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Title 49 —Transportation

Subtitle B —Other Regulations Relating to Transportation

Chapter II —Federal Railroad Administration, Department of Transportation

Part 268 Magnetic Levitation Transportation Technology Deployment Program

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PART 268—MAGNETIC LEVITATION TRANSPORTATION TECHNOLOGY DEPLOYMENT PROGRAM

Authority: 49 U.S.C. 322; 23 U.S.C. 322; 49 CFR 1.49.

Source: 65 FR 2344, Jan. 14, 2000, unless otherwise noted.

Subpart A—Overview

§ 268.1 Definitions.

As used in this part—

CMAQ means Congestion Mitigation and Air Quality Improvement Program (23 U.S.C. 149).

Environmental assessment (“EA”) means the environmental assessment in support of the project description and containing the information listed in § 268.11(b)(6)(i).

Environmental impact statement (“EIS”) means the environmental impact statement which is required pursuant to §§ 268.3.

Eligible project costs means the costs of preconstruction planning activities and the capital cost of the fixed guideway infrastructure of a Maglev project, including land, piers, guideways, propulsion equipment and other components attached to guideways, power distribution facilities (including substations), control and communications facilities, access roads, and storage, repair, and maintenance facilities, but eligible project costs do not include the cost of stations, vehicles, and equipment.

Federal Maglev funds means such funds as are provided under the authority of 23 U.S.C. 322 to pay for Eligible Project Costs.

Full project costs means the total capital costs of a Maglev project, including Eligible Project Costs and the costs of stations, vehicles, and equipment.

Phase means one of the five different phases of the Maglev Deployment Program; these phases are described in § 268.3.

Maglev means transportation systems employing magnetic levitation that would be capable of safe use by the public at a speed in excess of 240 miles per hour.

Maglev Deployment Program means the program authorized by 23 U.S.C. 322.

Partnership potential means the usage of the term in the commercial feasibility study of high-speed ground transportation (*High Speed Ground Transportation for America*) mandated under section 1036 of the Intermodal Surface Transportation Efficiency Act of 1991 (105 Stat. 1978). Under that usage any corridor exhibiting Partnership Potential must at least meet the following two conditions:

- (1) Private enterprise must be able to run on the corridor—once built and paid for—as a completely self-sustaining entity; and
- (2) The total benefits of a Maglev corridor must equal or exceed its total costs.

STP means the Surface Transportation Program (23 U.S.C. 133).

TEA 21 means the Transportation Equity Act for the 21st Century (Public Law No. 105-178, 112 Stat. 107).

§ 268.3 Different phases of the Maglev Deployment Program.

- (a) The Maglev Deployment Program includes five phases, as described in paragraphs (b) through (f) of this section. The current projected timing for implementing these phases is indicated to assist applicants in planning their projects. All dates beyond the first date (the deadline for the submission of preconstruction planning applications) are for planning purposes only and are subject to change—including possible acceleration of deadlines—based on the progress of the Maglev Deployment Program; grantees will be notified accordingly.
- (b) **Phase I—Competition for Planning Grants (Early October 1998—September 15, 1999) —**
 - (1) **Description.** In Phase I, States will apply for funds for preconstruction planning activities. As required by § 268.13, applications must be filed with FRA by February 15, 1999. FRA will select one or more projects to receive preconstruction planning financial assistance awarded under this part to perform Phase II of the Maglev Deployment Program.
 - (2) **Timing of Major Milestones.**
 - (i) February 15, 1999—Planning grant applications due.
 - (ii) May 24, 1999—FRA announces grantees for planning grants.

(iii) August 31, 1999—FRA awards planning grants for the conduct of activities listed in Phase II.

(c) **Phase II—Project Description Development (July 1, 1999—June 30, 2000) —**

(1) **Description.** In Phase II, each grant recipient will prepare and submit to FRA a project description, supporting preconstruction planning reports, and an EA. Supporting reports may include demand and revenue analyses, project specification, cost estimates, scheduling, financial studies, a system safety plan (including supporting analysis), and other information in support of the project description. FRA will use this information in reaching a decision on which projects to down-select for completion of site-specific environmental studies, investment grade revenue forecasts, and other studies and analyses necessary prior to initiation of construction. FRA will initiate documentation of environmental factors considered in the project selection process.

(2) **Timing of Major Milestones.**

(i) February 29, 2000—Deadline for submission of appropriate EA's needed by FRA for the down-selection of one or more projects under Phase III.

(ii) June 30, 2000—Deadline for submission of project descriptions and any related supporting reports needed by FRA for down-selection of one or more projects.

(d) **Phase III—Project Selection Process (July 1, 2000—September 30, 2000) —**

(1) **Description.** FRA will evaluate the information provided by the grant recipients under Phase II and will down-select one or more projects for completion of additional environmental studies, investment grade revenue forecasts, and other studies and analyses necessary prior to initiation of construction.

(2) **Timing of Major Milestones.** September 30, 2000—FRA down-selects one or more project(s).

(e) **Phase IV—Project Development and Completion of Site-specific EIS (October 1, 2000—November 30, 2001)—**

(1) **Description.** The financial assistance recipient(s) down-selected in Phase III will complete additional environmental studies, investment grade revenue forecasts, and other studies and analyses necessary prior to initiation of construction, and address issues raised by FRA's review of system safety plans (including supporting analysis). They will also initiate final design and engineering work for the down-selected project(s). If more than one project is down-selected in Phase III, FRA will select one of them for final design, engineering, and construction funding. Detailed agreements for the construction and operation of the selected project will be negotiated.

(2) **Timing of Major Milestones.**

(i) March 31, 2001—If more than one project is down-selected in Phase III, FRA will select one project.

(ii) December 31, 2001—FRA will issue a Final Record of Decision on the site-specific EIS for the one selected project, confirming the project design.

(f) **Phase V—Completion of Detailed Engineering and Construction January 1, 2002 and beyond).** In Phase V, the sponsoring State or State-designated authority will oversee the efforts of the public/private partnership formed to progress the selected project, to complete the detailed engineering designs, and finance, construct, equip, and operate the project in revenue service. Construction will be contingent upon the appropriation of Federal funds. In no event will construction be authorized until FRA is fully satisfied that the system will meet appropriate safety standards.

§ 268.5 Federal funding sources for the Maglev Deployment Program.

- (a) **Federal Maglev Funds.** Section 322 of Title 23 provides for the following funds for the Maglev Deployment Program:
- (1) **Contract authority.** Fifty-five million has been made available for the Maglev Deployment Program as contract authority from the Highway Trust Fund for Fiscal Years 1999 through 2001; this would be used to fund the competition in all its phases and could also be used for final design, engineering, and construction activities of the selected project. Of the \$55 million, the Congress has made available up to \$15 million for Fiscal Year 1999, up to \$15 million for Fiscal Year 2000, and \$25 million for Fiscal Year 2001.
 - (2) **Authorization for appropriations.** Nine hundred fifty million, also from the Highway Trust Fund, has been authorized to be appropriated for the Maglev Deployment Program for Fiscal Years 2000 through 2003. Of the \$950 million, \$200 million is authorized to be appropriated for each of Fiscal Years 2000 and 2001, \$250 million for Fiscal Year 2002, and \$300 million for Fiscal Year 2003. Any decision to proceed with possible Federal funding of the construction of a Maglev system will be contingent upon the receipt of appropriations, and upon completion of appropriate environmental documentation.
- (b) **Other Federal funds.** Section 322 of Title 23 provides that the portion of the Maglev project not covered by Federal Maglev Funds may be covered by any non-Federal funding sources—including private (debt and/or equity), State, local, regional, and other public or public/private entities—as well as by Federally-provided STP and CMAQ funds, and by other forms of financial assistance made available under title 23 and TEA 21, such as loans and loan guarantees.
- (c) **Costs Incurred in Advance of Cooperative Agreement.** Certain costs incurred in advance of the execution of a cooperative agreement between FRA and the grantee for pre-construction planning but after enactment of TEA 21 (June 9, 1998) will be eligible for reimbursement, but such costs are allowable only to the extent that they are otherwise allowable under the terms of a fully executed cooperative agreement.

§ 268.7 Federal/State share and restrictions on the uses of Federal Maglev Funds.

- (a) **Federal share.** The Federal share of Full Projects Costs shall be not more than $\frac{2}{3}$, with the remaining $\frac{1}{3}$ paid by the grant recipient using non-Federal funds. Funds made available under STP and CMAQ are considered non-Federal funds for purposes of the matching requirement.
- (b) **Restrictions on the uses of Federal Maglev Funds.**
- (1) Federal Maglev Funds may be applied only to Eligible Project Costs;
 - (2) Federal Maglev Funds provided under a preconstruction planning grant may be used only for Phase II activities, and for completion of site-specific draft EIS's; see § 268.3;
 - (3) Federal Maglev Funds may be used to pay for only $\frac{2}{3}$ of preconstruction planning costs; grant recipients are required to pay the remaining $\frac{1}{3}$ of the costs with non-Federal funds; and
 - (4) The “prevailing wages” requirement of the Davis Bacon Act (40 U.S.C. 276a-276a-5) applies to any construction contracts under the Maglev Deployment Program.

Subpart B—Procedures For Financial Assistance

§ 268.9 Eligible participants.

Any State, or any authority designated by one or more State(s) to carry out the preconstruction planning activities under the Maglev Deployment Program is eligible to participate in the Maglev Deployment Program.

§ 268.11 Project eligibility standards.

(a) *Project eligibility standards for preconstruction planning financing.*

- (1) As required by 23 U.S.C. 322(d)(4), in order to be eligible to receive financial assistance, a Maglev project shall:
 - (i) Involve a segment or segments of a high-speed ground transportation corridor that exhibit Partnership Potential;
 - (ii) Require an amount of Federal funds for project financing that will not exceed the sum of Federal Maglev Funds, and the amounts made available by States under STP and CMAQ;
 - (iii) Result in an operating transportation facility that provides a revenue producing service;
 - (iv) Be undertaken through a public and private partnership, with at least $\frac{1}{3}$ of Full Project Costs paid using non-Federal funds;
 - (v) Satisfy applicable statewide and metropolitan planning requirements;
 - (vi) Be approved by FRA based on an application submitted by a State or authority designated by one or more States;
 - (vii) To the extent that non-United States Maglev technology is used within the United States, be carried out as a technology transfer project; and
 - (viii) Be carried out using materials at least 70 percent of which are manufactured in the United States.
- (2) FRA recognizes that applicants for preconstruction planning grants will not have detailed information with respect to some of the requirements of paragraph (a)(1) of this section, and that the purpose of a preconstruction planning grant is to develop much of this information with respect to a particular Maglev project. As required by § 268.15, an applicant will need to provide whatever information it has with respect to each of the requirements of paragraph (a)(1) of this section, together with a certification that the applicant fully intends to comply with the requirements of this paragraph (a) should its project be selected by FRA for final design, engineering and construction financing.

(b) *Project eligibility standards for final design, engineering, and construction financing.* FRA will select the most promising Maglev project for final design, engineering, and construction financing. To be eligible to be considered, the project must meet each of the following requirements; these requirements restate the requirements in paragraph (a)(1) of this section, but with more detail and in a different order:

(1) *Purpose and significance of the project.*

- (i) The project description shall point to a Maglev facility and daily operation the primary purpose of which is the conduct of a revenue-producing passenger transportation service between distinct points, rather than a service solely for the passengers' riding pleasure.
- (ii) The project description shall incorporate scheduled operation at a top speed of not less than 240 mph.

- (2) **Benefits for the American economy.** The project description shall include a certification as to paragraphs (b)(2) (i) and (ii) of this section and, as appropriate, a technology acquisition/transfer plan which describes the strategy for their accomplishment.
 - (i) Processes will be established that will enable an American-owned and -sited firm (or firms) to gain, in the course of the project, the capability to participate in the design, manufacture, and installation of the facilities and vehicles needed for a Maglev operation, if the owner of the selected version of Maglev technology is not an American-owned and -sited firm (thus meeting the technology transfer requirement of 23 U.S.C. 322).
 - (ii) The 70 percent U.S. content requirement content of 23 U.S.C. 322 will be carried out.
- (3) **Partnership potential.** The project shall exhibit Partnership potential by satisfying the following:
 - (i) A private/public partnership must be in place that is ready, willing, and able to finance, construct, operate, and maintain the project;
 - (ii) The private/public partnership either owns the version of Maglev technology proposed to be implemented in the project, or has an agreement with the owner which affords full cooperation to the partnership in progressing the project, including implementation of the technology acquisition/transfer plan if applicable; and
 - (iii) The recipient of a preconstruction planning grant or the FRA has developed and endorsed a projection of system capital costs, demand, revenues, operating expenses, and total costs and benefits, that:
 - (A) Covers either the entire corridor in which the Maglev project is involved ("Corridor"), or the project considered independently;
 - (B) Demonstrates that private enterprise would be able to run the Corridor or the project—once built and paid for—as a completely self-sustaining entity, in which revenues will cover operating expenses and continuing investment needs; and
 - (C) Shows total benefits equal to or exceeding total costs.
- (4) **Funding Limits and Sources.** The project description shall include a financing plan that demonstrates project completion with the \$950 million in Federal Maglev Funds, funds remaining unobligated from the \$55 million in contract authority, and the funds made available under STP and CMAQ. The project that is selected will be eligible for other forms of financial assistance provided under title 23 and TEA 21, including loans, loan guarantees, and lines of credit. However, at least $\frac{1}{3}$ of Full Project Costs must come from non-Federal Funds.
- (5) **Project Management.** The State, the technology owner, and all other relevant project partners must include in the project description, an agreed upon—
 - (i) **Management plan** that defines the partnership, responsibilities, and procedures for accomplishing the project;
 - (ii) **Project schedule** that shows how timely implementation of the project will be accomplished, including, to the extent possible, a construction plan and schedule; and
 - (iii) **Financial plan** that shows how funds will flow, in accordance with the other requirements of this subsection.
- (6) **Planning/environmental process —**

- (i) **Assessment of environmental consequences of the proposed project.** Recipients of preconstruction planning grants shall conduct an EA in support of the project description; and will prepare additional environmental studies for the project. The EA shall include information to support the grantee's decision to pursue the proposed project. The grantee shall develop the information and discuss the environmental consequences of the proposed technology and route in sufficient detail for the preparation of appropriate documentation by FRA to support selection of one project. This shall include: the identification of potential positive and negative environmental effects resulting from the technology (e.g. energy consumption compared to other transportation options); generic noise emissions at various distances from the centerline of the guideway; changes in electromagnetic field levels at various distances from the centerline of the guideway; and environmental screening of the proposed route (e.g., identification of land use; identification of endangered species possibly present and location of their critical habitat; identification of navigable waterways, wetlands and other sensitive water resources; and identification of the location of parks, wildlife refuges, historic and archaeological sites of National, State or local significance and other sites protected by section 4(f) of the Department of Transportation Act). The latter information and analysis shall be submitted four months in advance of the remainder of the project description. The above list is illustrative only. Grantees will be expected to review proposed work statements with FRA at pre-application meetings or through some other means to develop the final scope of this environmental review.
- (ii) The project description must also include letters of endorsement of project implementation from all the State departments of transportation involved, and from all Metropolitan Planning Organizations for metropolitan areas that would be served by the project.

§ 268.13 Deadline for submission of applications for preconstruction planning assistance.

Completed application packages shall be returned to FRA by December 31, 1998. Applications shall be submitted to: Administrator, Federal Railroad Administration, ATTN: Maglev Project, RDV-11, 1200 New Jersey Avenue, SE., Stop 20, Washington, DC 20590.

[65 FR 2344, Jan. 14, 2000, as amended at 74 FR 25176, May 27, 2009]

§ 268.15 Form and contents of applications for preconstruction planning assistance.

States, groups of States, or designated authorities that have Maglev projects are invited to submit applications in Phase I of the Maglev Deployment Program, the competition for preconstruction planning grants. The applications shall contain:

- (a)
 - (1) If submitted by a State: name, address, responsible party, telephone, fax number, and e-mail address of the State agency submitting the application; or
 - (2) If submitted by a designated authority: name, address, responsible party, telephone, fax number, and e-mail address of the designated authority and of the State agency or agencies on whose behalf the designated authority is submitting the application, together with letters from the State(s) evidencing all such designations;

- (b) A description of the project concept, identifying its likely location, market area, length, and the transportation service that it would perform, and a preliminary estimate of the time that would be required—if funds are made available—to bring the project to the start of construction and then to the initiation of full revenue service. At its option, the applicant may include any reports already completed on the project as well as any additional descriptive material that would assist the FRA in evaluating the application;
- (c) Whatever information the applicant has to demonstrate that the project meets the project eligibility standards in § 269.11(a), and the project selection criteria in § 268.17, together with a certification that the applicant fully intends to comply with the requirements in § 269.11 should its project be selected by FRA for final design, engineering and construction financing.
- (d) A statement of work for the preconstruction planning activities to be accomplished under the planning grant. The statement shall describe the work to be performed, including but not necessarily limited to:
 - (1) Preconstruction planning work as is needed to develop a Maglev project, and project description that will satisfy the project eligibility standards in § 268.11(b), and the project selection criteria in § 268.17; and
 - (2) Preparation of EAs, as described in § 268.11(b)(6)(i);
- (e) Management plan, schedule, and financial plan for accomplishing the preconstruction planning work under the planning grant;
- (f) Letters supporting the application from the heads of all State departments of transportation involved, as well as from responsible officials of the Metropolitan Planning Organizations of all metropolitan areas to be served by the proposed project;
- (g) A certification from the State, or from the authority designated by one or more States, that the $\frac{1}{3}$ matching funds required for work under the planning grant are, or will be, available by the time the grants are announced. The source(s) of the matching must be shown in the financial plan under paragraph (e); and
- (h) If the applicant has made a definitive choice of the particular Maglev technology proposed to be included, a description of that technology and the degree to which it has been produced and tested should be submitted. Further, if the applicant has identified organizations that would form members of the team that would implement the project, the names of those organizations and the persons representing them should also be submitted.

§ 268.17 Project selection criteria.

Except as qualified by § 268.19, the following criteria will govern FRA's selection of projects to receive funding under the Maglev Deployment Program.

- (a) *Purpose and significance of the project.*
 - (1) The degree to which the project description demonstrates attractiveness to travelers, as measured in passengers and passenger-miles.

- (2) The extent to which implementation of the project will reduce congestion, and attendant delay costs, in other modes of transportation; will reduce emissions and/or energy consumption; or will reduce the rate of growth in needs for additional highway or airport construction. Measures for this criterion will include but not be limited to the present value of congestion reduction, pollution reduction, and/or facility cost-avoidance benefits.
- (3) The degree to which the project will demonstrate the variety of operating conditions which are to be expected in the United States.
- (4) The degree to which the project will augment a Maglev corridor or network that has been identified, by any State, group of States, or the FRA, as having Partnership Potential.
- (b) **Timely implementation.** The speed with which the project can realistically be brought into full revenue service, based on the project description and on the current and projected development status of the Maglev technology selected by the applicant for the project.
- (c) **Benefits for the American economy.** The extent to which the project is expected to create new jobs in traditional and emerging industries in the United States.
- (d) **Partnership potential.** The degree to which the project description demonstrates Partnership Potential for the corridor in which it is involved, and/or for the project independently.
- (e) **Funding limits and sources.**
 - (1) The extent and proportion to which States, regions, and localities commit to financially contributing to the project, both in terms of their own locally-raised, entirely non-Federal funds, and in terms of commitments of scarce Federal resources from non-Maglev funds; and
 - (2) The extent and proportion to which the private sector contributes financially to the project.

Note to § 268.17: FRA recognizes that applicants for preconstruction planning assistance may not have detailed information with respect to each of these criteria, and that the purpose of the preconstruction planning assistance is to develop much of this information with respect to a particular Maglev project. The preconstruction planning application requirements of this part 268 are designed to elicit whatever information an applicant may have pertaining to these criteria.

§ 268.19 Evaluation of applications for preconstruction planning assistance.

The FRA will evaluate the applications for their completeness and responsiveness to the requirements listed in § 268.15. In addition, applicants are advised that the Maglev Deployment Program contains a number of project eligibility standards (minimum threshold standards) and project evaluation criteria that will guide the FRA's review of the project descriptions produced under the Planning Grants. The FRA's implementation of these standards and criteria appears in § 268.11 and § 268.17, respectively. Although subject to revision, the information in § 268.11 and § 268.17 should assist the States in completing their applications in the competition for planning grants, since the project descriptions will need to respond to the standards and criteria. In evaluating the applications for planning grants, FRA will consider how consistent the applicant's project is to the standards and criteria, and the application's likelihood of leading to a project that meets all the standards and criteria.

§ 268.21 Down-selection of one or more Maglev projects for further study and selection of one project for final design, engineering, and construction funding.

- (a) Upon completion of Phase III of the Maglev Deployment Program, FRA will down-select one or more projects to complete additional environmental studies, investment grade revenue forecasts, and other studies and analyses necessary prior to initiation of construction. Final design and engineering work will also be initiated for the down-selected project(s). To be down-selected a project must appear to meet the project eligibility standards contained in § 268.11 (b), rate highly in the project selection criteria specified in § 268.17, be judged by FRA to have a good chance of being constructed with the Federal funds authorized for this program, and be successfully operated by a public/private partnership.
- (b) Only one project will be selected in Phase IV of the Maglev Deployment Program and be eligible for any Federal construction funds that Congress chooses to make available. That one project must meet each and every project eligibility standard contained in § 268.11 (b). If more than one project down-selected in Phase III and funded through Phase IV meets all of these standards, then FRA will evaluate and compare the eligible projects according to the set of project selection criteria contained in § 268.17.
- (c) In reviewing competing projects under the project eligibility standards and project selection criteria, the FRA will exercise particular vigilance regarding the following elements of the preconstruction planning process, although not to the exclusion of others:
 - (1) The credibility of the demand and revenue forecasts, cost estimates, and benefit/cost comparisons; and
 - (2) The credibility of the financial plan.
- (d) FRA intends to make periodic reviews of the processes and products of grant recipients. Such reviews may include, at the FRA's option, reviews at key milestones in the preparation of project descriptions.