



Rail Law Alert – New Passenger Rail Liability Cap

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DOT Establishes Inflation-Adjusted Liability Cap on Passenger Rail Personal Injury and Damage Claims

On January 11, 2016, the Secretary of Transportation published a Notice adjusting the liability cap on personal injury and damage claims resulting from passenger rail accidents to **\$294,278,983**. Section 11415 of the FAST Act, Pub. L. No. 114-97 (Dec. 4, 2015), required the Secretary to adjust the liability cap provided under 49 U.S.C. § 28103 for inflation, and readjust the liability cap for inflation every five years thereafter. This initial adjustment will become effective on **February 10, 2016**.

The cap applies to claims by passengers on intercity, commuter, or high speed rail service. Entities owning or operating passenger rail service will be well advised to review their insurance coverage, as well as the liability and insurance requirements in their current agreements with their host railroads, whether the host is freight or a passenger carrier.