

(b) Office

There are authorized to be appropriated to the Commission for the use of the Office in carrying out its functions under this chapter such sums as are necessary, not to exceed \$7,000,000, to remain available until expended. The budget for the Office shall be submitted by the Commission directly to the Congress and shall not be subject to review of any kind by any other agency or official of the United States. Moneys appropriated for the Office shall not be withheld by any agency or official of the United States or used by the Commission for any purpose other than the use of the Office. No part of any other moneys appropriated to the Commission shall be withheld by any other agency or official of the United States to offset any moneys appropriated pursuant to this subsection.

(c) Association

There are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this chapter not to exceed \$13,000,000 for the fiscal year ending September 30, 1982, and not to exceed \$4,000,000 for the fiscal year ending September 30, 1983. Sums appropriated under this subsection are authorized to remain available until expended.

(Pub. L. 93-236, title II, §214, Jan. 2, 1974, 87 Stat. 1003; Pub. L. 93-488, §1(c), Oct. 26, 1974, 88 Stat. 1464; Pub. L. 94-210, title VI, §607(m), (n), Feb. 5, 1976, 90 Stat. 97; Pub. L. 94-436, §1, Sept. 30, 1976, 90 Stat. 1398; Pub. L. 95-199, §1, Nov. 23, 1977, 91 Stat. 1423; Pub. L. 95-611, §1, Nov. 8, 1978, 92 Stat. 3089; Pub. L. 96-73, title II, §201, Sept. 29, 1979, 93 Stat. 555; Pub. L. 96-448, title VII, §704, Oct. 14, 1980, 94 Stat. 1965; Pub. L. 97-35, title XI, §1151, Aug. 13, 1981, 95 Stat. 676.)

Editorial Notes**AMENDMENTS**

1981—Subsec. (c). Pub. L. 97-35 substituted provisions relating to authorization of appropriations for fiscal years ending Sept. 30, 1982, and 1983, for provisions relating to authorization of appropriations for fiscal year ending Sept. 30, 1981.

1980—Subsec. (c). Pub. L. 96-448 substituted provision authorizing appropriations of not to exceed \$30,000,000 for fiscal year ending Sept. 30, 1981, for provision authorizing appropriations of not to exceed \$28,500,000 for fiscal year ending Sept. 30, 1980.

1979—Subsec. (c). Pub. L. 96-73 substituted appropriations authorization of \$28,500,000 for fiscal year ending Sept. 30, 1980 for \$27,200,000 for fiscal year ending Sept. 30, 1979.

1978—Subsec. (c). Pub. L. 95-611 substituted provision authorizing appropriations of \$27,200,000 for fiscal year ending Sept. 30, 1979, to remain available until expended, for provision authorizing appropriations of \$23,000,000 for fiscal year ending Sept. 30, 1978, to remain available until Sept. 30, 1979.

1977—Subsec. (c). Pub. L. 95-199 substituted provisions authorizing appropriations for fiscal year ending Sept. 30, 1978, of not to exceed \$23,000,000 and authorizing availability of sums to Sept. 30, 1979, for provisions authorizing appropriations for the period beginning May 1, 1976, and ending Sept. 30, 1977, of not to exceed \$20,000,000 and authorizing availability of sums to Sept. 30, 1978.

1976—Subsec. (a). Pub. L. 94-210, §607(n), inserted provision authorizing appropriation of sums to discharge the obligation of the United States under section 743(c)(5) of this title.

Subsec. (b). Pub. L. 94-210, §607(m)(1), substituted "\$7,000,000" for "\$5,000,000".

Subsec. (c). Pub. L. 94-436 substituted provisions authorizing appropriations of such sums as are necessary not to exceed \$20,000,000 for the period beginning May 1, 1976, and ending Sept. 30, 1977 to remain available until Sept. 30, 1978 for provisions authorizing appropriations of such sums as are necessary not to exceed \$40,000,000 to remain available until expended.

Pub. L. 94-210, §607(m)(2), authorized appropriation of not to exceed \$14,000,000 for fiscal period which includes fiscal period ending Sept. 30, 1977.

1974—Subsec. (c). Pub. L. 93-488 substituted "\$40,000,000" for "\$26,000,000".

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 1981 AMENDMENT**

Amendment by Pub. L. 97-35 effective Aug. 13, 1981, see section 1169 of Pub. L. 97-35, set out as an Effective Date note under section 1101 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-448 effective Oct. 1, 1980, see section 710(a) of Pub. L. 96-448, set out as a note under section 1170 of Title 11, Bankruptcy.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-73 effective Oct. 1, 1979, see section 501(a) of Pub. L. 96-73.

ABOLITION OF INTERSTATE COMMERCE COMMISSION AND TRANSFER OF FUNCTIONS

Interstate Commerce Commission abolished and functions of Commission transferred, except as otherwise provided in Pub. L. 104-88, to Surface Transportation Board effective Jan. 1, 1996, by section 1302 of Title 49, Transportation, and section 101 of Pub. L. 104-88, set out as a note under section 1301 of Title 49. References to Interstate Commerce Commission deemed to refer to Surface Transportation Board, a member or employee of the Board, or Secretary of Transportation, as appropriate, see section 205 of Pub. L. 104-88, set out as a note under section 1301 of Title 49.

ABOLITION OF UNITED STATES RAILWAY ASSOCIATION AND TRANSFER OF FUNCTIONS AND SECURITIES

See section 1341 of this title.

APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT

Application of National Environmental Policy Act to actions of Commission not affected by title VI of Pub. L. 94-210, see section 619 of Pub. L. 94-210, set out as a note under section 791 of this title.

§ 725. Interim agreements**(a) Purposes**

Prior to the date upon which rail properties are conveyed to the Corporation under this chapter, the Secretary, with the approval of the Association, is authorized to enter into agreements with the trustees of the railroads in reorganization in the region (or railroads leased, operated, or controlled by railroads in reorganization)—

(1) to perform the program maintenance on designated rail properties of such railroads until the date rail properties are conveyed under this chapter;

(2) to improve rail properties of such railroads; and

(3) to acquire rail properties for lease or loan to any such railroads until the date such rail properties are conveyed under this chapter,

and subsequently for conveyance pursuant to the final system plan, or to acquire interests in such rail properties owned by or leased to any such railroads or in purchase money obligations therefor.

(b) Conditions

Agreements pursuant to subsection (a) of this section shall contain such reasonable terms and conditions as the Secretary may prescribe. In addition, agreements under paragraphs (1) and (2) of subsection (a) of this section shall provide that—

(1) to the extent that physical condition is used as a basis for determining, under section 716(f) or 743(c) of this title, the value of properties subject to such an agreement and designated for transfer to the Corporation under the final system plan, the physical condition of the properties on the effective date of the agreement shall be used; and

(2) in the event that property subject to the agreement is sold, leased, or transferred to an entity other than the Corporation, the trustees or railroad shall pay or assign to the Secretary that portion of the proceeds of such sale, lease, or transfer which reflects value attributable to the maintenance and improvement provided pursuant to the agreement.

(c) Obligations

Notwithstanding section 720(b) of this title, the Association shall issue obligations under section 720(a) of this title in an amount sufficient to finance such agreements and shall require the Corporation to assume any such obligations. The aggregate amount of obligations issued under this section and outstanding at any one time shall not exceed \$300,000,000. The Association, with the approval of the Secretary, shall designate in the final system plan that portion of such obligations issued or to be issued which shall be refinanced and the terms thereof, and that portion from which the Corporation shall be released of its obligations.

(d) Conveyance

The Secretary may convey to the Corporation or any subsidiary thereof, with or without receipt of consideration, any property or interests acquired by, transferred to, or otherwise held by the Secretary pursuant to this section or section 723 of this title.

(Pub. L. 93-236, title II, §215, Jan. 2, 1974, 87 Stat. 1004; Pub. L. 94-5, §7, Feb. 28, 1975, 89 Stat. 8; Pub. L. 94-210, title VI, §607(i), Feb. 5, 1976, 90 Stat. 97.)

Editorial Notes

AMENDMENTS

1976—Subsec. (d). Pub. L. 94-210 inserted “or any subsidiary thereof” after “Corporation”.

1975—Pub. L. 94-5 expanded provisions covering interim agreements for the acquisition, maintenance, and improvement of railroad properties, substituted provisions setting out the requisite conditions of such agreements for provisions making only a general requirement that such agreements identify the type and quality of improvements to be made, raised from \$150,000,000 to \$300,000,000 the maximum amount of outstanding obligations, and substituted provisions directing the Association in the final system plan to des-

ignate that portion of the obligations which shall be refinanced and that portion from which the Corporation shall be released of its obligations for provisions prohibiting the Secretary's entry into agreements unless he issues regulations setting forth procedures and guidelines for the administration of this section, substituted provisions authorizing the Secretary to convey to the Corporation property or interests held by the Secretary pursuant to this section or section 723 of this title for provisions relieving the Corporation of the duty of compensating railroads in reorganization for that portion of transferred properties attributable to the acquisition, maintenance, or improvement of such properties under this section.

Statutory Notes and Related Subsidiaries

ABOLITION OF UNITED STATES RAILWAY ASSOCIATION AND TRANSFER OF FUNCTIONS AND SECURITIES

See section 1341 of this title.

APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT

Application of National Environmental Policy Act to actions of Commission not affected by title VI of Pub. L. 94-210, see section 619 of Pub. L. 94-210, set out as a note under section 791 of this title.

§ 726. Debentures and series A preferred stock

(a) General

The Association is authorized, in accordance with the provisions of this section, and such rules and regulations as it may prescribe, to invest from time to time in the securities of the Corporation by purchasing (1) up to \$1,000,000,000 of debentures issued by the Corporation, and (2) after the acquisition of such debentures, up to \$2,629,000,000 of the series A preferred stock of the Corporation.

(b) Purposes and procedure for investment

(1) The Association is authorized to purchase debentures and, thereafter, series A preferred stock of the Corporation at such times and in such amounts as may be required and requested by the Corporation in accordance with the terms and conditions governing such purchases (which shall be prescribed by the Association), to provide—

(A) for the modernization, rehabilitation and maintenance of rail properties of the Corporation;

(B) for the acquisition of equipment and other capital needs;

(C) for the refinancing of indebtedness which was incurred by the Corporation under section 721 of this title or which was incurred under section 725 of this title and assumed by the Corporation; or

(D) working capital as contemplated by the final system plan.

(2) Purchases of up to \$1,000,000,000 of debentures and, thereafter, of up to \$2,300,000,000 of series A preferred stock shall be made by the Association as required and requested by the Corporation, unless the Finance Committee makes an affirmative finding that—

(A) the Corporation has failed in any material respect to comply with any covenants or undertakings made to the Association and such failure remains uncorrected;

(B) the Corporation has failed substantially (as determined by performance within the