

(2) On January 1, 1987, all powers, duties, rights, and obligations of such association relating to the Corporation under the Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) shall be transferred to the Secretary of Transportation.

(3) The sole function of the United States Railway Association after January 1, 1987, shall be the termination of its affairs and the liquidation of its assets.

(b) Transfer of securities and responsibilities

(1) Any securities of the Corporation held by the United States Railway Association shall, upon¹ October 21, 1986, be transferred to the Secretary of Transportation.

(2) If, on the date the United States Railway Association is abolished under subsection (a), such association shall not have completed the termination of its affairs and the liquidation of its assets, the duty of completing such winding up of its affairs and liquidation shall be transferred to the Secretary of Transportation, who for such purposes shall succeed to all remaining powers, duties, rights, and obligations of such association.

(c) Financing agreement

(1) On January 1, 1987, the Amended and Restated Financing Agreement, dated May 10, 1979, between the United States Railway Association and the Corporation, together with any and all rights and obligations of or on behalf of any person with respect to such agreement, shall terminate and be of no further force or effect, except for those provisions specifying terms and conditions for payments made to the United States with respect to debentures, preferred stock, and contingent interest notes.

(2) Effective as of the sale date, those provisions of the Financing Agreement referred to in paragraph (1) shall terminate.

(Pub. L. 99-509, title IV, §4031, Oct. 21, 1986, 100 Stat. 1906.)

REFERENCES IN TEXT

The Regional Rail Reorganization Act of 1973, referred to in subsec. (a)(2), is Pub. L. 93-236, Jan. 2, 1974, 87 Stat. 985, as amended, which is classified principally to chapter 16 (§701 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 701 of this title and Tables.

§ 1342. Exemption from liability

(a) In general

No person referred to in section 726(f)(8)(C)(i), (ii), or (iii) of this title shall be liable, for money damages or otherwise, to any party if, with respect to the subject matter of the action, suit, or proceeding, such person was fulfilling a duty, in connection with any action taken under this subchapter, which such person in good faith reasonably believed to be required by law or vested in such person.

(b) Exception

This section shall not apply to claims arising out of the Securities Act of 1933 [15 U.S.C. 77a et seq.], the Securities Exchange Act of 1934 [15

U.S.C. 78a et seq.], or the Constitution or laws of any State, territory, or possession of the United States relating to transactions in securities, which claims are in connection with a public offering under section 1312 of this title.

(Pub. L. 99-509, title IV, §4034, Oct. 21, 1986, 100 Stat. 1909.)

REFERENCES IN TEXT

The Securities Act of 1933, referred to in subsec. (b), is act May 27, 1933, ch. 38, title I, 48 Stat. 74, as amended, which is classified generally to subchapter I (§77a et seq.) of chapter 2A of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see section 77a of Title 15 and Tables.

The Securities Exchange Act of 1934, referred to in subsec. (b), is act June 6, 1934, ch. 404, 48 Stat. 881, as amended, which is classified principally to chapter 2B (§78a et seq.) of Title 15. For complete classification of this Act to the Code, see section 78a of Title 15 and Tables.

§ 1343. Charter amendment

Within 60 days after October 21, 1986, the Corporation shall amend its Articles of Incorporation to contain the following provision, which provision shall not be subject to amendment or repeal:

“It shall be a fundamental purpose of the Corporation to maintain continued rail service in its service area.”.

(Pub. L. 99-509, title IV, §4035, Oct. 21, 1986, 100 Stat. 1909.)

§ 1344. Status of Conrail after sale

The Corporation shall be a rail carrier as defined in section 10102 of title 49, notwithstanding this subchapter.

(Pub. L. 99-509, title IV, §4036, Oct. 21, 1986, 100 Stat. 1909; Pub. L. 104-88, title III, §332, Dec. 29, 1995, 109 Stat. 953.)

AMENDMENTS

1995—Pub. L. 104-88 substituted “section 10102” for “section 10102(19)”.

EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104-88 effective Jan. 1, 1996, see section 2 of Pub. L. 104-88, set out as an Effective Date note under section 1301 of Title 49, Transportation.

§ 1345. Effect on contracts

Nothing in this subchapter shall affect any obligation of the Corporation to carry out its transportation contracts and equipment leases, equipment trusts, and conditional sales agreements, in accordance with their terms.

(Pub. L. 99-509, title IV, §4037, Oct. 21, 1986, 100 Stat. 1909.)

§ 1346. Resolution of certain issues

(a) Employee issues

Section 4024 completely and finally—

(1) extinguishes all employee rights, and any obligation of the United States, under section 761(e)¹ of this title as in effect immediately before October 21, 1986;

¹ So in original. Probably should be “on”.

¹ See References in Text note below.

(2) resolves any and all claims against the Corporation or any other person arising under the Definitive Agreement referred to in section 4024(d)(1) or any other agreement containing similar terms and conditions;

(3) resolves all claims to pay entitlements arising out of the pay increase deferrals by present and former employees of the Corporation under the Agreement of May 5, 1981, between Conrail and Certain Labor Organizations for Labor Contributions to Self-Sufficiency for Conrail;

(4) resolves all issues raised by notices served by representatives of such employees under section 156 of this title proposing repayment of or compensation for such deferrals; and

(5) resolves all claims against the Railway Labor Executives' Association or the Corporation by any adviser, consultant, or other person who has provided services to such association in connection with any matter referred to in this subchapter.

(b) Corporation actions

The Corporation shall not be considered to be in breach, default, or violation of any agreement to which it is a party, notwithstanding any provision of such agreement, because of any provision of this subchapter or any action the Corporation is required to take under this subchapter.

(c) Right to sue withdrawn

The United States hereby withdraws any stated or implied consent for the United States, or any agent or officer of the United States, to be sued by any person for any legal, equitable, or other relief with respect to any claim arising out of, or resulting from, acts or omissions under this subchapter, except actions brought to require the Secretary of Transportation to perform duties or acts required under part A of this subchapter.

(Pub. L. 99-509, title IV, § 4038, Oct. 21, 1986, 100 Stat. 1909.)

REFERENCES IN TEXT

Section 4024, referred to in subsec. (a), is section 4024 of Pub. L. 99-509, which amended section 797 of this title, provided for repeal of section 797 of this title effective on the sale date of the Consolidated Rail Corporation, and enacted provisions set out as a note under section 797 of this title. Section 4024(d)(1) is set out as a note under section 797 of this title.

Section 761 of this title, referred to in subsec. (a)(1), was repealed by Pub. L. 99-509, title IV, § 4033(a)(1), Oct. 21, 1986, 100 Stat. 1908.

Part A of this subchapter, referred to in subsec. (c), was in the original "subpart A" meaning subpart A (§§ 4011-4013) of part 2 of subtitle A of title IV of Pub. L. 99-509, Oct. 21, 1986, 100 Stat. 1895, which enacted part A of this subchapter and amended section 726 of this title. For complete classification of this Act to the Code, see Tables.

§ 1347. Tax treatment of Conrail public sale

(a) Treatment as new corporation

(1) In general

For periods after the public sale, for purposes of title 26, Conrail shall be treated as a new corporation which purchased all of its as-

sets as of the beginning of the day after the date of the public sale for an amount equal to the deemed purchase price.

(2) Allocation among assets

The deemed purchase price shall be allocated among the assets of Conrail in accordance with the temporary regulations prescribed under section 338 of title 26 (as such regulations were in effect on October 21, 1986). The Secretary shall establish specific guidelines for carrying out the preceding sentence so that the basis of each asset will be clearly ascertainable. For purposes of applying the regulations referred to in the first sentence, accounts receivable and materials and supplies shall be treated as cash equivalents.

(3) Deemed purchase price

For purposes of this subsection, the deemed purchase price is an amount equal to the gross amount received pursuant to the public sale, multiplied by a fraction—

(A) the numerator of which is 100 percent, and

(B) the denominator of which is the percentage (by value) of the stock of Conrail sold in the public sale.

The amount determined under the preceding sentence shall be adjusted under regulations prescribed by the Secretary for liabilities of Conrail and other relevant items.

(b) No income from cancellation of debt or preferred stock

No amount shall be included in the gross income of any person by reason of any cancellation of any obligation (or preferred stock) of Conrail in connection with the public sale.

(c) Disallowance of certain deductions

No deduction shall be allowed to Conrail for any amount which is paid after the date of the public sale to employees of Conrail for services performed on or before the date of the public sale.

(d) Waiver of certain employee stock ownership plan provisions

For purposes of determining whether the employee stock ownership plans of Conrail meet the qualifications of sections 401 and 501 of title 26—

(1) the limits of section 415 of such title (relating to limitations on benefits and contributions under qualified plans) shall not apply with respect to interests in stock transferred pursuant to this Act or a law heretofore enacted, and

(2) the 2-year waiting period for withdrawals shall not apply to withdrawals of amounts (or shares) in participants accounts in connection with the public sale.

(e) Definitions

For purposes of this section—

(1) Conrail

The term "Conrail" means the Consolidated Rail Corporation. Such term includes any corporation which was a subsidiary of Conrail immediately before the public sale.

(2) Public sale

The term "public sale" means the sale of stock in Conrail pursuant to a public offering