local Rail Freight Assistance	--	--	--	--	686
Railroad Research and Development	22,364	22,464	25,269	29,000	29,134
Rail Line Relocation and Improvement	--	--	--	--	--
Pennsylvania Station	--	--	19,956	20,000	19,870
Rhode Island Rail Development	5,000	9,962	16,963	--	--
Amtrak	609,230 ^{1/}	571,000	520,329	826,476 ^{5/}	1,043,175
Amtrak Reform Council	450	750	748	225	--
Intercity Passenger Rail Grants	--	--	--	--	--
Next Generation High-Speed Rail	20,494	27,097	25,045	32,300	30,252
Alaska Railroad Rehabilitation	38,000	14,962 ^{2/}	29,956	20,000	21,857
West Virginia Rail Development	--	--	14,967	--	--
Subtotal	<u>777,732</u>	<u>740,087</u>	<u>754,726</u>	<u>1,044,399</u>	<u>1,261,274</u>
<u>Other New Authority:</u>					
Railroad Rehab and Improvement Program	--	--	--	--	7,470
Total FRA Budget Authority	<u>777,732</u>	<u>740,087</u>	<u>754,726</u>	<u>1,044,399</u>	<u>1,268,744</u>

1/ The Taxpayer Relief Act of 1997 provided Amtrak with \$2,183,620,000 in tax credits, \$1,091,810,000 applied in 1998 and 1999.

2/ Includes \$5,000,000 from Air Force

3/ Excludes \$1,500,000 from Maglev

4/ Includes supplemental funding of \$6M pursuant to P.L. 107-117 for emergency expenses to respond to the September 11, 2001 terrorist attacks on the U.S.

5/ Includes supplemental funding of \$100M pursuant to P.L. 107-117 for emergency expenses to respond to the September 11, 2001 terrorist attacks on the U.S. and \$205M pursuant to P.L. 107-206.

**FEDERAL RAILROAD ADMINISTRATION
HISTORY OF APPROPRIATIONS
FY 1999 - 2009
(Dollars in Thousands)**

<u>Account</u>	<u>FY 2004 P.L. 108-199</u>	<u>FY 2005 P.L. 108-447</u> ^{6/}	<u>FY 2006 P.L. 109-115</u> ^{8/}	<u>FY 2007 P.L. 110-5</u>	<u>FY 2008 P.L. 110-161</u>	<u>FY 2009 P.L. 111-8</u>
<u>Appropriations Realized:</u>						
Safety and Operations	129,536	138,117	144,490	150,271	150,193	159,445
Office of the Administrator	-	-	-	-	-	-
Railroad Safety	-	-	-	-	-	-
Local Rail Freight Assistance	-	-	-	-	-	-
Railroad Research and Development	33,824	-	54,524	34,524	35,964	33,950
Rail Line Relocation and Improvement	-	-	-	-	20,040	25,000
Pennsylvania Station	-	-	-	-	-	-
Rhode Island Rail Development	-	-	-	-	-	-
Amtrak	1,217,773	1,207,264	1,293,633	1,293,550	1,325,000	1,490,000
Amtrak Reform Council	-	-	-	-	-	-
Intercity Passenger Rail Grants	-	-	-	-	30,000	90,000
Next Generation High-Speed Rail	37,179	19,493	-	-	-	-
Alaska Railroad Rehabilitation	24,853	24,800	9,900	-	-	-
West Virginia Rail Development	-	-	-	-	-	-
Emergency Railroad Rehabilitation and Repair	-	-	-	-	20,000	-
Subtotal	1,443,165	1,389,674	1,502,547	1,478,345	1,581,197	1,798,395
<u>Other New Authority:</u>						
Railroad Rehab and Improvement Program	5,713	--	--	3,294	20,751	16,753
American Recovery and Reinvestment Act of 2009 (ARRA) (P.L. 111-5)						
Capital Grants to the Natl' RailRoad Passenger Corp						1,300,000
Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service						8,000,000
<u>Total FRA Budget Authority</u>	1,448,878	1,389,674	1,502,547	1,481,639	1,601,948	11,115,148

6/ Appropriated amounts include a 0.8 percent across-the-board rescission.

7/ Includes a Working Capital Fund reduction of \$534,000.

8/ Appropriated amounts include a 1 percent across-the-board rescission.

9/ Includes \$490,050,000 for Operating, \$772,200,000 for Capital/Debt Service, and \$31,383,000 for Efficiency Incentive Grants

10/ Includes \$490,050,000 for Operating, \$772,200,000 for Capital/Debt Service, and \$31,300,000 for Efficiency Incentive Grants

11/ Includes \$475,000,000 for Operating and \$850,000,000 for Capital/Debt Service

12/ Includes \$1,400,000 to hire 16 FTE's for FY2009 to begin implementing the regulatory and programmatic requirements of the Rail Safety and Improvement Act of 2008, P.L. 110-432, and \$1,300,000 to promote risk reduction and \$500,000 to initiate a new site for the Close Call Confidential Reporting System.

13/ Includes \$940,000,000 for Capital/Debt Service and \$550,000,000 for Operating Grants

14/ Division B - Disaster Relief and Recovery, Supplemental Appropriations Act 2008, Chapter 10 - FRA - Railroad Rehabilitation and Repair

**DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION**

DISCUSSION OF EXHIBIT 300s

The Exhibit 300 is designed to coordinate OMB's collection of agency information for its reports to the Congress required by the Federal Acquisition Streamlining Act of 1994 (FASA Title V) and the Clinger-Cohen Act of 1996; to ensure the business case for investments are made and tied to the mission statements, long-term goals and objectives, and annual performance plans developed pursuant to the GPRA. For IT, exhibit 300s are designed to be used as one-stop documents for many of IT management issues such as business cases for investments, IT security reporting, Clinger Cohen Act implementation, E-Gov Act implementation, Government Paperwork Elimination Act implementation, agency's modernization efforts, and overall project investment) management. FRA has completed exhibit 300s for each of our IT Projects; they can be found online at www.dot.gov.

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**SECTION 4:
PERFORMANCE
BUDGET**

EXHIBIT IV-1

FY 2010 BUDGET REQUEST BY STRATEGIC OBJECTIVE AND PERFORMANCE GOAL
Federal Railroad Administration
Appropriations, Obligation Limitations, & Exempt Obligations
(\$000)

	(A)	(B)	(C)	(D)	(E)	(F)
STRATEGIC & PERFORMANCE GOALS BY PERFORMANCE MEASURE	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED (TOTAL) ^{1/}	FY 2010 BASELINE ESTIMATES	FY 2010 PROGRAM CHANGES	TOTAL FY 2010 REQUEST (D+E)
1. SAFETY STRATEGIC GOAL						
A. Rail Safety Performance Goal						
a. Rail-related accidents and incidents per million train-miles	117,981	126,074	126,074	126,074	9,208	135,282
b. Other	0	0	0	0	0	0
Subtotal Performance Goal	117,981	126,074	126,074	126,074	9,208	135,282
B. Hazardous Materials Safety Performance Goal						
Number of serious hazardous materials transportation						
a. incidents	64,603	63,273	63,273	58,523	195	58,718
b. Other	0	0	0	0	0	0
Subtotal Performance Goal	64,603	63,273	63,273	58,523	195	58,718
Total - Safety Strategic Goal	182,584	189,347	189,347	184,597	9,403	194,000
2. REDUCED CONGESTION STRATEGIC GOAL						
A. Urban Congestion						
a. Other	1,396,440	1,606,780	10,906,780	1,585,230	921,973	2,507,203
Subtotal Performance Goal	1,396,440	1,606,780	10,906,780	1,585,230	921,973	2,507,203
Total - Reduced Congestion Strategic Goal	1,396,440	1,606,780	10,906,780	1,585,230	921,973	2,507,203
3. GLOBAL CONNECTIVITY STRATEGIC GOAL						
A. Expand Opportunities						
Percent of total dollar value of DOT direct contracts awarded						
a. to women owned businesses.	0	0	0	0	0	0
b. Percent of total dollar value of DOT direct contracts awarded						
to small disadvantaged businesses.	0	0	0	0	0	0
c. Other	0	0	0	0	0	0
Subtotal Performance Goal	0	0	0	0	0	0
Total - Global Connectivity Strategic Goal	0	0	0	0	0	0
4. ENVIRONMENTAL STEWARDSHIP STRATEGIC GOAL						
A. Reduction in Pollution Performance Goal						
Percent of DOT facilities characterized as 'No Further						
a. Remedial Action' under the Superfund Amendments						
Reauthorization Act.	0	0	0	600	0	600
b. Other	0	0	0	0	0	0
Subtotal Performance Goal	0	0	0	600	0	600
Total - Environmental Stewardship Strategic Goal	0	0	0	600	0	600
5. SECURITY, PREPAREDNESS AND RESPONSE STRATEGIC GOAL						
A. Hazmat Emergency Response Performance Goal						
a. Other	738	786	786	1,486	0	1,486
Subtotal Performance Goal	738	786	786	1,486	0	1,486
Total - Security, Preparedness and Response Strategic Goal	738	786	786	1,486	0	1,486
6. ORGANIZATIONAL EXCELLENCE STRATEGIC GOAL						
A. Strategic Workforce Planning						
a. Other	1,435	1,482	1,482	1,482	117	1,599
Subtotal Performance Goal	1,435	1,482	1,482	1,482	117	1,599
Total - Organizational Excellence Strategic Goal	1,435	1,482	1,482	1,482	117	1,599
GRAND TOTAL	1,581,197	1,798,395	11,098,395	1,773,395	931,493	2,704,888

Note:

1/ Includes funds provided under the American Recovery and Reinvestment Act of 2009.

**Detailed Justification by Performance Goal: SAFETY
Reduce Rail-Related Accidents and Incidents**

This funding request contributes to the DOT Safety strategic objective and to the Reduce Rail-Related Accidents and Incidents performance outcome goal.

Rail-related accidents and incidents per million train-miles.						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target:	17.14	16.08	16.70	18.45	17.00	16.40
Actual:	18.03	17.49	17.14	16.15	14.11*	--

* (FY 2009 - This is a preliminary figure based on two months of data.)

FRA's FY 2010 request supports DOT's success in achieving railroad safety goals. Specifically, the funding level supports FRA's existing safety program and research and development activities. FRA will continue work in building its Risk Reduction Program (RRP) and Close Call Program. Collectively, these activities are targeted towards increasing the safety of the Nation's railroad system.

The resources requested to achieve this goal are:

<u>PERFORMANCE MEASURES/GOALS by PROGRAM ACTIVITIES</u>	<u>FY 2008 ACTUAL</u>	(\$000)		<u>FY 2010 TOTAL REQUEST</u>
		<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL ^{1/}</u>	
1. Safety				
A. Rail Safety Performance Goal				
Rail-related accidents and incidents	117,981	126,074	126,074	135,282
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	117,981	126,074	126,074	135,282
FTE	[850]	[869]	[869]	[885.5]

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009

Effects of Past (Approved) Initiatives

National Inspection Plan (NIP): The NIP allocates inspection resources to minimize accidents and incidents. Start-up for the NIP was funded from existing resources. The NIP models were developed in FY 2005 and the plan was fully implemented by FY 2007 after inspectors had worked a full year under the plan.

Additional Operating Practices Inspectors: This initiative included hiring eight Operating Practices inspectors to analyze accident/incident and train-and-engine data, and to conduct safety inspections to prevent human-factors-caused accidents and injuries. Following an 18-month hiring and training period, the effects of this initiative begin half way through FY 2007. FY 2008 to 2010 shows a full year of benefit.

Track Geometry Cars: This initiative funded purchases of additional geometry vehicles. After the 30-month car procurement, construction, testing, and implementation period, the car will be placed into full-time service inspecting track nationwide. The effects of this initiative begin halfway through FY 2007. FY 2008 to 2010 shows a full year of benefit.

Operations Research Analyst: The analyst was needed to allow full implementation of the NIP (described above). The increase in NIP benefits from FY 2007 to FY 2010 shows the effect of full implementation.

NIP Contractor Support: The funding was needed to complete development of the NIP web site. The increase in NIP benefits from FY 2007 to FY 2010 shows the effect of full implementation.

Effects of Proposed FY 2010 Initiatives

Positive Train Control (PTC) (\$300,000): Current estimates indicate that there will be at least 30 statutorily mandated PTC implementation plans requiring FRA review and approval within a 90-day window. Associated with those PTC implementation plans are an equal number of regulatory PTC product development plans. This documentation will require close technical scrutiny to determine the feasibility of the proposed product fulfilling the requirements of the RSIA. Conducting the required engineering review will create a herculean workload for the limited Signal and Train Control PTC Division staff as well as the senior technical staff. Additional technical support will be required to temporarily augment FRA's technical staff 2-man years of senior-level engineering support.

- Review, analyze, and provide technical evaluation of the feasibility of proposed railroad implementation plans and
- Review, analyze, and provide technical evaluation of the capability of products proposed by the railroad to meet the statutory requirements and the associated regulatory requirements.

Although FRA is hiring new staff to support its PTC activities, absent this funding enhancement, there are required technical reviews as to the practicality of the railroads' proposed implementation, deployment, and proposed technologies that will not be properly staffed. Failure to have sufficient engineering resources to augment limited in-house FRA engineering capabilities to review the railroad submissions in a timely manner is expected to present a major barrier to FRA from meeting its statutory obligation to complete reviews and advise railroads of any deficiencies (as well as recommend corrective actions) to their PTC implementation plans within the required 90-day window.

System Safety Programs (\$300,000): Successfully launching new passenger service will require careful system safety planning and effective interface with FRA. The system safety rule now under development will thus form the basis for the New Start Passenger Railroad development work. The New Starts team will apply the new system safety rule to their conduct of collision hazard analysis and safety certification. The Passenger System Safety regulation work has implications on the Risk Reduction Program (RRP) requirements of the RSIA. Once

the system safety regulation is in place, passenger railroad requirements for RRP will be satisfied in substantial part through the System Safety Program Plan regulation. The funding is critical to address the system safety issues such as noncompliant rail equipment recently found on CMTA, a New Start commuter railroad in Austin, Texas. There are 20 new commuter railroads in the developmental stage. The rule will ensure that New Start commuter railroads consult with FRA. FRA will work with the Federal Transit Administration (FTA), APTA and State Governments to identify New Starts and ensure predictable and desirable outcomes. Currently, FRA is working with Denton, TX; Detroit, MI; and North Carolina on the same safety issues.

FRA is currently developing a system safety rule within the Railroad Safety Advisory Committee (RSAC) General Passenger Safety Task Force. The rule will require hazard management activities that satisfy RSIA risk reduction requirements for intercity passenger and commuter rail operations.

Support for the General Passenger Safety Task Force: Expert advice and consultation to support the work of the General Passenger Safety Task Force includes:

- Data analysis to define System Safety issues;
- Support for development of the System Safety regulation;
- Facilitation of GPS Task Force RSAC meetings to address risk reduction strategies; and,
- Development and delivery of training courses on system safety and risk reduction to support the system safety rule.

Grade Crossing Inventory (\$300,000): The RSIA imposes very tight timelines on FRA to develop the necessary regulatory changes to achieve compliance with its provisions. The volume of rulemaking activity will require extensive data management support to accomplish the required regulatory analysis, implementation, and support. The inability to obtain the requisite data management support will adversely impact the agency's ability to effect rulemaking and will require technical work-arounds to produce the required supporting data. Section 204 of the RSIA mandates that railroads and States report information on grade crossing physical and operating characteristics to DOT's Crossing Inventory. This funding is critical for the redesign of the Grade Crossing Inventory System (GCIS) to better manage the National Inventory (RSIA Section 204, 209, 210). The funds will be used to:

- Improve the database architecture to handle the influx of updates now made mandatory by RSIA; better manage new attributes to be collected in proposed Inventory form (requires rulemaking);
- Add the ability to manage multiple tracks and operating carriers at a crossing ; and,
- Redesign the GCIS applications:
 - GX32 – Inventory management software FRA provides to States and railroads;
 - PCAPS – FRA accident prediction software provided to States and railroads for crossing improvement project management;
 - WBAPS – Web-based accident prediction application on Safetydata Web site;
 - Quiet Zone Calculator – Web application for used by communities to apply for quiet zone status;

- GIS mapping – Mapping capability on Safetydata Web site (collaboration with the Office of Policy and Communication, or Railroad Office of the Administrator); and,
- Safetydata Web site queries and reports.

FRA's Capital Planning Board (CPB) supports this request. The GCIS database has not been revised since the early 1970s. This need is urgent due to the new RSIA mandate. There are no operation and maintenance costs involved; this is a one-time developmental task and migration effort. The work will be done by contract staff offsite.

Innovative Risk Reduction Programs (\$800,000): The RSIA requires FRA to conduct pilot projects and develop requirements for innovative risk reduction programs on major railroads by 2012. In order to meet this mandated requirement, pilot projects need to be advanced and evaluated rapidly. A Close Call Confidential Reporting System (C3RS) is a process for proactively collecting and analyzing leading indicator data, and for improving the safety reporting culture for the railroad industry. FRA's Offices of Railroad Safety (RRS) and Office of Railroad Development (RDV) have partnered with two Class I freight railroads and several labor organizations to demonstrate the safety benefits of C3RS for reporting unsafe conditions and events that could result in accidents. Two additional railroads will be added to this system in 2009-2010, and will complete the number of sites needed to evaluate the effects of the system on safety and safety culture. Preliminary results indicate that a system like C3RS could be the core of the Railroad Safety Risk Reduction Program if established nationally. Experience over the past two years, however, indicates that the current system is too labor-intensive and costly for a national implementation without significant changes. Additional contractor funds are required to test an alternative model of data collection and analysis that would achieve the same safety benefits at a lower cost.

The resources requested under risk reduction will also fund fatigue prevention and management activities as they relate to FRA's overall risk reduction program. The RSIA greatly expands FRA's role with respect to fatigue among railroad employees performing safety-sensitive functions.

- An expanded capability is required to provide guidance for railroad fatigue program development, refinement of FRA's existing fatigue model, and review of various industry proposals (e.g.: pilot projects, waivers related to consecutive days worked, scheduling of operating employees in passenger service, and fatigue elements of risk reduction programs).

Grant Management System Transparency and Integration (\$1,500,000): Because of FRA's enhanced grant financial assistance responsibilities, the lack of fully integrated, end-to-end financial systems complicate and compromise its capacity to provide quality financial management, oversight, and reporting for all mission essential activities--including the grant program resources recently appropriated under the American Recovery and Reinvestment Act (ARRA).

Last year, in support of the Department's efforts to modernize its grant management business processes, the FRA launched a project to modernize its cumbersome manual grant process to a more efficient, automated, web-based system. This system, called *GrantSolutions*, is sponsored by HHS' Center of Excellence, the Administration for Children and Families (ACF). In December 2008, Phase I of *GrantSolutions* was brought on-line as scheduled and in time to process \$50 million in FRA discretionary grants. However, in January 2009, FRA was appropriated an unprecedented \$9.3 billion in ARRA grant program resources. Of this total, FRA leadership decided to use *GrantSolutions* to manage \$8 billion in high-speed rail grant program activities.

The FY 2010 request will allow FRA to integrate *GrantSolutions* and the DOT accounting system, DELPHI, as well as plan and begin implementation of phase II of *GrantSolutions*.

- The *GrantSolutions*/DELPHI interface will allow FRA to efficiently perform real-time, accurate financial reporting. It will also (1) significantly reduce obligation delays and errors associated with manual operations and (2) allow FRA staff more time to focus on program implementation and oversight.
- Phase II of *GrantSolutions* includes all post-award functionality such as: amendment requests, recipient reporting capabilities, and close-out.

**Detailed Justification by Performance Goal: SAFETY
Number of Serious Hazardous Materials Incidents in Transportation**

This funding request contributes to the DOT Safety strategic objective and to the Number of Serious Hazardous Materials Incidents in Transportation performance outcome goal.

Number of serious hazardous materials incidents.						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target:	503	460	466	462	458	458
Actual:	474	492	512	451*	--	--

* (FY 2009 - This is a preliminary figure based on nine months of data.)

FRA's FY 2010 request supports DOT's success in achieving hazmat goals. Specifically, the funding level requested supports FRA's continued focus on hazmat transportation and release prevention activities and FRA's compliance monitoring of hazardous material shipments over rail. The funding levels identified below do not reflect the funds spent directly on our hazmat work, but instead reflect a portion of many aspects of FRA's safety program. This is due to the fact that many of the safety functions FRA performs, even those that are not specifically hazmat related, contribute to the overall safety of hazmat shipments.

The resources requested to achieve this goal are:

<u>PERFORMANCE MEASURES/GOALS by PROGRAM ACTIVITIES</u>	(\$000)			
	<u>FY 2008 ACTUAL</u>	<u>FY 2009 ENACTED OMNIBUS</u>	<u>FY 2009 ENACTED TOTAL ^{1/}</u>	<u>FY 2009 ENACTED OMNIBUS</u>
1. Safety				
B. Haz. Mat. Performance Goal				
# of haz. mat. transportation incidents	64,603	63,273	63,273	58,718
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	64,603	63,273	63,273	58,718
Total – Safety Strategic Goal	182,584	189,347	189,347	194,000

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009

The goal of Reducing Serious Hazardous Materials Incidents is a Department-wide goal. Therefore, due to the multi-modal variables affecting out-year estimates, FRA can not yet project targets for FY 2010 and beyond. While the new initiatives listed in the previous section primarily affect our safety goals, they also have a secondary impact on reducing hazardous materials releases.

Efficiency Goals

FRA's Safety Program

By FY 2010, reduce the ratio of indirect spending on safety activities from 26 percent to 25 percent.

Ratio of Indirect Spending on Safety Activities							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target %:	30	29	29	28	27	26	25
Actual %:	30	29	29	28	27	--	--

FRA's Research and Development Program

Percentage of R&D Projects Completed Within Budget							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Target %:	71	71	75	77	77	77	77
Actual %:	74	74	75	77	77	--	--

The FY 2006 enacted appropriations bill funded a new R&D program manager with the sole responsibility of strategically planning and tracking R&D projects. That employee was hired during FY 2007. As a result, this goal will continue to get better in subsequent years.

Safety Performance Segment
FRA Internal Performance Goals

As discussed in FRA’s FY 2007 and FY 2008 budget justifications, the Rail Safety Action Plan has drastically changed the way we accomplish our safety mission. To that end, we have modified our internal goals to better reflect FRA’s major lines of business and continue to support the Department’s performance measure of reducing rail-related accidents and incidents through six new goals, which encompass the following rail-related disciplines:

- Grade Crossing;
- Operating Practices
- Track
- Motive Power and Equipment
- Signal and Train Control; and
- Hazardous Materials.

The table below depicts historical performance on these measures, as well as performance goals through FY 2010.

	<u>Actual</u> <u>2005</u>	<u>Actual</u> <u>2006</u>	<u>Actual</u> <u>2007</u>	<u>Actual</u> <u>2008</u>	<u>Goal</u> <u>2009</u>	<u>Goal</u> <u>2010</u>
Departmental Safety Goals:						
1. Rail-related accidents and incidents per million train-miles	18.03	17.49	17.14	16.15	17.00	16.40
2. Number of serious hazardous materials incidents	474	492	512	451	458	458
FRA Safety Goals:						
1. Grade crossing incidents per million train-miles	3.79	3.81	3.52	3.18	3.65	3.65
2. Human-factors-caused train accidents per million train-miles	1.65	1.38	1.29	1.18	1.35	1.35
3. Track-caused accidents per million train-miles	1.40	1.32	1.26	1.06	1.15	1.15
4. Equipment-caused accidents per million train-miles	0.499	0.431	0.417	0.416	0.450	0.450
5. Other train accidents per million train-miles	0.707	0.642	0.505	0.500	0.647	0.593
6. Non-accident hazardous materials releases per million train-miles	0.870	0.794	0.882	0.872	0.800	0.800

Safety Performance Segment

FY 2010 New Initiatives Request

The following new funding requests are included in our budget to address the performance segment of safety:

Safety Related Initiatives	Funding Request (\$000)	Positions
Positive Train Control	300	
System Safety Programs	300	
Grade Crossing Inventory	300	
Innovative Risk Reduction Programs	800	
Grant Management System Transparency and Integration	1,500	
Safety and Operations Salaries and Expenses	2,289	13.5

Detailed justifications for these initiatives may be found in Section 3: Budget Request by Appropriation Account.

FRA Safety Accomplishments

FRA has a successful history of undertaking actions to achieve steady progress in improving the safety of freight and passenger rail operations for rail passengers, train crews, rail employees, motorists, and the communities in which trains operate. On a wide range of safety issues, FRA has demonstrated strong leadership to bring about a significant decrease in railroad accidents, injuries, and fatalities despite increased rail traffic.

When DOT and FRA jointly launched the National Rail Safety Action Plan in 2005, it set broad goals to target the most frequent, highest-risk causes of train accidents, to focus FRA oversight and inspection resources more precisely, and to accelerate research efforts that may mitigate the largest risks. By May 2008, FRA had successfully completed all of the original elements of the Action Plan. Since the Action Plan's inauguration, train accidents have fallen more than 27 percent.

Through its Railroad Safety Advisory Committee (RSAC), FRA addresses numerous regulatory safety issues. Recent RSAC efforts include rules regarding passenger train emergency systems; accident/incident reporting; the transporting of hazardous material; railroad operating rules; and electronically controlled pneumatic brakes. The RSAC's ambitious schedule of regulatory efforts in 2009 includes additional protection for roadway workers; passenger equipment crashworthiness; medical standards for safety-critical personnel; hours of service recordkeeping, and advanced signal and train control technology.

So far this year, FRA, rail labor, rail management, and other stakeholders have drafted safety regulations through the RSAC process for: 1) positive train control, which can prevent train-to-train collisions; 2) bridge standards, which will help to continue and improve the safety of the

nation's nearly 77,000 railroad bridges; and 3) electronic hours of service recordkeeping, which will facilitate the transition to an eco-friendly paperless environment while implementing new statutory limits to reduce the likelihood of railroad accidents involving fatigued railroad employees.

A few notable regulatory actions for 2010 and beyond include finalizing rules that require railroads to develop safety risk-reduction programs; developing State model legislation on sight improvements at grade crossings; and reporting to Congress on "Positive Train Control."

FRA's Risk Reduction Program (RRP) is a new safety approach that supplements the existing methods of Federal safety oversight and compliance enforcement. The RRP assists railroads and FRA to proactively identify, analyze, and correct safety issues before they result in train accidents or employee injuries.

The newly enacted Rail Safety Improvement Act of 2008 (RSIA) endorsed this approach and authorized the Agency to conduct research and develop voluntary risk reduction projects that target railroad operations, equipment, and systems that pose a risk to operational and personnel safety. Successful pilot projects may develop into nationwide risk reduction programs.

In October 2008, Congress passed and the President signed legislation combining the RSIA and the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).

The RSIA reauthorizes FRA and its safety program from FY 2009 through FY 2013 for new grant programs, and mandates numerous safety rulemakings and studies. This Act:

- Requires that, by the end of 2015, each Class I railroad and intercity passenger and commuter railroad implement a positive train control (PTC) system on all of its mainline track over which intercity passenger or commuter service is regularly provided or toxic-inhalation-hazard (TIH) hazardous materials are transported.
- Mandates that, by October 16, 2012, the U.S. Secretary of Transportation require by regulation that covered railroads (e.g., Class I railroads, railroads with inadequate safety performance as determined by the Secretary) develop a safety risk-reduction program.
- Changes hours of service requirements extensively (including setting new requirements for limbo time) and provides the Secretary the authority to issue hours of service rules applicable to train employees of intercity passenger and commuter railroads.
- Provides for new and enhanced highway-rail grade crossing safety, pedestrian safety, and trespasser-prevention efforts.
- Mandates that rules be issued by April 16, 2010, requiring the certification of conductors.

The PRIIA authorizes operating grants, capital grants, and debt repayment for Amtrak and passenger rail through FY 2013. PRIIA provides capital grants for States to support intercity passenger rail services, and for high-speed rail corridors. It also:

- Requires rulemakings to develop a pilot program that permits a rail carrier or rail carriers to take over one or more Amtrak routes; to establish a program for making grants to applicants to assist in financing capital costs of intercity passenger rail transportation; and

to implement a high-speed rail corridor development program providing grants to support capital investment for high-speed rail services.

- Requires FRA to implement or participate in a wide variety of Amtrak and rail passenger-related programs, planning efforts, studies, reports, requests for proposals, grant programs, committees, commissions, and research programs.
- Increases civil penalties per violation for rail safety violations.

Positive Train Control

ACTION ITEM: Facilitate implementation of positive train control (PTC) systems

STATUS: Railroad Safety Advisory Committee (RSAC) task accepted in December 2008; meetings held January - April. Drafting NPRM. On April 2, 2009, the Railroad Safety Advisory Committee (RSAC) PTC Working Group (WG) finished its deliberations on a proposed rule text to address PTC provisions of the RSIA. The WG came to consensus on most of the proposed rule text, but a handful of issues remain. FRA drafted another version of the rule text with areas of non-consensus (errata). The full RSAC unanimously agreed to vote by paper ballot for acceptance of the draft NPRM to present the language to the Administrator. The NPRM will be published for comment and the WG will reconvene to consider comments and prepare a final rule.

NEXT STEP: Complete NPRM

PTC is a generic term that refers to a set of fully integrated processor/communication-based technologies that can, through an automatic train brake application, (1) prevent train-to-train collisions, (2) enforce speed restrictions, thereby preventing overspeed derailments, (3) protect roadway workers within specific railroad work zones, and (4) prevent movement through a switch left in the wrong position. PTC systems require active train location detection and tracking capabilities, computer networking technologies, software that accurately calculates braking distances for different types of trains, and a reliable wireless communication network to link all of these operating elements and system components.

The Rail Safety Improvement Act of 2008 (RSIA) mandates that certain freight and passenger railroads implement a PTC system on certain lines by the end of 2015. FRA is already working with Metrolink regarding the railroad's commitment to early implementation. Advanced train control systems providing full PTC functionality are in place on portions of the Northeast Corridor, where trains operate at 125 mph or faster, and on Amtrak's line in Michigan on which its trains operate at speeds up to 95 mph. There are currently 12 other types of PTC systems that involve nine railroads in 22 States and cover a total of less than 4,000 main track miles.

The RSIA mandates PTC over much of the existing rail system, and new high speed passenger service will also require PTC. Although suitable technologies are available for existing rail

service, including service to 150 mph on the Northeast Corridor, FRA will need to evaluate the suitability of advanced technologies offered in support of very high speed systems.

The RSAC accepted a task on December 10, 2008, to provide advice regarding the development of implementing regulations for positive train control (PTC) systems and their deployment under the Rail Safety Improvement Act of 2008 (RSIA). The task included a requirement to convene an initial meeting not later than January 2009 and to report recommendations back to the RSAC by April 24, 2009.

2010 Budget Request: Current estimates indicate that there will be at least 30 statutorily mandated PTC implementation plans requiring FRA review and approval within a 90-day window. Associated with those PTC implementation plans are an equal number of regulatory PTC product development plans. This documentation will require close technical scrutiny to determine the feasibility of the proposed product fulfilling the requirements of the RSIA. Conducting the required engineering review will place an unacceptable workload on the limited Signal and Train Control PTC Division staff as well as the senior technical staff. Additional technical support will be required to temporarily augment FRA's technical staff 2-man years of senior-level engineering support.

- Review, analyze, and provide technical evaluation of the feasibility of proposed railroad implementation plans and
- Review, analyze, and provide technical evaluation of the capability of products proposed by the railroad to meet the statutory requirements and the associated regulatory requirements.

Risk Reduction Program/Confidential Close Call Reporting System

ACTION ITEM: Establish "Close Call" pilot project to learn from incidents that could have caused a train accident but did not

STATUS: Partnerships established with several Class I freight railroads and labor organizations

NEXT STEP: Expand pilot project to other railroads in 2009

The Confidential Close Call Reporting System (C3RS) is a process for proactively collecting and analyzing leading indicator data, and for improving the safety reporting culture for the railroad industry. FRA has established partnerships with two Class I freight railroads and several labor organizations to demonstrate the safety benefits of C3RS for reporting unsafe conditions and events that could result in accidents. Two additional railroads will be added to this system in 2009-2010 and will complete the number of sites needed to evaluate the effects of the system on safety and safety culture.

The RSIA requires FRA to conduct pilot projects and develop requirements for innovative risk reduction programs on major railroads. In order to put a program structure in place as required by 2012, pilot projects need to be progressed and evaluated rapidly. Contract assistance is required to assist railroads in structuring and initiating pilots. Evaluation is being handled through the Office of Railroad Development.

In February 2007, FRA announced that employees at the nation's largest rail yard in North Platte, Nebraska can now voluntarily and anonymously report "close call" incidents that *could have* resulted in an accident, but did not, without fear of sanction or penalty from their employer or the Federal government as part of a new rail safety pilot project.

FRA currently requires railroads to report a wide range of accidents and incidents that actually occur. This "close call" information will be analyzed to determine areas of potential risk and to develop solutions to prevent accidents in the future. The aviation industry has a similar program.

The Confidential Close Call Reporting Pilot Project involves Union Pacific Railroad (UP), the Brotherhood of Locomotive Engineers and Trainmen (BLET) and the United Transportation Union (UTU). Each has ratified an agreement with the FRA to allow railroad employees to anonymously contact the U.S. Department of Transportation's Bureau of Transportation Statistics, to report on such potentially dangerous situations.

The first railroad to volunteer, Union Pacific Railroad Company (UP), signed an Implementing Memorandum in October 2006. The Confidential Close Call Reporting System (C3RS) began accepting reports from UP on February 1, 2007. A second freight railroad, Canadian Pacific Railway (CP) drafted an Implementing Memorandum that was signed by participating stakeholders in January 2008. FRA plans to extend this pilot project to other rail yards, including BNSF Railway Company's yard in Lincoln, NE, and is also currently in discussion with commuter railroads to launch another pilot location.

System Safety Programs

ACTION ITEM: Development and evaluation of System Safety Programs

STATUS: Regulations being drafted in RSAC General Passenger Safety Task Force

NEXT STEP: Consideration and Development of System Safety Rule

High-speed rail systems and other new passenger rail service require development and evaluation of System Safety Programs. Although those sponsoring the service will develop the programs under FRA regulations presently being drafted in the Railroad Safety Advisory Committee, FRA will need to participate in the process to verify the quality of underlying hazard analysis and to evaluate the program plans.

Successfully launching new passenger service will require careful system safety planning and effective interface with FRA. The system safety rule now under development will thus form the basis for the New Start Passenger Railroad development work. The New Starts team will apply the new system safety rule to their conduct of collision hazard analysis and safety certification. The Passenger System Safety regulation work has implications on the Risk Reduction Program (RRP) requirements of the RSIA. Once the system safety regulation is in place, passenger railroad requirements for RRP will be satisfied in substantial part through the System Safety Program Plan regulation.

Grade Crossing Inventory

ACTION ITEM: Redesign Grade Crossing Inventory to better manage the National Inventory

STATUS: Business rules being established

NEXT STEP: Redesigning phase in development

To improve the accuracy of the Inventory, FRA has established business rules to eliminate the possibility of data being overwritten when the States and the railroads attempt to provide information for the same data field. FRA is also revising the existing form and instruction manual for completing the Inventory forms. Stakeholders will be able to electronically provide input into this effort and submit ideas on how to improve the database. The Inventory is the only national database for grade crossings and is used extensively for research, analysis, and rulemaking. It is important that the database accurately reflect current conditions to further improve crossing safety.

FRA is currently assisting the State of New York with the replacement of its antiquated highway-rail grade crossing inventory tracking and updating system with the more sophisticated GX-32 Highway-Rail Grade Crossing Inventory Management System developed by FRA. It is anticipated that this innovation will provide data necessary to reconcile discrepancies between the State's inventory of highway-rail grade crossings and the National Inventory, as well as to begin the process of making significant safety improvements at highway-rail grade crossings currently equipped with only passive devices.

A draft statement of work for a contract to finalize the Inventory form and to prepare an instruction manual for the new form was prepared in June 2008 and the project is awaiting funding. Work was begun on drafting a guidance document to assist railroads and States as they comply with the mandatory Inventory updating that is required in the RSIA.

Detailed Justification by Performance Goal: REDUCED CONGESTION

This funding request contributes to the DOT Reduced Congestion Strategic Goal. The majority of the funding requested in this performance segment is directly associated with Intercity Passenger Rail. Additional funds under this account fund research, technology enhancements, and demonstration projects under the Railroad Research and Development account.

The resources requested to achieve this goal are:

	(\$000)			
PERFORMANCE MEASURES/GOALS by PROGRAM ACTIVITIES	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 TOTAL REQUEST
2. Reduced Congestion				
A. Urban Congestion				
Other	<u>1,396,440</u>	<u>1,606,780</u>	<u>10,906,780</u>	<u>2,507,203</u>
Subtotal Performance Goal	1,396,440	1,606,780	10,906,780	2,507,203
Total – Reduced Congestion Strategic Goal	1,396,440	1,606,780	10,906,780	2,507,203

1/ Includes funds provided under the American Recovery and Reinvestment Act of 2009

**Detailed Justification by Performance Goal: ENVIRONMENTAL STEWARDSHIP
12-Month Moving Average Number of Area Transportation Emissions Conformity Lapses
and Percentage of DOT facilities categorized as No Further Remedial Action Planned
(NFRAP) under the Superfund Amendments and Reauthorization Act (SARA)**

This funding request contributes to the DOT Environmental Stewardship strategic goal. The funding requested in this performance segment continues FRA’s work supporting the Department’s environmental stewardship goals. Although FRA’s spending under this goal is nominal, the majority of our safety and reduced congestion initiatives have a definite impact on the environment as well.

The resources requested to achieve this goal are:

	(\$000)			
PERFORMANCE MEASURES/GOALS by <u>PROGRAM ACTIVITIES</u>	FY 2008 <u>ACTUAL</u>	FY 2009 ENACTED <u>OMNIBUS</u>	FY 2009 ENACTED <u>TOTAL</u>^{1/}	FY 2010 TOTAL <u>REQUEST</u>
4. Environmental Stewardship				
A. Reduction in Pollution				
% of DOT facilities char. as “No Further Remedial Action” under Superfund Amendments	0	0	0	600
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Performance Goal	0	0	0	600
Total – Environmental Stewardship Strategic Goal	0	0	0	600

1/ Includes funds provided under the American Recovery and Reinvestment Act of 2009

**Detailed Justification by Performance Goal: SECURITY
Transportation Security**

This funding request contributes to the overall DOT goal of Security. The funding requested in this performance segment continues FRA's work supporting the Department's security goals. Although FRA's spending under this goal is nominal, the majority of our safety initiatives have a definite impact on security as well.

The resources requested to achieve this goal are:

	(\$000)			
PERFORMANCE MEASURES/GOALS by PROGRAM ACTIVITIES	FY 200 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 TOTAL REQUEST
5. Security, Preparedness and Response				
A. Hazmat Emergency Response				
Other	<u>738</u>	<u>786</u>	<u>786</u>	<u>1,486</u>
Subtotal Performance Goal	738	786	786	1,486
Total – Security Strategic Goal	738	786	786	1,486

^{1/} Includes funds provided under the American Recovery and Reinvestment Act of 2009

**Detailed Justification by Performance Goal: ORGANIZATIONAL EXCELLENCE
Strategic Workforce Planning/Departmental Management**

This funding request contributes to the DOT Organizational Excellence goal. The funding requested in this performance segment continues FRA's work in Workforce Planning, and supports the FRA's Safety program by continuing to fund the inspector trainee program.

The resources requested to achieve this goal are:

	(\$000)			
PERFORMANCE MEASURES/GOALS by PROGRAM ACTIVITIES	FY 2008 ACTUAL	FY 2009 ENACTED OMNIBUS	FY 2009 ENACTED TOTAL ^{1/}	FY 2010 TOTAL REQUEST
6. Organizational Excellence				
A. Strategic Workforce Planning				
Other	<u>1,435</u>	<u>1,482</u>	<u>1,482</u>	<u>1,599</u>
Subtotal Performance Goal	1,435	1,482	1,482	1,599
Total – Organizational Excellence Strategic Goal	1,435	1,482	1,482	1,599

1/ Includes funds provided under the American Recovery and Reinvestment Act of 2009

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**SECTION 5:
RESEARCH,
DEVELOPMENT,
& TECHNOLOGY**

EXHIBIT V-1

**FEDERAL RAILROAD ADMINISTRATION
RESEARCH, DEVELOPMENT, AND TECHNOLOGY ACTIVITIES
BUDGET AUTHORITY
(Dollars in Thousands)**

Program	FY 2008 Actual	FY 2009 Enacted Omnibus	FY 2010 Request
Railroad Research and Development	35,964	33,950	34,145
1. Railroad System Issues	3,168	3,155	3,155
2. Human Factors	3,616	3,075	3,075
3. Rolling Stock and Components	2,871	3,500	3,000
4. Track and Structures	3,861	4,450	4,645
5. Track and Train Interaction	3,168	3,100	3,600
6. Train Control	5,600	7,120	7,120
7. Grade Crossings	2,178	1,850	1,850
8. Hazardous Materials Transportation	1,287	1,550	1,550
9. Train Occupant Protection	5,120	3,600	3,600
10. R&D Facilities and Test Equipment (F)	1,881	2,550	2,550
11. Advanced Freight Locomotive Safety	980	-	-
12. Dem and Deploy PTC in Alaska	735	-	-
13. Center for Commercial Deployment of Transp Tech CA	245	-	-
14. WVU Constructed Facility center	191	-	-
15. Marshall Univ - Univ of Nebraska	573	-	-
16. PEERS, IL	490	-	-
Safety and Operations	2,610	3,032	3,216
1. Salaries & Expenses			
a. Salaries & Expenses (R&D)	2,610	3,032	3,216
Subtotal, Research and Development	36,693	34,432	34,811
Subtotal, Facilities	1,881	2,550	2,550
Total, FRA	38,574	36,982	37,361

EXHIBIT V-2

**FEDERAL RAILROAD ADMINISTRATION
FY 2010 RD&T Budget Request
(\$000)**

RD&T Program	FY2010 Request	<i>Safety</i>	<i>Reduced Congestion</i>	<i>Global Con.</i>	<i>Environ.</i>	<i>Sec, Prep, and Emerg Response</i>	<i>Org. Excell.</i>
Railroad System Issues	3,155						
RR Accident & R&D Investment		400					
Energy and Environment					600		
Risk Management/System Safety		855					
Exploratory Technology Development / TRB IDEA		300					
Support for RSAC and Industry Safety		500					
Impact of Rail Congestion on Safety and Capacity			500				
Human Factors	3,075						
Railroad Worker Environment		875					
Human Factors Risk Management		1,100					
Human Factors Technology		1,100					
Rolling Stock & Components	3,000						
Onboard Systems and Components		1,500					
Elect. Controlled Pneumatic Brakes		500					
Wayside Detection Related Research		600					
ADA Compliant Pass. Boarding		400					
Track and Structures	4,645						
Rail Integrity Studies		1,350					
Track Buckling Prevention		550					
TTC Cooperative Test Program		500					
Track Condition Assessment Tech.		670	670				
Track Components & Structures Evaluation		905					
Track/Train Interaction	3,600						
Technical Support for Safety Compliance		250					
Simulation of Multibody Railroad Vehicle/Track Dynamics		550					
Vehicle/Track Interaction Testing, Modeling and Analysis		1,550					
Wheel/Rail Interface Research and Technical Support		750					
Higher-Speed Passenger Rail Truck Design		500					
Train Control	7,120						
Positive Train Control (PTC)		2,250	2,250				

RD&T Program	FY2010 Request	<i>Safety</i>	<i>Reduced Congestion</i>	<i>Global Con.</i>	<i>Environ.</i>	<i>Sec, Prep, and Emerg Response</i>	<i>Org. Excell.</i>
Wireless Train Communication		1,310	1,310				
Grade Crossings	1,850						
Automated Crossing Assessment		250					
Technology Research		350					
Human Factors Grade Crossings & Trespassers		1,250					
Hazardous Materials	1,550						
Risk Assessment of Hazardous Material Operations		1,300					
Improved Tank Car Construction Methods and Components		250					
Train Occupant Protection	3,600						
Crashworthiness of Passenger Cars and Locomotives		2,400					
Freight Locomotive Safety		500					
Passenger Rail Equipment Safety						700	
R&D Facilities and Equipment	2,550						
TTC Support (Facility Improvement) (F)		500	500				
Track Research & Instrumentation Platform (F)		1,550					
Subtotal, R&D	31,595	25,065	5,230	0	600	700	0
Subtotal, Tech Investment (T)	0	0	0	0	0	0	0
Subtotal, Facilities (F)	2,550	2,550	0	0	0	0	0
Subtotal FRA	34,145	27,615	5,230	0	600	700	0
R&D Salaries and Expenses	3,216	3,216	0	0	0	0	0
Total, FRA	37,361	30,831	5,230	0	600	700	0

**RD&T PROGRAM: RAILROAD SYSTEMS ISSUES
AMOUNT REQUESTED FOR FY 2010: \$3,155,000**

Program: Railroad Accident and Investment Criteria (\$400,000)

The objective of this program is to develop framework for processing the large amounts of safety related data that is collected by FRA to establish better links between the R&D activities with severe incidents. This project helps establish a better linkage to actual safety performances related data to better focus research activities to the most pressing issues. Work includes conducting a detailed review of rail industry historical and potential accidents, conducting failure analyses and surveys of government and industry countermeasures to incidents and R&D requirements, and developing appropriate priorities for research projects.

Program: Energy and Environment (\$600,000)

The objective of this program is to evaluate the benefits to energy consumption and environmental impact of alternative fuels and new technologies. The activities under this program include the evaluation of bio-diesel, hydrogen, and other innovative fuels systems. Collaborative revenue service demonstration/evaluations are anticipated.

Program: Risk Management/ System Safety (\$855,000)

The objective of this program is to identify areas of risk within existing or proposed rail operations and to develop and refine techniques to effectively manage those risks. Activities anticipated under this area include develop guidelines for system safety hazard analysis, developing methodologies for qualitative risk analysis for a range of system operating scenarios and understanding the new risks associated with high speed rail operations and identifying methods for managing those risks. This program area will provide technical input to the Risk Reduction Program and the Rail Safety Advisory Committee. This Program Area will provide technical support to assure compliance with the ADA requirements for passenger boarding.

Program: Exploratory Technology Development (TRB/IDEA / BAA (\$300,000)

The objective of this program is to identify and evaluate innovative new technologies which have the potential for significant safety, performance, energy consumption or environmental impact. Proposals for technology demonstration and evaluation projects are reviewed by a TRB committee and the most promising of them evaluated in small, quick turn around research projects.

Program: Support of RSAC and Industry Safety Standards Development (\$500,000)

The objective of this program is to provide sound technical basis for industry standard development and potential rule-making activities on a variety of rail system safety issues and emergency response.

Program: Impact of Rail Congestion on Safety and Capacity (\$500,000)

The objective of this program is to provide improved analysis of rail congestion and its impact on network safety capacity and efficiency.

RD&T PROGRAM: HUMAN FACTORS
AMOUNT REQUESTED FOR FY 2010: \$3,075,000

Program: Railroad Worker Environment (\$875,000)

The objective of this program is to identify aspects of the environment in which railroad workers perform their duties which could potentially benefit from the introduction of new technology or more effective procedures. This area will assess the contribution of fatigue to accidents and evaluate techniques to prevent and manage fatigue. It will also address ergonomics in signage to assure effectiveness...

Program: Human Factors Risk Management (\$1,100,000)

The objective of this program is to provide technical support for the Risk Reduction Program including the development and evaluation of innovative methods for assessing and improving human factor caused safety risks in the railroad industry. The Confidential Close Call Reporting System, which has been successfully demonstrated to improve safety in pilot projects involving Labor and Management on several railroads and is now being expanded to include others.

Program: Human Factors Technology (\$1,100,000)

The objective of this program area is to identify, develop, and evaluate new technology for the Man-Machine Interface in train control and operation. Projects include the development of the Cab Technology Integration Lab (CTIL) for the assessment of new cab displays and controls, the development of guidelines for Human Systems Integration in the railroad operating environment and the evaluation of moving maps displays for train crews.

RD&T PROGRAM: ROLLING STOCK AND COMPONENTS
AMOUNT REQUESTED FOR FY 2010: \$3,000,000

Program: Onboard Systems and Components (\$1,500,000)

The objective of this program area is to identify, develop, and evaluate new technology for improving the safety and operating performance of rolling stock. Projects include the evaluation of onboard sensor, data communication, and data processing and display technologies.

Components under evaluation include remotely activated handbrakes and couplers. Some of the technologies under review may be applicable to both freight and passenger applications.

Technologies which appear most promising will be evaluated in field tests and technology demonstrations. New material and component designs will also be evaluated to assess their impact on performance and safety.

Program: Electronically Controlled Pneumatic Brakes (\$500,000)

The objective of this program is to support the implementation of new braking technology during a couple of pilot programs with the railroad industry.

Program: Wayside Detection Related Research (\$600,000)

The objective of this program is to explore improved train inspection ability using Wayside Detection Technologies with the potential for regulatory change. This will support the Office of Safety needs in this area. Existing technologies will be evaluated to determine the optimum procedures, recommended practice and regulatory environment for their use to maximize their safety and performance impact. This will include focus on procedures for data quality assurance and data management and condition reporting.

Program: ADA Compliant Passenger Boarding (\$400,000)

The objective of this program is to permit "level boarding" that meets the requirements of the Americans with Disabilities Act. This is a new project to evaluate existing boarding systems for passenger rail cars, intercity and commuter, to comply with the Americans with Disabilities Act requirements for level boarding.

RD&T PROGRAM: TRACK & STRUCTURES
AMOUNT REQUESTED FOR FY 2010: \$ 4,645,000

Program: Rail Integrity Studies (\$1,350,000)

The objective of this program is to promote rail maintenance practices that increase service life to improve safety via reduction in rail failures. Rail integrity research is aimed at detecting defects before failures due to fatigue or wear. This research includes the study of rail steel properties; defect formation and growth rates; the effects of residual, thermal, and train-applied stresses; surface wearing characteristics; and maintenance grinding and lubrication practices. The research efforts under this program will continue to focus on increased safety of train operations through improved rail defect detection and flaw characterization, appropriate metallurgy for switches and turnouts, and welding techniques to improve service life and economy. The FY 2010 request is to continue the on-going cooperative research focused on defect detection, flaw characterization, and fatigue crack growth.

Program: Track Buckling Prevention (\$550,000)

The objective of this program is to develop and demonstrate a track buckling risk assessment and control tool. The ability to determine track buckling risk and the ability to control track buckling risk factors needs to be improved. The projects envisioned in this program are: 1) Development of computer program for the determination of the likelihood and associated risk of track buckling; 2) Development of techniques to measure rail stress and lateral track resistance; and 3) Development of maintenance procedures for minimizing track-buckling risk. FRA R&D is currently pursuing development and verification of longitudinal rail stress measurement devices that can be utilized for the prevention of buckling and pull-apart. FRA R&D is also pursuing research on the development of a model predicting rail temperatures based on the forecast meteorological data provided by a high resolution weather model. The predicted rail temperatures will provide more objective references in issuance of slow orders instead of current approach of arbitrary ambient temperature limit.

Program: TTC Cooperative Test Program (\$500,000)

The objective of this program is to improve the reliability and safety of the railroad infrastructure through the test and development of new ties, fasteners, rails, bridges, joint bars, switches and welding techniques. TTC provides a test bed for cooperative programs conducted and co-funded by the FRA and the AAR. It is identified as priority research area in both FRA's Strategic R&D plan and AAR's Strategic Research Initiative. TTC is a unique test facility which provides a controlled environment not otherwise available for the acquisition of a realistic data for the evaluation of system and or/component performance under service conditions. It affords the Government and the railroad industry an opportunity for the detection of potential problems and resolution to eliminate or minimize risks in revenue service. The experiments and tests conducted at TTC provides a near real-world environment as is possible so that short and long-term cause and effect can be identified in a compressed time period. The FY 2010 request is to fund this on-going cooperative program.

Program: Track Condition Assessment Technologies (\$1,340,000)

The objective of this program is to develop and improve inspection technologies to assess track conditions from a mobile platform. Various technologies are being developed, which include: Autonomous Track Geometry Measurement System (ATGMS), which is a remote sensing technology that evaluates track geometry parameters on revenue service trains utilizing web-based communication and reporting; Machine vision track inspection technology, which utilizes high speed cameras to identify hard to locate visual defects accurately and consistently; Track stiffness measurement system, which evaluates the vertical track strength characteristics from a moving vehicle; Track subsurface condition evaluation system, which measures track subsurface, layer sizes such as depth/thickness, moisture levels, void contents, and ballast fouling utilizing Ground Penetrating Radar; Interactive Track Condition Display, which will provide a visual map displaying track conditions based on current data from various measurement system sources. FY2010 funding will be used to continue the development, demonstration and implementation of these inspection technologies. The goals of this research are to provide increased inspection quality and frequency at lower cost for the railroad thereby enhancing safety and efficiency.

Program: Track Components and Structures Evaluations (\$905,000)

The objective of this program is to reduce accidents, deaths, injuries, and property damage related to track and other infrastructure failures. As new technologies continue to emerge and train speeds increase, the timely development of technical information, data and expertise is crucial to providing a basis on which to make decisions on issues affecting the safe operation of rail vehicles on U.S. track. This includes providing Office of Research and Development expertise, technical advice, test and analytical support to the Office of Safety to address safety issues such as rulemaking and revisions to the Track and Equipment Safety Standards through the Rail Safety Advisory Committee (RSAC); Evaluating safety performance of plastic composite or other alternative ties for the development of engineering guides through cooperative efforts; and Developing smart technologies for bridge structural integrity monitoring to better understand impacts of heavier axle loads on railway bridges

RD&T PROGRAM: TRACK TRAIN INTERACTION
AMOUNT REQUESTED FOR FY 2010: \$3,600,000

Program: Technical Support to Safety Compliance (\$250,000)

The objective of this program is to provide testing and analytical support to fulfill FRA's railroad safety mission, and the related development of performance based track safety standards. As new technologies continue to emerge and train speeds increase, the timely development of technical information, data and expertise is crucial to providing a basis on which to make decisions on issues affecting the safe operation of rail vehicles on U.S. track. Rule-making and revisions to the Track and Equipment Safety Standards through the Rail Safety Advisory Committee (RSAC) process reflect the experience and understanding that has been gained, and define the qualification requirements and determination of maximum safe speeds and curving speeds for new and existing rail equipment. In recent years, safety issues that have arisen and been addressed included cracks detected in the spokes of the Acela high speed trainset brake discs, which suspended operations for over three months, fatigue cracks developed in the suspension support structure of the Talgo trainset cars operating on the Pacific Northwest Corridor, and the evaluation of tests and analyses to assess the safety of operating the Acela High Speed Trainsets at up to nine inches of cant deficiency in curves on Amtrak's Northeast Corridor.

Program: Modeling and Simulation of Railroad Vehicle/Track Dynamics (\$550,000)

The objective of this program is to determine the influence of track geometry characteristics and vehicle speeds on extreme lateral and vertical dynamic forces and accelerations that can potentially lead to derailment or compromise passenger safety. A comprehensive computer program for modeling and simulating railway vehicle/track systems will be developed, with an emphasis on the dynamic performance of both vehicle and track and their interactions through the wheel/rail interface. This simulation program will be used to demonstrate the behavior of the complex nonlinear flexible multibody rail vehicle systems including multiple types of connections and multiple-coupled railway cars negotiating variable track geometries. The software program developed under this research will enhance the study of derailments, three-dimensional wheel/rail contact, and vehicle track interaction vehicle dynamics under high-speed operations. FRA's contractor has developed a beta version of the software that includes a three-dimensional wheel/rail model and implemented a three-dimensional multibody simulation computer code. In FY2010, Improvements will be made to the Beta version and more capabilities will be added to the program.

Program: Vehicle/Track Interaction Testing, Modeling, and Analysis (\$1,550,000)

The objective of this program is to prevent and reduce derailments due to the improper or undesirable interaction between track geometry and vehicle. The goals of these research activities are: (1) to analyze the responses of different rail vehicles, in the US and abroad, to real and theoretical track geometry, (2) to validate and improve the vehicle-track interaction (VTI) dynamics model using measured data from Instrumented Wheelset System (IWS), Track Geometry Measurement System (TGMS) and other surveys, (3) to provide data and technical support for development and validation of the new rail vehicle simulation tools, (4) to provide data and technical support throughout studies focusing on the implementation and operation of high-speed rail vehicles, in the US and abroad, (5) (6) to provide data and support throughout efforts to consider the wheel/rail interface and the arrival at optimal wheel/rail profile contours

and lubrication practices. Analysis of geometry and vehicle data collected on different rail corridors to determine the influence of track geometry characteristics and vehicle speeds on extreme lateral and vertical dynamic forces and accelerations that can potentially lead to a derailment or compromise passenger and rail safety. This research program will provide test support for collection of vehicle/track interaction data for passenger and high speed services.

Program: Wheel/Rail Interface Research and Technical Support (\$750,000)

The objective of this program is to evaluate the interdependent parameters of rail profile, wheel profile, wheel/rail contact forces, rail grinding and lubrication to reduce derailment risks and understand and evaluate problem of rolling contact fatigue. The FRA is undertaking detailed analyses of wheel/rail interface and profiles to determine the impact of various factors like wheel profile, rail profile, lubrication and rail grinding and wheel/rail contact forces to reduce the risk of derailment and improve safety. In this project the complete wheel/rail interface system will be studied together as a system. Under this research project FRA had already developed a new wheel and rail profile for Amtrak Acela operation in NEC. This research will continue to monitor and modify the wheel/rail profile, lubrication and grinding practice at NEC to optimize the wheel/rail contact for passenger and commuter service. Other activities to examine the problems of rolling contact fatigue in rails to find an accurate and reliable high-speed surface condition-monitoring system to identify rail with surface-initiated rolling-contact-fatigue defects that may compromise safety. FY2010 request will also provide testing and analytical for understanding and addressing safety issues related to wheel/rail interface affecting the safe and efficient operation of rail vehicles on U.S. track and provide analytical support for development of Autonomous vehicle/track interaction evaluation tools.

Program: Higher-Speed Passenger Rail Truck Design (\$500,000)

The objective of this program is to develop detailed design requirements for a high speed passenger truck based on performance criteria appropriate for operating on existing North American railway tracks that are maintained to meet the requirements of both passenger and freight service and then to design, build, and test the bogie to evaluate the benefits of the improved design. Program will concentrate on understanding the relationship between truck design, track configuration and irregularities, and vehicle performance. This will involve conducting a review of the existing truck designs and literature for both tilt and non-tilt equipment and the tradeoffs of various truck parameters to meet performance specifications. In addition, simplified analytical models will be developed to evaluate existing truck design configurations and explore the adaptability of various truck design features to typical US track conditions and common vehicle configurations. These studies are expected to define key desirable characteristics and an understanding of the design parameters necessary to achieve equipment performance. The FY 2010 request is to continue the on-going effort to characterize the truck parameters in various high speed operations and provide a set of parameters useful for operation on US track.

RD&T PROGRAM: TRAIN CONTROL
AMOUNT REQUESTED FOR FY 2010: \$7,120,000

Program: Positive Train Control (PTC) (\$4,500,000)

The objective of this program is to advance existing technologies and access new technologies to implement PTC systems as required by the Rail Safety Improvement Act of 2008 including protection of roadway works. Some of the activities include the development and implementation of interoperability standards of PTC systems used by freight and passenger railroads. Under this program, the office of R&D is pursuing the development and integration of adaptive braking algorithms to enhance precise braking predictions under variety of operating conditions. In addition, the Office of R&D is developing a vital rear-end position determination location methodology to vitally determine the position of rear end of a train.

Program: Wireless Train Communication (\$2,620,000)

The objective of this program is to enhance the performance and throughput of digital wireless communication systems to support the additional requirements needed to implement PTC systems. To that end, the office of R&D is developing high performance digital radio hardware and associated software and communication protocols. Other activities include assessing the need for additional radio frequency spectrum to accommodate the additional demand for throughput.

RD&T PROGRAM: GRADE CROSSINGS
AMOUNT REQUESTED FOR FY 2010: \$1,850,000

Program: Automated Crossing Assessment (\$250,000)

The objective of this program is to develop a set of automated crossing profile measurement systems to accurately map crossing layouts in three dimensions. GPS stamped data will be collected and integrated into the FRA crossing database to identify unique characteristics of the crossing including the severity of the hump and the road orientation with respect to the tracks.

Program: Technology Research (\$350,000)

The objective of this program is to identify technologies, methodologies, and hardware that will increase safety and continue the downward trend of collisions and fatalities. Areas of focus will include develop and implement research studies to improve countermeasures and regulations to promote congestion mitigation and reduction of incidents and casualties on our nation's rail network. The program will develop applications of advanced railroad right of way technologies, such as low cost technologies to upgrade passive crossings and develop strategies to integrate crossing activation with highway traffic control and train control. The program will reach out to Federal, State and Local agencies to develop cooperative research and education programs aimed at identifying and eliminating dangerous crossings.

Program: Human Factors Grade Crossings & Trespassers (\$1,250,000)

The objective of this program is to understand and develop strategies to mitigate human factors causes related to driver behavior, which is one of the biggest contributors of grade crossing accidents. The aim is to understand the underlying factors that contribute to accidents with emphasis on identifying human factors (e.g., crossing characteristics that promote poor motorist decision-making) and system issues (e.g., ambiguities in jurisdiction that impede the correction of problems) that contribute to accidents.

Other research includes trespassing and suicides prevention and the development of countermeasures to reduce the incidents of suicide along railway right of way including crossing.

**RD&T PROGRAM: HAZARDOUS MATERIALS TRANSPORTATION
AMOUNT REQUESTED FOR FY 2010: \$1,550,000**

Program: Risk Assessment of Hazardous Material Operations (\$1,300,000)

The objective of this program area is to develop a robust risk analysis which identifies the current major contributors of risk to hazmat operations involving toxic inhalation material. Analysis will also focus on impact to risk due to short term changes to industry and FRA standards, hazmat routing, improved tank car technologies, and the implementation of positive train control systems.

Program: Improved Tank Car Construction Methods and Components (\$250,000)

The objective of this program area is to assess the impact of new established tank car rules and assure that the desired performance is achieved from the proposed new designs. Projects will include both analysis and limited testing to confirm the performance of the proposed designs and potential alternatives where appropriate. This will be accomplished in close coordination with car builders, car owners, shippers and railroads.

**RD&T PROGRAM: TRAIN OCCUPANT PROTECTION
AMOUNT REQUESTED FOR FY 2010: \$3,600,000**

Program: Passenger Car and Locomotive Crashworthiness (\$2,400,000)

The objective of this program area is to evaluate the state of the art for occupant crash protection and provide technical support to the FRA Office of Safety in rulemaking and the assessment of waiver requests to assure that new equipment being introduced into service takes advantage of the best appropriate technology available today. This program will also establish the capability necessary for advancement of this technology for optimum application in the United States railroad industry for both freight and passenger applications...

Program: Freight Locomotive Safety (\$500,000)

The objective of this program area is to identify, develop, and evaluate new technology for improving the safety and operating performance of the locomotive environment. Projects within this program will include the development and assessment of technologies to manage ride vibration and provide noise abatement to assure a safer locomotive operating environment and reduce operator fatigue and distractions. Projects will also focus on the prevention and suppression of fires onboard and around locomotives. Activities will include support for RSAC and APTA safety standards development.

Program: Passenger Rail Equipment Safety (\$700,000)

The objective of this program is to identify and assess safety related passenger equipment technology and innovations. Activities anticipated include Emergency Equipment, Evacuation and Fire Prevention/Protection.

**RD&T PROGRAM: R&D FACILITIES AND TEST EQUIPMENT
AMOUNT REQUESTED FOR FY 2010: \$2,550,000**

Program: TTC Support (Facility Improvements) (\$1,000,000)

The objective of this program is to construct facilities and procure equipment needed at the FRA owned research and development Transportation Technology Center (TTC) in Pueblo, Colorado. For years, FRA has performed testing at the Transportation Technology Center (TTC), Pueblo, CO, which has proved to be a unique and valuable facility for railroad testing. Some examples are crashworthiness of various types of equipment, track research testing, new and untried equipment dynamics evaluation etc. FRA will continue to utilize this facility to perform testing on equipment and trainsets. FY 2010 funding provides continued maintenance and site improvements.

Program: Track research Instrumentation Equipment (\$1,550,000)

The objective of this program is to develop and demonstrate R&D research products/ideas to advance and improve track inspection technologies and to maintain FRA capabilities to independently evaluate railroad infrastructure integrity. The FRA Office of Research and Development utilizes two research vehicles, the DOTX-216 (T-16), and the hi-railer (R-4) to support the development and demonstration of R&D research products for the advancement of track inspection technologies and improvement of railroad safety. In addition, FRA R&D is developing and demonstrating two Autonomous Track Geometry Measurement Systems (ATGMS).

The ATGMS is an unattended real-time track geometry measurement system containing inertial electrical components that identifies and pinpoints the locations of current and prospective track geometry exceptions along with track and class identifications. It combines current Track Geometry Measurement System inspection technology and Vehicle Track Inspection communication/data management approach for collection of foot by foot track geometry measurements which produces immediate online information and reports. A railcar or locomotive equipped with the ATGMS will be able to inspect tracks at a fraction of the cost per mile required by the conventional Track Geometry Measurement cars. The FY2010 request is to fund the demonstration of the ATGMS in Amtrak revenue service.

The T-16 is a converted Amtrak Metroliner coach equipped with state of the art instrumentation for conducting railway research. The on-board systems are capable of measuring track geometry, rail profiles, ride quality, wheel / rail interface forces, and other track based measurements at speeds up to 165 mph. The T-16 high-speed research car has surveyed over 15,000 miles during five different test programs each with different objectives providing the support to NCDOT, IDOT, Amtrak, Metrolink, Caltrain and Office of Safety. FY2010 request is to fund this on-going program and enhancement of the cars to improve their inspection capabilities.

EXHIBIT V-3

**FEDERAL RAILROAD ADMINISTRATION
Support for Secretarial and Administration RD&T Priorities**

Policy Initiative	Supporting RD&T Program (s)	FY 2010 Request (\$000)
Safety – (Rail Safety and Hazmat Safety) <i>Secretarial Priority</i>	Railroad System Issues	\$3,155
	Human Factors	3,075
	Rolling Stock & Components	3,000
	Track and Structures	4,645
	Track / Train Interaction	3,600
	Train Control	2,374
	Grade Crossings	1,250
	Hazardous Material	1,550
	Train Occupant Protection	3,600
	R&D Facilities and Equipment	2,550
System Performance and Reliability <i>Secretarial Priority</i>	Train Control	\$2,373
	Grade Crossings	300
21 st Century Solutions for 21 st Century Transportation Problems <i>Secretarial Priority</i>	Train Control	\$2,373
	Grade Crossings	300

Detailed information on these programs, including their linkage to Secretarial priorities and our partnerships with other Federal entities, can be found in the narrative accompanying Exhibit V-2.

EXHIBIT V-4

USE OF R&D INVESTMENT CRITERIA

Our R&D program continues to maintain the following investment criteria:

R&D Investment Criterion	Program Evidence	Actions Reflected in FY 2010 Request
<i>Relevance</i>	<ul style="list-style-type: none"> • All R&D elements contribute to Departmental and FRA goals. • Developed with other DOT agencies and key stakeholders, a five-year strategic R&D plan outlines a vision for the future and the technologies needed to realize it. • The TRB Committee for Review of the FRA Research, Development, and Demonstration Programs provides annual prospective and retrospective review. • Other inputs to the R&D planning process include coordination with the FRA’s Office of Safety, the American Public Transportation Association Research Needs Conference, the Highway–Railroad Grade Crossing Research Needs Conference, and the Association of American Railroads Railway Technology Working Committee and Tank Car Committee. 	<ul style="list-style-type: none"> • R&D activities support FRA and DOT goals as well as the Secretary’s priorities. • Composition and management of the R&D programs reflect inputs from TRB, APTA, HRGC, AREMA and AAR conferences and committees; FRA’s Office’s of Safety and Policy; and Research and Innovative Technology Administration. • R&D results will be shared with the railroad industry via FRA Website and/or presentations at various conferences and committee meetings and publications in peer reviewed technical magazines. • Budget request is based on multi-year program plans tied to the 5 year R&D plan which is currently being updated, with stakeholder input.

R&D Investment Criterion	Program Evidence	Actions Reflected in FY 2010 Request
<i>Quality</i>	<ul style="list-style-type: none"> • The FRA awards research contracts and grants on a competitive basis to the greatest extent possible. • The TRB conducts periodic peer reviews of the FRA's R&D programs that address (1) the management structure and approach; (2) the direction and allocation of funds; and (3) the appropriate balance of Federal, State, and private sector inputs and costs. 	<ul style="list-style-type: none"> • Ensuring quality through periodic peer reviews of the FRA's R&D programs by TRB, AAR, AREMA, other professional organizations, industry and academia are considered and incorporated as deemed appropriate. • Cooperative effort and partnerships with the railroad industry and state DOTs provide checks and balances necessary for the successful R&D programs. • Laboratory testing and field-testing are conducted for validation and verification.
<i>Performance</i>	<ul style="list-style-type: none"> • Inputs are tracked via an annual procurement plan; monthly obligations reports; and monthly progress reports that track actual vs. planned technical accomplishments, costs, and schedules. • All FRA R&D contributes to the goals in the FRA's and Department's annual performance plans; the FRA is developing annual and long-term measures and targets to accurately assess the progress of its R&D in meeting these goals. 	<ul style="list-style-type: none"> • Multi-year program plans employ phased approaches where results are evaluated at key milestones to adjust program direction for the next phase to incorporate lessons learned and customer feedback. • Many projects are conducted as cooperative efforts, with railroads or other partners.