
Office of Inspector General

Audit Report

FRA CONTINUES TO MAKE PROGRESS IMPLEMENTING PRIIA RESPONSIBILITIES BUT FACES CHALLENGES WITH RAIL PLANNING

Federal Railroad Administration

Report Number: CR-2014-030

Date Issued: February 25, 2014





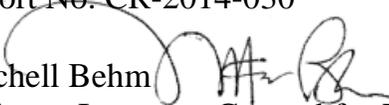
Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **ACTION:** FRA Continues to Make Progress
Implementing PRIIA Responsibilities But Faces
Challenges with Rail Planning
Report No. CR-2014-030

Date: February 25, 2014

From: Mitchell Behm 
Assistant Inspector General for Rail, Maritime,
Hazmat Transport and Economic Analysis

Reply to
Attn. of: JA-50

To: Federal Railroad Administrator

The Passenger Rail Investment and Improvement Act of 2008 (PRIIA)¹ gives the Federal Railroad Administration (FRA) important new responsibilities—including integrated rail planning for the entire country, and major grant programs to fund high-speed rail projects. These responsibilities have greatly expanded the Agency's role in the development of the Nation's rail system.

PRIIA also requires the Department of Transportation's (DOT) Office of Inspector General (OIG) to conduct two assessments of FRA's and Amtrak's progress in implementing the Act's provisions. This report presents the results of the second of our two assessments. Based on discussions with congressional staff, we have focused our audits on FRA's implementation while Amtrak's Inspector General has assumed responsibility for the assessment of Amtrak's implementation efforts. In our initial work, we identified 29 PRIIA responsibilities that FRA must complete. In this second assessment, we reviewed FRA's progress since we issued our first report in March 2012.² Specifically, we (1) evaluated FRA's progress in implementing its PRIIA responsibilities, and (2) identified major challenges to FRA's completion of the implementation.

We conducted this audit between February and December, 2013, in accordance with generally accepted Government auditing standards. We reviewed PRIIA and FRA documentation, and met with program officials responsible for implementing

¹ P.L. No. 110-432 Div. B.

² *FRA Has Made Progress in Implementing PRIIA Responsibilities but Challenges for Long-Term HSIPR Remain*, OIG Report Number CR-2012-072, March 6, 2012. OIG reports and testimonies are available at www.oig.dot.gov.

the Agency's responsibilities under the Act. See Exhibit A for details on our scope and methodology.

RESULTS IN BRIEF

FRA continued to make progress implementing its PRIIA responsibilities, but 12 of 29 remain incomplete. The Agency made progress on 10 of these 12 responsibilities, including ensuring that Amtrak's stations comply with the Americans with Disabilities Act (ADA); initiating research studies on bio-fuels and the use of bio-based technology for locomotives; and national rail planning. However, FRA has not started work on two responsibilities—high-speed rail corridor studies for Congress, which it plans to complete when additional funding becomes available; and establishment of a process for the designation and extension of high-speed rail corridors, which it plans to complete as a part of its national rail planning efforts.

Development of a national rail plan is a major challenge to FRA's complete implementation of PRIIA. While it undertook several rail planning activities, FRA did not articulate how its approach to rail planning will fully address PRIIA's requirement to develop a national rail plan. Rather than creating a single, national rail plan as PRIIA's Section 307 calls for, FRA has chosen a decentralized planning strategy that focuses on State and regional planning. FRA officials stated that they chose this strategy to address challenges presented by competing stakeholder expectations for a national rail plan and limited federal funding for passenger rail projects. As part of this approach, FRA is developing tools and guidance for States and regions to use in their regional rail planning along with criteria to determine Federal investment priorities. FRA officials believe that planning region by region facilitates the integration of rail projects with other transportation modes; promotes greater involvement by stakeholders; and identifies priorities for limited Federal funding. However, FRA's efforts to date have focused on the plans for just the Northeast Corridor (NEC) and three states in the southwest—California, Nevada, and Arizona. The Agency has not yet established plans and milestones for other regions, or determined how it will link regional plans into a unified national rail plan.

We are making a recommendation to FRA to assist the Agency in completing its PRIIA required responsibilities.

BACKGROUND

In 2008, PRIIA established requirements for Amtrak, DOT, FRA, the States, and other stakeholders to improve rail service, operations, and facilities throughout the country. Prior to PRIIA, FRA focused on developing and implementing railroad

safety regulations; administering small grant and loan programs; and overseeing Amtrak's operations and disbursing Amtrak's annual grant funds. Under PRIIA, however, FRA must lead initiatives to improve passenger rail service, as well as manage a multibillion-dollar high-speed rail grant program. The Agency obligated nearly \$10 billion in grants to develop and improve high-speed passenger rail service, and continues to support these efforts.

In March 2012, we reported that 19 of FRA's 29 PRIIA responsibilities were outstanding—either in progress or not started—and recommended that FRA develop an action plan with tasks and associated milestones to complete those outstanding responsibilities. FRA submitted its action plan to us in August 2012; a copy of the plan is included as Exhibit B of this report.

FRA CONTINUED TO MAKE PROGRESS BUT 12 PRIIA RESPONSIBILITIES ARE NOT YET IMPLEMENTED

FRA continued to make progress implementing its PRIIA responsibilities, but 12 are not fully implemented. It completed 6 of the 19 responsibilities that it had not completed at the time of our first assessment in March 2012 (one responsibility is now unnecessary; see discussion below), and initiated work on an additional 10 responsibilities. However, the Agency did not begin work on two.

The six responsibilities that FRA completed since our last report address key rail safety, planning and reporting issues. Specifically, FRA issued quarterly reports on metrics and standards on the service quality of passenger routes; developed a safety committee for the NEC; created a rail cooperative research program; issued rail planning guidance for States; submitted a report to Congress on the historic preservation of railroads; and evaluated proposals for high-speed rail projects. See Table 1 for FRA's progress to date and Exhibit C for further details.

Table 1: FRA’s Progress in Implementing its PRIIA Responsibilities

	Status Reported in March 2012	Status as of September 2013
Not Started	4	2
In-Progress	15	10
Incomplete	19	12
Completed	10	17 ^a
Total Responsibilities	29	29

Source: OIG analysis

^a FRA will not have to complete one of the 29 responsibilities because an external triggering event did not occur. We have therefore included it among FRA’s completed responsibilities.

One responsibility—creation of an employee transition assistance program for displaced Amtrak employees—required private companies to apply before the end of fiscal year 2013 to assume operation of routes currently operated by Amtrak. Because no company applied, FRA does not have to implement this responsibility.

Of the 17 responsibilities that FRA completed, 8 require the Agency’s ongoing efforts, and we confirmed that the Agency continues to address them. For example, PRIIA Section 207 requires the Agency to publish quarterly reports on Amtrak’s performance and service quality. As of June 2013, FRA published 11 reports. FRA also continues to meet its responsibilities under Section 306, which requires the Agency to establish the National Rail Cooperative Research Program. Since it established the Program, FRA provided technical assistance to its representatives on the Program’s advisory panels. It also conducts regular oversight of its grant to the Transportation Research Board³ for the Board’s work in support of the Program.

FRA initiated 10 of the 12 responsibilities that remain incomplete. Its action plan for completing these 12 contains tasks with milestones for each responsibility. However, the Agency’s progress on these responsibilities varied. For example, to meet its responsibility to provide States with rail planning guidance, the Agency issued draft and final guidance ahead of the milestones for both documents.

³ The Transportation Research Board is one of six divisions of the National Research Council—a private, non-profit institution that provides services to the government, the public, and the scientific and engineering communities.

Similarly, FRA expects to complete studies of the feasibility of using bio-fuels and bio-based lubricants in locomotives in accordance with PRIIA's Sections 404 and 405 in early 2014, well in advance of the milestones. However, the Agency missed its milestones for 3 tasks associated with national rail planning: completion of a template and best practices based on planning efforts for the southwest; issuance of the President's budget request with further program and policy plans; and submission of draft cost-benefit analysis guidelines to the Office of the Secretary of Transportation. FRA also did not complete action plan tasks for monitoring Amtrak's compliance with the ADA⁴ because Amtrak had not completed renovations of 25 stations or purchased ADA-compliant sleeping and dining cars.

FRA did not begin work on two responsibilities—high-speed rail corridor studies for Congress and establishment of a process for designation and extension of high-speed rail corridors. FRA officials informed us that the Agency plans to conduct the studies when additional funding becomes available, and to complete the designation and extension process as a part of its national rail planning efforts.

FRA FACES CHALLENGES IN FINALIZING ITS NATIONAL RAIL PLAN

Development of a national rail plan is a major challenge to FRA's complete implementation of PRIIA. While it undertook several rail planning activities, FRA did not articulate how its approach to rail planning will fully address PRIIA's requirement to develop a national rail plan. Agency officials stated that, in response to competing stakeholder expectations and limited federal funding, FRA chose to follow a decentralized planning strategy rather than produce the single, national rail plan that PRIIA calls for. FRA officials believe that this approach better reflects the intent of PRIIA Section 307, which calls for a national rail plan that is consistent with approved State rail plans.

According to FRA officials, the Agency faces two major challenges as it pursues national rail planning—competing stakeholder expectations for a national rail plan, and limited Federal funding. For example, Congress directed the Agency to provide a map and an estimate of the total cost to develop a system of high speed rail corridors. States, on the other hand, articulated a desire for a national rail plan that provides guidance on coordination for multistate corridors and a process for integrating rail into multimodal transportation planning at the State level. In addition to these differing visions for the purpose and contents of a national rail plan, FRA faces uncertain Federal funding commitments for the development of high speed and intercity passenger rail networks. PRIIA authorized \$3.7 billion for high-speed and intercity passenger rail grants, and Congress appropriated over

⁴ PRIIA Section 220

\$10.2 billion between fiscal years 2008 and 2010. However, Congress did not provide additional funding for the program after fiscal year 2010, and rescinded \$400 million.

A decentralized planning strategy is FRA's response to these challenges. While FRA is guiding it, the strategy is built on State and regional planning efforts. Specifically, FRA is developing tools for States and regions to use as they develop regional plans, as well as criteria under which Federal investments will be justified. As FRA envisions them, regional studies will define general route locations and levels of service, while subsequent plans will provide greater specificity to individual routes. Informed by the regional plans, States and regions will then develop detailed alignments and service plans before final project design and construction. FRA officials told us that because of its integrated nature, this process will address interests across the passenger rail community and promote coordination among parties. FRA officials also believe that planning by regions helps to integrate rail projects with other transportation modes and identifies priorities for limited Federal funding.

FRA's action plan partially reflects this strategy, including nine tasks with milestones for the Agency to complete PRIIA's requirement for a national rail plan. FRA has completed work on four of these tasks, including the first phase of the Northeast Corridor Passenger Rail Corridor Investment Plan. Scheduled for completion in 2015, this Plan will define NEC service improvements; evaluate the operational, network and financial impact of the improved services; and weigh the benefits and costs of the proposed investment. The Plan will also include a rationale for the improvements, and an implementation plan that includes an approach to project management, a financial plan, and stakeholder agreements.

Meanwhile, FRA began work on the remaining five national rail planning tasks in its action plan. One task calls for development of best practices for future multi-State planning efforts based on the results of a planning study for the region encompassing California, Nevada, and Arizona. In this study, FRA developed and tested approaches to multi-State planning and technical tools to facilitate network planning. It also addressed the challenges of interstate cooperation. According to FRA officials, work remains but Agency officials expect to derive lessons from the approach that they can apply to future regional planning. However, FRA did not meet its action plan milestones for this task. The action plan indicates that FRA will complete this planning study by the end of fiscal year 2013, but the task remains outstanding.

FRA's efforts to date on national rail planning have focused on the NEC and the study of California, Nevada, and Arizona. The Agency has not set dates by which it will begin to address planning needs in other regions or determined how it will

link its regional plans into a unified Plan. Consequently, it is unclear how FRA's planning approach will address PRIIA Section 307 requirements for a national rail plan.

CONCLUSION

FRA made progress in completing many of its PRIIA responsibilities, but faces challenges, both within and outside its control, in fulfilling its remaining requirements. The Agency's decentralized approach to national rail planning hinges upon the cooperation of multiple public and private stakeholders—some with conflicting priorities. Constrained and uncertain funding requires vigilant prioritization of outstanding work. When complete, these efforts will allow FRA to realize Congress' vision of a modern and efficient rail system that seamlessly integrates with other transportation modes to meet the Nation's transportation challenges.

RECOMMENDATION

We recommend that the Federal Railroad Administrator:

Update the Agency's PRIIA Action Plan to account for delays and challenges in meeting deadlines, and include an explanation of how the Agency's strategy will fulfill the PRIIA Section 307 requirement for a national rail plan with specific milestones for completion.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

We provided a copy of this report to FRA on December 18, 2013. On February 11, 2014, we received the Agency's response, which is included in its entirety as an appendix to this report. FRA concurred with our recommendation and provided an appropriate planned action and timeframe for completion. Accordingly, we consider this recommendation resolved but open pending completion of FRA's planned action.

ACTIONS REQUIRED

FRA's planned action and timeframe for addressing our recommendation is responsive. We consider the recommendation as resolved but open pending completion of the planned action.

We appreciate the courtesies and cooperation of FRA's representatives during this audit. If you have any questions concerning this report, please call me at (202) 366-9970, or Yana Hudson, Program Director, at (202) 366-2985.

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cc: DOT Audit Liaison, M-1
FRA Audit Liaison, RAD-43

EXHIBIT A. SCOPE AND METHODOLOGY

This report presents the results of our audit work to fulfill the statutory requirement to complete an overall assessment of the progress made by Amtrak management and the Department of Transportation in implementing the provisions of PRIIA.¹ Based on discussions with congressional staff, we focused our audit on FRA's implementation, while Amtrak's Inspector General assumed responsibility for the assessment of the company's progress in the implementation of the Act's Amtrak responsibilities.

We conducted our work between February and December 2013 in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We reviewed PRIIA and FRA documentation, and met with program officials responsible for implementing the Agency's PRIIA responsibilities. We evaluated FRA's progress on its PRIIA responsibilities since we issued our first report. If we obtained evidence that FRA had initiated work on a responsibility, we considered the responsibility in progress. If we obtained no evidence that FRA had initiated its implementation of a responsibility or the associated procedural steps, we considered the responsibility not started. For one responsibility, because an external triggering event did not occur, we considered the responsibility complete, even though FRA had taken no action to implement the responsibility.

To identify major challenges to FRA's completion of the implementation of its PRIIA responsibilities, we reviewed appropriations laws and FRA documents, and met with Agency officials. We assessed FRA's approach to national rail planning in relation to the requirement in PRIIA's Section 307.

¹ P.L. 110-432, Division B, §221(a)

EXHIBIT B. THE FEDERAL RAILROAD ADMINISTRATION'S PRIIA ACTION PLAN



U.S. Department
of Transportation

**Federal Railroad
Administration**

Memorandum

Date: **AUG 22 2012** Reply to Attn of:

Subject: INFORMATION: PRIIA Action Plan, Pursuant to OIG Report Number CR-2012-072

From: Joseph C. Szabo
Administrator

A handwritten signature in black ink that reads "Joseph C. Szabo".

To: Mitch Behm
Assistant Inspector General
for Rail, Maritime, and Economic Analysis

I am pleased to provide the Federal Railroad Administration's (FRA) action plan to complete remaining requirements from the Passenger Rail Investment and Improvement Act of 2008.¹ This plan fulfills your recommendation in the report, "FRA Has Made Progress in Implementing PRIIA Responsibilities, But Challenges for Long-Term HSIPR Remain."²

If you or your staff have any questions concerning this plan, please feel free to contact Paul Nissenbaum, Associate Administrator for Railroad Policy and Development, at (202) 493-6312.

¹ Public Law 110-432, Division B.

² Office of Inspector General, Report Number CR-2012-072, March 6, 2012.

Table 1: Summary of FRA's PRIIA Responsibilities, Status, and Milestones		
PRIIA Section	FRA Responsibility	OIG March 2012 Status³ and FRA Milestones ⊙: <i>In progress</i> ; ○: <i>Not started per OIG March 2012 Report</i>
207	Collect data and publish quarterly reports on performance and service quality	⊙ 207-01: Within the quarter after the report period, work with Amtrak to publish the quarterly report.
208	Obtain a qualified independent entity to develop and recommend objective methodologies for Amtrak Route decisions	⊙ 208-01: Within 6 weeks of receipt of an appropriation for this purpose, issue a task order to the Volpe Center to develop a work plan for developing the methodologies. 208-02: Within 3 months of issuing the task order, prepare the work plan. 208-03: Within 1 year of preparing the work plan, complete implementation of the work plan for FRA review prior to forwarding to Amtrak and the Congress.
210	Monitor the development, implementation, and outcome of Amtrak's improvement plans	⊙ 210-01: By the end of the first quarter of fiscal year 2013, hire a long-distance passenger train oversight manager. 210-02: Not later than the fourth quarter of FY 2013, issue the FY 2012 long-distance passenger train route performance report. 210-03: Not later than the fourth quarter of FY 2014, issue the FY 2013 performance report, including evaluation of the five improvement plans issued in FY 2010. In subsequent performance reports, include evaluation of all improvement plans in effect for at least 3 years.
212	Establish a Northeast Corridor Safety Committee	⊙ 212-01: During the first quarter of FY 2013, submit the draft report to the Office of the Secretary for review.
220	Monitor and conduct periodic reviews of Amtrak's compliance with ADA and ARRA	⊙ 220-01: Within 6 months of the 25 th station's substantial completion, review the first 25 stations brought into compliance under Amtrak's Accessible Stations Development Program. 220-02: Within 6 months of production of Amtrak's first sleeping car and first dining car, respectively, for long distance passenger trains, review compliance with the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1974.

³ OIG Report Number CR-2012-072, page 7.

Table 1: Summary of FRA's PRIIA Responsibilities, Status, and Milestones		
PRIIA Section	FRA Responsibility	OIG March 2012 Status³ and FRA Milestones ⊙: <i>In progress</i> ; ○: <i>Not started per OIG March 2012 Report</i>
301	Issue a final rule establishing application and qualification procedures for intercity passenger rail grants (See section 501)	⊙ 301-01: Within 9 months of obligating \$10.0 billion of HSIPR funds, initiate preparation of the consolidated rulemaking. 301-02: Within 4 months of receiving additional HSIPR appropriations for grants that do not waive the PRIIA rulemaking requirement, submit a Notice of Proposed Rulemaking (NPRM) for Office of the Secretary approval. 301-03: Within 6 months of the deadline for receipt of comments on the published NPRM, submit a Final Rule for Office of the Secretary approval.
303	Establish minimum requirements for the preparation and periodic revision of State rail plans	⊙ 303-01: Within the first quarter of FY 2013, publish in the Federal Register proposed guidelines for stakeholder and public review and comment. (See also 307-02.) 303-02: By the fourth quarter of FY 2013, complete review and analysis of comments and submit final guidelines for Office of the Secretary approval.
304	Select and approve a new rail tunnel alignment in Baltimore and ensure completion of the related environmental review	⊙ 304-01: By the end of the first quarter of FY 2016, complete the environmental analysis and preliminary engineering. 304-02: Following completion of the environmental analysis and preliminary engineering, select the new rail tunnel alignment.
306	Establish and carry out a rail cooperative research program	⊙ 306-01: By the end of the first quarter of FY 2013, provide nominations of FRA staff to research panels. TRB, which is administering this program, will establish additional milestones.

Table 1: Summary of FRA's PRIIA Responsibilities, Status, and Milestones		
PRIIA Section	FRA Responsibility	OIG March 2012 Status³ and FRA Milestones ⊙: <i>In progress</i> ; ○: <i>Not started per OIG March 2012 Report</i>
307	Develop a long-range national rail plan	<p>⊙</p> <p>307-01: By the end of the first quarter of FY 2013, the National Cooperative Rail Research Program will have nine projects underway that contribute data and best practices for national rail planning activities.</p> <p>307-02: By the end of the first quarter of FY 2013, issue draft State Rail Plan guidance for stakeholder comments. (See also 303-01.)</p> <p>307-03: By the end of the third quarter of FY 2013, provide a template and best practices for future multi-state planning efforts, based on Southwest Region planning efforts, and in coordination with the NCRRP study on the subject.</p> <p>307-04: By the end of the second quarter of FY 2013, provide a strategy describing the next phases of FRA's national planning activities to OIG and other DOT officials.</p> <p>307-05: By the end of the second quarter of FY 2013, the Administration's FY 2014 budget request will include further program and policy plans.</p> <p>307-06: By the end of FY 2013, complete Phase 1 of the Northeast Corridor Passenger Rail Corridor Investment Plan.</p> <p>307-07: By the end of FY 2013, submit for Office of the Secretary approval draft benefit-cost analysis guidance.</p> <p>307-08: By the end of the second quarter of FY 2014, submit for Office of the Secretary approval draft guidelines for States/Regional Organizations to propose changes to existing high-speed rail corridors.</p> <p>307-09: By the end of the second quarter of FY 2014, submit for Office of the Secretary approval a strategy and schedule for establishing and tracking</p>
404	Report to Congress the results of a study to determine the extent to which railroads could use bio-fuels as alternatives to diesel	<p>⊙</p> <p>404-01: By the end of the third quarter of FY 2014, issue the final report.</p>
405	Report to Congress the results of a feasibility study on the use of readily biodegradable lubricants for railroads	<p>⊙</p> <p>405-01: By the end of the third quarter of FY 2014, issue the final report.</p>

Table 1: Summary of FRA's PRIIA Responsibilities, Status, and Milestones		
PRIIA Section	FRA Responsibility	OIG March 2012 Status³ and FRA Milestones ⊙: <i>In progress</i> ; ○: <i>Not started per OIG March 2012 Report</i>
407	Report to Congress on the results of a study and actions to streamline compliance with historic preservation requirements.	⊙ 407-01: By the end of the second quarter of FY 2013, submit the final report to Congress.
501	Issue regulations for the high-speed rail corridor program	⊙ See section 301.
502	Evaluate high-speed rail corridor proposals	Completed.
215	Develop an employee transition assistance program for Amtrak	○ 215-01: Within 4 months of the Secretary's section 214 "sufficient resources" certification, propose to Amtrak the terms under which FRA could provide financial incentive grants.
224 part 1	Submit reports on high-speed rail corridor service studies to Congress	○ 224-01: Within 3 months of receipt of an appropriation for this purpose, develop a statement of objectives for the studies. 224-02: Within 6 months of completing the statement of objectives, issue a Request for Proposals for the related studies.
224 part 2	Establish a process for designation and extension of high-speed rail corridors	○ See 307-08 above.
307	Develop a schedule for achieving specific, measurable performance goals	○ See 307-09 above.

Table 2: FRA's PRIIA Responsibilities, Status, and Milestones	
FRA Responsibility	OIG March 2012 Status and FRA Milestones ⊙: <i>In progress</i> ; ○: <i>Not started</i>
⊙ PRIIA Section 207: Metrics and Standards	
Develop the standards in consultation with stakeholders	DONE. Final standards published May 12, 2010. Preliminary standards published for public comment March 13, 2009.

Collect the data and publish a quarterly report on intercity passenger rail performance and service quality.	ONGOING. FRA posted the first quarterly report to its Web site on March 3, 2011. FRA and Amtrak jointly developed the report specifications and formats. The current reports do not include route-by-route financial performance. When Amtrak completes its general accounting system upgrade, Amtrak will be able to allocate costs to specific routes. After eight quarters of comparable data are available, FRA will add the route-by-route financial performance to the quarterly report. MILESTONE 207-01: Within the quarter after the report period, work with Amtrak to publish the quarterly report.
© PRIIA Section 208: Methodologies for Amtrak Route and Service Planning Decisions	
Engage a qualified independent entity by April 16, 2009	DONE. In September 2009, FRA engaged the Volpe National Transportation Systems Center (Volpe Center), subject to the availability of funds.
Develop and recommend objective methodologies for Amtrak route and service decisions (by October 16, 2010).	PENDING. No funds are currently available for this purpose. FRA has informed Congress in January 2009, December 2009, and September 2010, about this lack of funding. MILESTONE 208-01: Within 6 weeks of receipt of an appropriation for this purpose, FRA will issue a task order to the Volpe Center to develop a work plan for developing the methodologies. MILESTONE 208-02: Within 3 months of issuing the task order, the Volpe Center will prepare the work plan. MILESTONE 208-03: Within 1 year of preparing the work plan, the Volpe Center will complete implementation of the work plan for FRA review prior to forwarding to Amtrak and the Congress.
Comments	
The products of the national rail planning effort will provide the facts and policy guidance that undergird many other requirements of PRIIA. For example, section 208 directs the independent entity to consider, among other items, the existing and projected performance and service quality of intercity passenger train operations; connectivity among routes; and the transportation needs of communities that are underserved by public intercity transportation. These factors are intrinsic to national rail planning, or derived from statistics to be produced pursuant to the section 207 metrics and standards.	
PRIIA section 201 essentially defines the National Railroad Passenger Transportation System as the network in existence as of the date of enactment of the Act, plus the designated high-speed rail corridors. Neither Amtrak nor Congress has called for deletions or additions of a magnitude that would necessitate application of the section 208 methodologies. In particular, the long-distance route structure referred to in title 49 of the United States Code, section 24102(5)(C) has remained intact.	

© PRIIA Section 210: Long-Distance Routes	
Monitor the development of the improvement plans	PARTIALLY COMPLETE. Amtrak published on schedule the first ten (of fifteen) improvement plans, i.e., those due in fiscal years 2010 and 2011. FRA expects Amtrak to develop and publish the final five plans during fiscal year 2012.
Monitor the implementation of the improvement plans	ONGOING. FRA is in the process of hiring an employee to intensify its oversight of long-distance passenger train service, as the Federal Government's "purchaser" of long-distance service. In addition, with the first improvement plans in place, and six Section 207 quarterly reports already published, FRA is in a position to begin publishing improvement plan evaluations annually. MILESTONE 210-01: By the end of the first quarter of fiscal year 2013, hire a long-distance passenger train oversight manager. MILESTONE 210-02: Not later than the fourth quarter of FY 2013, issue the FY 2012 long-distance passenger train route performance report.
Monitor the outcome of the improvement plans	PENDING. Certain improvement plan elements, particularly those dependent on freight railroad buy-in, might take time to implement and produce results. FRA believes that the plan outcomes can be objectively assessed when their implementation is substantially complete or their outcome is known, which will generally take 3 years. MILESTONE 210-03: Not later than the fourth quarter of FY 2014, FRA will issue the FY 2013 performance report, including evaluation of the five improvement plans issued in FY 2010. In subsequent performance reports, include evaluation of all improvement plans in effect for at least 3 years.
© PRIIA Section 212: Northeast Corridor Safety Committee	
Establish the Northeast Corridor (NEC) Safety Committee	DONE. The Committee has been established and is meeting periodically in accordance with its mandate. Its initial meeting occurred on February 22, 2012; the second meeting took place on May 24, 2012, as described in the Federal Register (77 FR 20690).
Report to Congress on efforts to improve NEC safety and security. Include Committee recommendations and related comment to the Secretary.	IN PROGRESS. The Committee has begun to develop recommendations and submitted one to the Secretary on June 6, 2012, regarding assistance from the Federal Communications Commission on the availability of frequency spectrum for positive train control. The statutory deadline for the Committee report to Congress is "the beginning of the first session of each Congress," i.e., January 2013. MILESTONE 212-01: During the first quarter of FY 2013, FRA will submit the draft report to the Office of the Secretary for review.

© PRIIA Section 220: Oversight of Amtrak's Compliance with Accessibility Requirements	
FRA shall monitor and conduct period reviews of compliance with the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1974	<p>ONGOING: FRA's Offices of Civil Rights and Railroad Policy and Development are cooperatively monitoring and reviewing Amtrak's compliance with applicable requirements for stations and rolling stock. The Next Generation Equipment Committee, of which FRA is a member, issued corridor equipment specifications that meet or exceed the Americans with Disabilities Act and the Rehabilitation Act requirements. FRA requires its grantees to purchase equipment that meets the Next Generation Equipment Committee specifications.</p> <p>MILESTONE 220-01: Within 6 months of the 25th station's substantial completion, FRA will review the first 25 stations brought into compliance under Amtrak's Accessible Stations Development Program.</p> <p>MILESTONE 220-02: Within 6 months of production of Amtrak's first sleeping car and first dining car, respectively, for long distance passenger trains, FRA will review compliance with the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1974.</p>
© PRIIA Section 301: Capital Assistance for Intercity Passenger Rail Service © PRIIA Section 302: Congestion Grants © PRIIA Section 501: High Speed Rail Corridor Program	
Implement the HSIPR Program	<p>DONE. The HSIPR program provides a single, comprehensive, and cohesive Federal direction and source of funds for PRIIA sections 301, 302, and 501. To date, Congress appropriated about \$10 billion for grants through the American Recovery and Reinvestment Act and the fiscal year 2010 Appropriations Act, of which almost \$9.7 billion has been obligated.</p>
Provide rulemakings to govern the HSIPR Program	<p>PENDING. FRA's priority is to focus its limited resources on efficient and effective management of its existing, obligated grants and obligation of its remaining appropriated funds. FRA published initial guidance on June 23, 2009, with six additional guidance documents subsequently published through March 2011. FRA balances this priority with the need to prepare for future appropriations, which Congress might make without the previous exemption from rulemaking. FRA has received no HSIPR appropriations since FY 2010. FRA intends to publish a consolidated rulemaking covering the entire HSIPR Program under sections 301, 302, and 501. This rulemaking is likely to be complex and resource-intensive to develop; the initial guidance alone required 30 pages in the Federal Register.</p> <p>MILESTONE 301-01: Within 9 months of obligating \$10.0 billion of HSIPR funds, FRA will initiate preparation of the consolidated rulemaking.</p> <p>MILESTONE 301-02: Within 4 months of receiving additional HSIPR appropriations for grants that do not waive the PRIIA rulemaking requirement, submit a Notice of Proposed Rulemaking (NPRM) for Office of the Secretary approval.</p> <p>MILESTONE 301-03: Within 6 months of the deadline for receipt of comments on the published NPRM, submit a Final Rule for Office of the Secretary approval.</p>
© PRIIA Section 303: State Rail Plans	

Establish the minimum requirements for the preparation and periodic revision of State rail plans	<p>IN PROGRESS: FRA is preparing for public review proposed State rail plan guidelines, incorporating the minimum requirements.</p> <p>MILESTONE 303-01: Within the first quarter of FY 2013, FRA will publish in the Federal Register proposed guidelines for stakeholder and public review and comment. (See also 307-02.)</p> <p>MILESTONE 303-02: By the fourth quarter of FY 2013, FRA will complete review and analysis of comments and submit final guidelines for Office of the Secretary approval prior to publication.</p>
© PRIIA Section 304: [Baltimore] Tunnel Project	
Select a new rail tunnel alignment in Baltimore and assure completion of the environmental process.	<p>ONGOING. Two FRA-sponsored feasibility studies are complete; and preliminary engineering and NEPA are funded, obligated in April 2011, and underway.</p> <p>MILESTONE 304-01: By the end of the first quarter of FY 2016, FRA will complete the environmental analysis and preliminary engineering.</p> <p>MILESTONE 304-02: Following completion of the environmental analysis and preliminary engineering, FRA will select the new rail tunnel alignment.</p>
Background	
<p>Maryland received a \$60 million first-round HSIPR grant for preliminary engineering and NEPA for a new passenger rail tunnel through Baltimore. The deteriorated Baltimore and Potomac tunnel has suffered from poor geometry since its 1873 initiation. New and improved infrastructure would reduce maintenance costs, speed intercity passenger train service through Baltimore, and assure uninterrupted, safe service for decades to come. The engineering and environmental work will build upon two previous FRA-sponsored studies—an interim study published in 2005 and a follow-on study published in January 2011. Both studies preliminarily recommended separate passenger and freight routes on alignments north of the existing tunnel.</p>	
© PRIIA Section 306: Rail Cooperative Research Program	
Establish National Rail Cooperative Research Program (NCRRP)	DONE. FRA awarded a \$5 million grant to the Transportation Research Board (TRB) in September, 2010.
Establish Advisory Board	DONE. The NCRRP Advisory Board is established and functioning.
Set Up Research Panels, Obtain Contractors, Conduct Research	<p>DONE. TRB is administering the program. In May 2012, the Advisory Board selected the first round of research projects and implementation has begun.</p> <p>MILESTONE 306-01: By the end of the first quarter of FY 2013, FRA will provide nominations of FRA staff to research panels. TRB, which is administering this program, will establish additional milestones.</p>
© PRIIA Section 307: Federal Rail Policy—National Rail Plan	
Develop the preliminary national rail plan	DONE. FRA submitted the Preliminary National Rail Plan to Congress on October 15, 2009.

<p>Develop a long-range national rail plan</p>	<p>ONGOING. On September 28, 2010, FRA provided Congress the National Rail Plan Progress Report that built upon the Preliminary National Rail Plan. FRA has a comprehensive, long-range planning strategy that recognizes different stakeholders' needs and priorities and the need to address certain planning issues at the regional and state levels. This strategy entails the release of materials that cumulatively fulfill the goals of the National Rail Plan.</p> <p>MILESTONE 307-01: By the end of the first quarter of FY 2013, the National Cooperative Rail Research Program will have nine projects underway that contribute data and best practices for national rail planning activities.</p> <p>MILESTONE 307-02: By the end of the first quarter of FY 2013, FRA will issue draft State Rail Plan guidance for stakeholder comments. (See also 303-01.)</p> <p>MILESTONE 307-03: By the end of the third quarter of FY 2013, provide a template and best practices for future multi-state planning efforts, based on Southwest Region planning efforts, and in coordination with the NCRRP study on the subject.</p> <p>MILESTONE 307-04: By the end of the second quarter of FY 2013, FRA will provide a strategy describing the next phases of FRA's national planning activities to OIG and other DOT officials.</p> <p>MILESTONE 307-05: By the end of the second quarter of FY 2013, the Administration's FY 2014 budget request will include further program and policy plans.</p> <p>MILESTONE 307-06: By the end of FY 2013, FRA will complete Phase 1 of the Northeast Corridor Passenger Rail Corridor Investment Plan.</p> <p>MILESTONE 307-07: By the end of FY 2013, FRA will submit for Office of the Secretary approval draft benefit-cost analysis guidance.</p> <p>MILESTONE 307-08: By the end of the second quarter of FY 2014, FRA will submit for Office of the Secretary approval draft guidelines for States/Regional Organizations to propose changes to existing high-speed rail corridors.</p>
<p>Develop a schedule for achieving specific, measurable performance goals</p>	<p>ONGOING. The Administration's FY 2012 budget request contained several performance goals for national rail programs. Additional work in this area is underway.</p> <p>MILESTONE 307-09: By the end of the second quarter of FY 2014, FRA will submit for Office of the Secretary approval a strategy and schedule for establishing and tracking passenger and freight rail performance.</p>

Comments

FRA has a comprehensive, long-range planning strategy that recognizes different stakeholders' needs and priorities and the need to address certain planning issues at the regional and state levels. This strategy entails the release of materials that cumulatively fulfill the goals of the National Rail Plan. FRA has already released several related documents, including

- National Rail Plan Progress Report (September 2010);
- High-Speed Rail Safety Strategy (November 2009);
- Seven pieces of interim program guidance (June 2009 through March 2011); and
- FY 2012 and FY 2013 budget requests (February 2011 and February 2012).

During the next several months, FRA will release additional materials, such as state rail planning guidance, and continue efforts to provide baseline data and best practices, such as the National Cooperative Rail Research Program and Northeast Corridor planning. FRA is extending its national planning strategy to include additional policy materials, technical guidance, and regional and state planning toolkits.

Notably, PRIIA requires the National Rail Plan to be "consistent with approved state rail plans." When PRIIA passed, 19 states had such plans. With FY 2010 appropriations, FRA is funding 11 state rail plans and 2 regional rail plans.

FRA is developing a strategy detailing the next phase of national rail planning activities, which fall into three categories:

National Planning: Documents that provide an analysis of trends and future outlooks for the nation's rail industry; articulate the rail development and delivery roles for each stakeholder and level of government; establish specific and measurable performance goals; and describe the potential future role of passenger and freight rail in the nation's transportation system. Documents accomplishing many of these objectives have already been completed, and will continue to be enhanced and refined as regional and state planning efforts advance and as additional tools and guidance are developed.

Regional and State Planning: Documents primarily developed by FRA's regional and state partners, according to guidance and parameters established at the national level, that lay out detailed visions for passenger and freight rail; maps of potential new or enhanced corridors; financial planning strategies; and service planning approaches.

Tools and Guidance: Documents that provide grantees and other stakeholders with technical assistance on project development and delivery issues; standards for safety; and modeling tools, methodologies, and best practices for assessing public benefits, service planning scenarios, capital and operating/maintenance cost projections, and market demand for potential future projects.

© PRIIA Section 404: Locomotive Biofuel Study

Determine the extent to which freight railroad, Amtrak, and other passenger rail operator could use biofuel blends to power locomotives and other vehicles	IN PROGRESS. From February 2010 through January 2011, Amtrak tested 820 biodiesel blended fuel on its Heartland Flyer service. In March 2011, FRA awarded funds to North Carolina State University for analysis of biofuel's energy intensity, environmental effects, cost, availability, public benefits, and implications for locomotive performance and warranties. The analysis and testing will continue through March 2014. MILESTONE 404-01: By the end of the third quarter of FY 2014, FRA will issue the final report.
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© PRIIA Section 405: Study of the Use of Bio-based Technologies

Study the feasibility of using readily biodegradable lubricants for freight and passenger railroad locomotives, rolling stock, or other equipment	<p>IN PROGRESS. FRA awarded funds to the National Agriculture-Based Lubricants Center, University of Northern Iowa for the study that will continue through March 2014.</p> <p>MILESTONE 405-01: By the end of the third quarter of FY 2014, FRA will issue the final report.</p>
© PRIIA Section 407: Historic Preservation of Railroads	
Study shall be conducted in consultation with the Advisory Council on Historic Preservation, National Conference of State Historic Preservation Officers, Department of the Interior, appropriate representatives of the railroad industry, and representative stakeholders	<p>ONGOING. FRA initiated the study in February 2011, which required extensive consultation with government agencies and stakeholders in industry and the historic preservation community. The report will contain both administrative and legislative recommendations, in accordance with Section 407. The report has been completed and the clearance process started in August 2012.</p>
Submit a report on the results of the study	<p>IN PROGRESS. In August 2012, FRA will submit the report to OST for clearance. FRA completed intensive review of the report prior to submission to appropriate Departmental and Executive Branch reviewers.</p> <p>MILESTONE 407-01: By the end of the second quarter of FY 2013, FRA will issue the final report.</p>
© PRIIA Section 502: Additional High-Speed Rail Projects	
Issue the Request for Proposals by December 16, 2008	<p>DONE. FRA issued a Request for Expressions of Interest on December 16, 2008.</p>
Determine whether to establish commissions.	<p>DONE. FRA received and reviewed eight proposals. While FRA found that five proposals merited further consideration, none concerned the Northeast Corridor, for which section 502 provided a site-specific trip-time goal. The proposals contained no guarantees of private funding. Therefore, DOT lacked sufficient justification to create of a commission. No further milestones pertain to this responsibility.</p>

○ PRIIA Section 215: Employee Transition Assistance	
Develop a program which at the Secretary's discretion may provide grants for financial assistance to Amtrak employees adversely affected by an operator taking over an Amtrak route under the pilot program created under PRIIA section 214	<p>PENDING. With no Amtrak operations currently facing the prospect of ceasing due to a Section 214 pilot program, DOT has not created or implemented a program to provide financial incentives to employees adversely affected by this section. Under the section 214 final rule (issued on December 14, 2011, and effective February 13, 2012), the Secretary must certify that FRA has sufficient resources that are adequate to undertake the pilot program before petitions or bids may be submitted. The Secretary will not make this certification until Congress appropriates funds for section 214.</p> <p>MILESTONE 215-01: Within 4 months of the Secretary's section 214 "sufficient resources" certification, FRA will propose to Amtrak the terms under which FRA could provide financial incentive grants. (Note: This Milestone is subject to the October 2013 expiration date of the prior program under section 214 of PRIIA.</p>
Background	
<p>The section 214 pilot program is available for up to two routes. Selection of an alternate operator for a route under the pilot program would supplant Amtrak's operation. Under existing labor contracts, Amtrak employees whose positions would be eliminated would bid on remaining jobs, potentially bumping other employees. Employees without positions after the bidding and bumping would be eligible for up to five years of pay as a result of a route cessation. Section 215 would provide adversely affected employees an optional one-time lump sum payment, in lieu of labor protection pay. Employee acceptance of the lump sum option would reduce payments that Amtrak would otherwise owe its adversely affected employees.</p>	
○ PRIIA Section 224(c)(1): Passenger Rail Studies	
Conduct analyses of named corridors and submit a report.	<p>PENDING. No funds are currently available for this purpose.</p> <p>MILESTONE 224-01: Within 3 months of receipt of an appropriation for this purpose, develop a statement of objectives for the studies.</p> <p>MILESTONE 224-02: Within 6 months of completing the statement of objectives, issue a Request for Proposals for the related studies.</p>
Comments	
<p>Section 224(c)(1) requires the Secretary to undertake analyses of several specifically named proposed corridors and to report thereon to the authorizing Committees of the Congress by October 16, 2009. Such studies are complex and involve travel demand, operating costs, capital investments, environmental factors, and other topics. The studies will require significant assistance from consultants for which funds have not been appropriated.</p>	
○ PRIIA Section 224(c)(2): Corridor Designations	
Establish a process for designation and extension of corridors.	<p>PENDING. This effort is integral to FRA's national rail planning under section 307. Such integration is essential to assure that designations, extensions, and modifications, if any, are cohesive, orderly, and responsive to national needs. See Milestone 307-08.</p>

Background

A process for designations, extensions, and modifications has developed incrementally since 1992, on the basis of Federal Register notices (63 FR 68499 and 65 FR 43826) and extensive, well-documented precedent (see at <http://www.fra.dot.gov/rpd/passenger/618.shtml>). In recent years, the Department has not acted on corridor designation or extension requests pending ongoing work on national rail planning. FRA anticipates taking action in conjunction with national rail planning. In this manner, the Department will bring necessary context and national perspective on the designation process.

EXHIBIT C. FRA'S PROGRESS IN IMPLEMENTATION OF ITS PRIIA RESPONSIBILITIES

Legend:		
	Not Started ○	In-Progress ⊙
		Completed ●
PRIIA Section	FRA Responsibility and Progress to Date	Status
§ 206 Establishment of Grant Process	Review and approve Amtrak's grant requests FRA established initial requirements and submitted a requisite letter to Congress on December 22, 2008.	●
§ 207 Metrics and Standards	Develop new or improve existing metrics and minimum standards FRA issued a final version of the metrics and standards on May 12, 2010.	●
§ 207 Metrics and Standards	Collect data and publish quarterly reports on performance and service quality FRA collected the necessary data and published its first quarterly report on performance and service quality of intercity passenger train operations on March 3, 2011, and has continued to publish the reports since then.	●
§ 208 Methodologies for Amtrak Route and Service Planning Decision	Obtain a qualified independent entity to develop and recommend objective methodologies for Amtrak route decisions FRA stated that while it engaged the Volpe Center in September 2009—several months after the mandated deadline—it used the funding for this contract on National Rail Plan efforts. FRA considers the National Rail Plan a prerequisite for Sec. 208, since it should provide facts, policy, and guidance that will provide the foundations for many other requirements.	⊙
§ 210 Long-Distance Routes	Monitor the development, implementation, and outcome of Amtrak's improvement plans FRA established three milestones towards the completion of this responsibility. The first milestone – hiring a long-distance passenger train oversight manager – was completed in November 2012. The Agency is in progress complete the second milestone, development of a FY 2012 long-distance passenger train route performance report.	⊙

PRIIA Section	FRA Responsibility and Progress to Date	Status
§ 211 NEC State-of-Good- Repair Plan	<p>Review and approve Amtrak's Capital Plan</p> <p>FRA has approved Amtrak's NEC State-of-Good- Repair Plan, which includes a comprehensive capital investment program, published on April 15, 2009. It has also directed Amtrak to submit monthly and quarterly reports on its capital project status. FRA reviews the scope and budgets of all of Amtrak's proposed projects, including for the NEC. At quarterly review meetings with Amtrak's Engineering Department, FRA reviews all proposed NEC capital expenditures against the Plan, both before and after approval.</p>	●
§ 212 NEC Infrastructure and Operations Improvements	<p>Establish a Northeast Corridor Infrastructure and Operations Advisory Commission</p> <p>FRA established the Commission, with members from Amtrak, NEC States, and USDOT. Freight railroads are represented as non-voting members.</p>	●
§ 212 NEC Infrastructure and Operations Improvements	<p>Establish a Northeast Corridor Safety Committee</p> <p>The committee has been established under the auspices of the FRA Office of Safety. Its draft report was sent to the Office of the Secretary on June 2, 2012.</p>	●
§ 214 Alternative Passenger Rail Service Pilot Program	<p>Complete a rulemaking to develop a pilot passenger rail program</p> <p>FRA issued a final rule on December 14, 2011, more than 2 years after the PRIIA imposed deadline of October 16, 2009. The final rule was effective on February 13, 2012.</p>	●
§ 215 Employee Transition Assistance	<p>Develop an employee transition assistance program for Amtrak employees</p> <p>FRA has not issued regulations under this Section because no alternative passenger rail service has been proposed pursuant to Sec. 214. Because the pilot passenger rail program developed pursuant to Section 214 expired on October 16, 2013, FRA did not need to develop the employee transition assistance program.</p>	●

**Exhibit C. FRA'S Progress in Implementation of Its PRIIA
 Responsibilities**

PRIIA Section	FRA Responsibility and Progress to Date	Status
<p>§ 220 Oversight of Amtrak's Compliance with Accessibility Requirements</p>	<p>Monitor and conduct periodic reviews of Amtrak's compliance with both ADA and Rehabilitation Act of 1974</p> <p>FRA's Office of Civil Rights and Office of Railroad Policy and Development work cooperatively to monitor and review Amtrak's compliance with applicable accessibility requirements. FRA established two milestones toward completion of its responsibilities pursuant to Section 220. Both of these milestones however, are triggered by Amtrak achieving certain progress markers in its program to rehabilitate stations and procure new rail cars. FRA does not expect Amtrak to meet the earliest of those progress thresholds until late 2013 or early 2014. In the meantime, FRA has engaged a contract team to assist the Agency in its oversight of Amtrak's progress.</p>	○
<p>§ 224 Passenger Rail Service Studies</p>	<p>Submit reports on high-speed rail corridor service studies to Congress</p> <p>According to FRA, available funds were redirected to National Rail Plan development since the plan is a prerequisite to this Section to ensure that designations, extensions, and modifications of corridors are cohesive, orderly, and responsive to national needs.</p>	○
<p>§ 224 Passenger Rail Service Studies</p>	<p>Establish a process for designation and extension of high-speed rail corridors</p> <p>According to FRA, completion of this responsibility is contingent upon other national rail planning activities.</p>	○
<p>§ 301 Capital Assistance for Intercity Passenger Rail Service</p>	<p>Make grants to assist in financing the capital costs necessary to provide or improve intercity passenger rail transportation</p> <p>FRA's High-Speed Intercity Passenger Rail (HSIPR) program incorporates grants authorized by Secs. 301, 302, and 501. As of September, 2013, FRA had obligated \$10.0 billion to 148 projects and had outlaid \$1.4 billion.</p>	●

PRIIA Section	FRA Responsibility and Progress to Date	Status
§ 301 Capital Assistance for Intercity Passenger Rail Service	<p>Issue a final rule establishing application and qualification procedures for intercity passenger rail grants</p> <p>FRA missed its October 2010 deadline for issuing the final rule, and has been administering the HSIPR program according to interim guidance. To date, all appropriation acts for PRIIA have authorized FRA to administer the HSIPR program without a final rule in place. According to FRA, the Agency has begun identifying appropriate areas of guidance and technical assistance in the areas of project development and delivery. According to the Agency, this approach will include establishing criteria to identify topics that may be appropriate to include in a rulemaking. However, the Agency has not started work on any of the three milestones it established related to its rulemaking responsibilities under Sections 301 and 501.</p>	⊙
§ 302 Congestion Grants	<p>Make grants to assist in financing the capital costs for high priority rail corridor projects to reduce congestion or facilitate ridership growth</p> <p>See discussion of Sec. 301.</p>	●
§ 303 State Rail Plans	<p>Establish minimum requirements for the preparation and periodic revision of State rail plans</p> <p>FRA's draft state rail planning guidance appeared in the <i>Federal Register</i> on August 14, 2012 for stakeholder and public review and comment. FRA published the final state rail planning guidance on September 18, 2013.</p>	●
§ 304 Tunnel Project	<p>Select and approve a new rail tunnel alignment in Baltimore and ensure completion of the related environmental review process</p> <p>As of May, 2013, FRA had made contractual arrangements with Maryland DOT and Amtrak to conduct the necessary Preliminary Engineering and National Environmental Protection Act analysis, which will lead to the eventual selection of a new tunnel. FRA expects to complete the selection of a new alignment by the middle of 2017.</p>	⊙

PRIIA Section	FRA Responsibility and Progress to Date	Status
§ 306 Rail Cooperative Research Program	<p>Establish and carry out a rail cooperative research program</p> <p>FRA has executed a grant agreement with the Transportation Research Board to establish the National Rail Cooperative Research Program, named an advisory committee to guide the research, and named FRA staff liaisons to the research panels. There are currently 9 research projects underway.</p>	●
§ 307 Federal Rail Policy	<p>Develop a long-range national rail plan</p> <p>FRA released a preliminary National Rail Plan on October 15, 2009, and on September 28, 2010, FRA provided Congress with a National Rail Plan progress update. FRA continues to make progress against its milestones to define Federal rail policy, for example by publishing draft state rail planning guidelines. However the agency does not intend to issue a single national rail plan. Instead, the agency is pursuing a decentralized approach to national rail planning focused on developing a variety of materials, tools, and guidance that stakeholders can use to develop regional, state, and local rail plans. However, the FRA has not articulated how its approach will fully address PRIIA's requirement for a national rail plan or established plans and milestones beyond those for the Northeast Corridor and southwest region.</p>	⊙
§ 307 Federal Rail Policy	<p>Develop a schedule for achieving specific, measurable performance goals</p> <p>FRA's PRIIA action plan states that the Agency intends to submit for approval by the Office of the Secretary of Transportation a strategy and schedule for establishing and tracking passenger and freight rail performance. The President's FY 2014 budget request included future program and policy plans but did not offer a schedule of specific, measurable performance goals.</p>	⊙

PRIIA Section	FRA Responsibility and Progress to Date	Status
§ 404 Locomotive Biofuel Study	<p>Report to Congress the results of a study to determine the extent to which railroads could use bio-fuels as alternatives to diesel</p> <p>FRA issued a notice of funding availability seven months after the October 16, 2009 deadline for a final report to Congress. In March of 2011, FRA executed a grant agreement with the University of North Carolina. According to FRA, the study is underway and the Agency expects the study will be complete by early 2014.</p>	⊙
§ 405 Study of the Use of Biobased Technology	<p>Report to Congress the results of a feasibility study on the use of readily biodegradable lubricants for railroads</p> <p>See previous discussion of Sec. 404. An agreement with the University of Northern Iowa on this feasibility study was executed on May 11, 2011. According to FRA, the study is underway and the Agency expects the study will be complete by early 2014.</p>	⊙
§ 406 Cross-Border Passenger Rail Service	<p>Establish procedures and/or facilities for preclearance of passengers traveling from the U.S. to Canada</p> <p>Amtrak has established a pre-inspection process for its route to Vancouver, Canada, and it is currently in discussions with the Department of Homeland Security and Canadian stakeholders for its route to Montreal. In the implementation of this provision, FRA has focused primarily on the monitoring of developments for Amtrak's Vancouver (Canada)-bound and Montreal-bound routes and offering of assistance to Amtrak—assistance Amtrak has thus far declined, preferring to work directly with State stakeholders.</p>	●

PRIIA Section	FRA Responsibility and Progress to Date	Status
§ 407 Historic Preservation of Railroads	Report to Congress on the results of a study and actions to streamline compliance with historic preservation requirements and on actions to expedite decision making for capital projects involving properties of disputed historical significance in the States of Alaska and North Carolina	●
FRA issued its report to Congress on April 18, 2013.		
§ 501 High-Speed Rail Corridor Program	Make grants to finance capital projects in designated high-speed rail corridors	●
See discussion of Sec. 301.		
§ 501 High-Speed Rail Corridor Program	Issue regulations for the high-speed rail corridor program	⊙
See discussion of Sec. 301.		
§ 502 Additional High-Speed Rail Projects	Issue a request for proposals for projects in any of the 10 designated high-speed rail corridors or the Northeast Corridor	●
FRA issued a Request for Expressions of Interest on December 11, 2008, 5 days before PRIIA's deadline.		
§ 502 Additional High-Speed Rail Projects	Evaluate high-speed rail corridor proposals	●
FRA received and reviewed eight proposals. While the Agency found that five proposals merited further consideration, none contained guarantees of private funding. Therefore, the Agency decided that there was insufficient justification to create a commission for further consideration of the proposals.		

EXHIBIT D. MAJOR CONTRIBUTORS TO THIS REPORT

<u>Name</u>	<u>Title</u>
Yana Hudson	Program Director
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APPENDIX. AGENCY COMMENTS

U.S. Department
of Transportation

Federal Railroad Administration

MEMORANDUM

INFORMATION: Management Response to
Office of Inspector General Draft Report
on FRA Implementation of the Passenger
Rail Investment and Improvement Act of
2008

Subject:

Date: February 11, 2014

From:

Joseph Szabo
Federal Railroad Administrator

To: Mitchell L. Behm
Assistant Inspector General for Rail, Maritime,
Hazmat Transport and Economic Analysis

Reply to
the Attn of: ROA-03

The Office of Inspector General's (OIG) report highlights the significant progress the Federal Railroad Administration (FRA) has made in implementing *the Passenger Rail Investment and Improvement Act of 2008* (PRIIA or the Act). This report confirms that FRA has completed a majority of the Act's provisions and is actively implementing the remaining provisions, except the two for which Congress has not yet appropriated funds.

FRA is proud of its PRIIA accomplishments, particularly in light of the Act's sweeping provisions and FRA's simultaneous need to implement the *American Recovery and Investment Act of 2009* expeditiously, which included design, implementation, and management of the \$10 billion High-Speed and Intercity Passenger Rail program (HSIPR). In the less than 2 years since OIG issued its previous PRIIA status report,¹ FRA fully addressed an additional 70 percent of its legislative requirements, with 17 provisions complete to date. As OIG recommended in its previous report, FRA developed, and is successfully implementing, an action plan to complete the outstanding responsibilities. FRA

¹ OIG, *FRA Has Made Progress In Implementing PRIIA Responsibilities, But Challenges for Long-Term HSIPR Remain*, CR-2012-072, March 6, 2012.

has met the plan’s major milestones. Further, FRA is implementing the 10 remaining provisions under the Act according to the established schedule, as OIG verified.

National Rail Planning

FRA has made significant progress implementing PRIIA’s national rail planning provision, Section 307. Over the past several years, FRA has released several documents that collectively provide a comprehensive national blueprint advancing rail. These documents include the *Preliminary National Rail Plan* (October 2009), *High-Speed Rail Safety Strategy* (November 2009), *National Rail Plan Progress Report* (September 2010), *State Rail Plan Guidance* (October 2013), and the fiscal year 2014 budget request (April 2013). They cumulatively define and establish national goals and objectives; safety and operational performance metrics; principles and methodologies for sound rail planning and analysis; anticipated trends in the freight and passenger rail markets; and a 5-year rail investment plan that details Federal priorities, eligible applicants and project types, criteria for market-based investment decisions, and other grant conditions.

PRIIA Section 307 specifically calls for a “long-range national rail plan that is consistent with approved State rail plans.” When Congress enacted PRIIA in 2008, few States had robust State rail plans. Thus, FRA recognized that Federal guidance for State rail planning was a prerequisite step to long-range national planning. Similarly, Congress recognized the limited extent of State rail plans and mitigated the urgency for States to develop these plans without Federal guidance—each HSIPR appropriation act waived the requirement that HSIPR projects be included in a State rail plan. Because FRA has now issued the Federal guidance, States will prepare and update their rail plans reflecting a consistent set of national parameters.

Recommendations and Responses

OIG Recommendation 1: “We recommend that the Federal Railroad Administrator update the Agency’s PRIIA Action Plan to account for delays and challenges in meeting deadlines, and include an explanation of how the Agency’s strategy will fulfill the PRIIA Section 307 requirement for a National Rail Plan with specific milestones for completion.”

Appendix. Agency Comments

Response: Concur – FRA will provide OIG an updated PRIIA Action Plan, including a strategy for fulfilling the requirements of PRIIA Section 307, by June 2014.

We appreciate this opportunity to offer additional perspective on the OIG draft report. We also appreciate the courtesies of the OIG staff in conducting this complex review. Please contact Rosalyn G. Millman, Planning and Performance Officer, at (202) 384-6193, with any questions or requests for additional assistance.