

August 25, 2009

Note to Readers:

On June 17, 2009, the Federal Railroad Administration issued its interim guidance for the High Speed/Intercity Passenger Rail (HSIPR) grant program to implement President Obama's "Vision for High Speed Rail in America." The following exchange of letters between Amtrak and KDOT took place before the interim guidance had been issued and before KDOT had made its final decisions on seeking funding under the HSIPR program. As such, the letters address just one of the three grant applications that KDOT ultimately decided to submit to the Federal Railroad Administration.

If you have any questions or concerns about these documents, please feel free to contact me at 785-296-3769 or email rkaufman@ksdot.org.

Ron Kaufman
Chief of Public Involvement

DIVISION OF PUBLIC AFFAIRS
Julie Lorenz, Director

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NATIONAL RAILROAD PASSENGER CORPORATION

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SECRETARY OF
TRANSPORTATION

2009 MAY -4 PM 12: 36

Joseph H. Boardman
President and Chief Executive Officer



April 28, 2009

Secretary Debra L. Miller
Kansas Department of Transportation
Eisenhower State Office Building
700 Harrison
Topeka, KS 66603-3754

Dear Secretary Miller:

This is an exciting time for the development of intercity passenger rail in the United States. As you know, the enactment of the American Recovery and Reinvestment Act (ARRA, P. L. 111-5) created the largest single Federal commitment to high-speed and intercity passenger rail service improvement and expansion in our nation's history. The \$8 billion rail investment program funded through the ARRA and based on grant programs authorized by the Passenger Rail Investment and Improvement Act of 2008 (P.L. 110-432) provides an unprecedented opportunity to expand the quality and utility of intercity passenger rail service for the country and for your state. We at Amtrak are very interested in opportunities to partner with states and the U.S. Department of Transportation to seize this opportunity to help, simultaneously, stimulate our economy and provide safer, greener, and healthier mobility for the nation.

As the nation's intercity passenger rail operator, we are writing to inquire about your state's plans to apply for ARRA funding for investments in intercity passenger rail development or other transportation projects that will impact intercity passenger rail. Whether you are contemplating seeking ARRA funding for new intercity service, changes in existing state-supported Amtrak service, or a station upgrade, we recognize that Amtrak may need to be your partner in the process. That is why we are reaching out now, to all states, to gauge the level and nature of states' interest and to collect an inventory of all possible ARRA projects that will require collaboration between states and Amtrak or have an impact on Amtrak service.

With these new opportunities come the challenges of coordination and resource allocation. We want to be prepared to help meet these challenges and, thus, we are asking for your help in determining the assistance your state may require from Amtrak for the following activities in support of quality projects that will advance intercity passenger rail and high speed rail development under the current and evolving U.S. DOT grant funding framework. In particular, we need your insight and perspective on the assistance your state is contemplating seeking from Amtrak regarding:



Secretary Debra L. Miller

April 28, 2009

Page 2

1. ARRA-funded investments your state may be interested in pursuing either on its own or in conjunction with Amtrak;
2. Planning, developing or costing new or expanded services in connection with such projects;
3. Undertaking capital or other improvements for stations, facilities, and infrastructure; and
4. Provision of equipment or assistance with equipment procurement.

By providing us with this information, which will be for our internal use only, you will assist us in understanding the services, capacities, and resources that your state may soon require from Amtrak. This understanding is especially important for us now because we have committed and are continuing to manage resources to support our own \$1.3 billion improvement program funded through our ARRA grant agreement with the Federal Railroad Administration. (If you are interested in specific details of Amtrak's own improvement program, please see our website at <http://procurement.amtrak.com>.)

We have already heard from a number of states which are planning to make investments in passenger rail. By providing us with information about the assistance and cooperation your state may request from Amtrak, you will assist us in prioritizing our limited resources so that we can do our part to ensure the success of this historic endeavor to improve our nation's intercity passenger rail system. Your timely response will enhance Amtrak's ability to manage the assistance or services that have been requested of us. We request that you provide us with this information as soon as possible, but no later than June 1, 2009.

Please send your information to Rich Slattery at ursa@amtrak.com and Frances Bourne at bournef@amtrak.com. If you have any questions, please feel free to contact Mr. Slattery at (202) 906-3987, or Ms. Bourne at (202) 906-3884.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph H. Boardman".

Joseph H. Boardman
President and CEO

May 26, 2009

Rich Slattery, ursa@amtrak.com
Frances Bourne, bournef@amtrak.com

Dear Mr. Slattery and Ms. Bourne:

I am pleased to reply to a letter dated April 28, 2009 from Joseph H. Boardman, President and CEO of Amtrak, regarding our intent to seek ARRA funding for passenger rail projects.

Amtrak, in cooperation with the Kansas Department of Transportation (KDOT), is conducting a study to identify the capital costs and operating support needed for a new intercity state-supported service linking Kansas City to Oklahoma City with the possibility of connections to Fort Worth. We expect the study to be completed by fall 2009. If the results show that the service should be considered, we will make the appropriate recommendations to the Kansas Legislature for their consideration. They are responsible for authorizing a passenger rail program and providing the necessary operating support. Without this authorization, KDOT does not want to take action that would, in effect, commit the state to operating state-supported service.

If implemented, the service would run on BNSF tracks through Lawrence, Topeka, Emporia, Newton and Wichita. The Southwest Chief already uses the tracks between Kansas City and Newton. However, the section between Newton and the Kansas/Oklahoma state line needs safety and capacity improvements in order to operate passenger trains. KDOT had planned to address these issues after the Amtrak study was finished. With the passage of ARRA, we have an opportunity to fund these improvements much sooner and plan to take the following actions regarding:

1. ARRA Funding Requests

We plan to apply for ARRA funding in the amount of \$10 million for signal upgrades at highway/rail crossings between Newton and the Kansas/Oklahoma state line. This would position the section for possible passenger rail in the future and enable passenger trains to run on what is now a section devoted to slower freight rail travel.

I also want to inform you that we are seeking a \$10 million earmark in the upcoming authorization for a new federal surface transportation program for planning, preliminary engineering, engineering activities and construction of safety and capacity improvements along the same section of track. This money likely would be more flexible than ARRA funding. If we received ARRA funding for signal upgrades, we would devote any federal surface transportation program funding we might receive to track rehabilitation or siding additions.

Slattery/Bourne Response

Page 2

May 26, 2009

If we receive any of the requested funds noted above, we would welcome the opportunity to collaborate with Amtrak regarding the improvements.

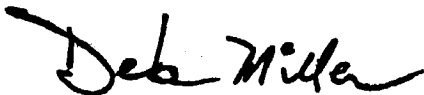
2. **Planning, developing or costing new or expanded services in connection with such projects**
We appreciate Amtrak's work in conducting the study referenced above. We anxiously await the results, as this will help inform us during our next steps and help the Legislature consider whether to authorize state-supported service.

3. **Undertaking capital or other improvements for stations, facilities and infrastructure**
At this time we are limited to requesting funds only for track and signal improvements. Although funding for station improvements probably will be needed if the Legislature authorizes a new service, we believe seeking station improvement funds now would overstep our authority.

4. **Provision of equipment or assistance with equipment procurement**
We will not need this assistance at this time. We believe it would constitute a commitment to state-supported passenger rail service and we do not yet have the authority or funds to make such a commitment.

If you have any questions about this information, please feel free to contact John Maddox, Freight and Rail Unit Manager, at 785-296-3228 or by email at johnm@ksdot.org.

Sincerely,



Deb Miller
Secretary of Transportation

AUG 03 2009

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Joseph H. Boardman
President and Chief Executive Officer

July 29, 2009

Honorable Debra L. Miller
Secretary
Kansas Department of Transportation
Eisenhower State Office Building
700 Harrison
Topeka, KS 66603-3754

Dear Secretary Miller:

Thank you for your letter of June 4, 2009, regarding your plans to invest in intercity passenger rail development using American Recovery and Reinvestment Act (ARRA) competitive grant funds through the Federal Railroad Administration (FRA). We appreciated learning of your interest and the role you envision for Amtrak in the development and execution of your plans.

Since receiving information concerning your proposed projects, as well as those submitted by other states, staff from multiple Amtrak departments have been working diligently to identify projects that we feel have a high likelihood of success and meet the spirit of the interim guidance issued by the FRA on June 17, 2009. Over the past several weeks, senior Amtrak management has rigorously evaluated many proposals and requests for Amtrak assistance from 30 states.

You indicated intent to apply for \$10 million in upgrades to grade crossing protection signals along the BNSF Railway corridor between Newton and the Oklahoma state line. As a feasibility study detailing capital requirements, ridership, revenue, and operating subsidies required has not been completed, we suggest applying for funding in a later round, once Kansas has made a determination whether to move forward and support a continued investment in intercity passenger rail on this corridor.

In order to provide your state with our assistance, Amtrak looks forward to discussing with representatives of your Department as soon as practical to reach agreement on the scope and types of assistance you're seeking from Amtrak, the timeframe in which this assistance will be provided and the terms, if any, for providing such assistance. We also want to convey our desire to work closely with your Department on negotiations with host railroads related to proposed ARRA intercity passenger rail grant expenditures. Amtrak believes that agreements with host railroads should contain enforceable performance standards for number of frequencies, trip times, and maximum delay minutes per trip to ensure that the anticipated public benefits are achieved from public investment in private infrastructure.



Honorable Debra L. Miller

July 29, 2009

Page 2

As we seek to work with you to advance these projects, please keep in mind that our support for your projects and our ability to provide any specific type of assistance for applications are contingent upon several factors, including: (1) Amtrak's currently available resources and the limited time available before Round 1 grant applications are due; (2) state commitment of operating support for the affected service if your project involves corridor services of 750 miles or less; (3) completed agreements, as required, with the host railroads, Amtrak, or other necessary parties prior to the application submission; (4) any substantial changes in project scope or requested application support that materially changes the nature of the project, the project's projected benefits, or Amtrak's role in the project; (5) commitments for proportionate cost-sharing by commuter and/or freight rail users that will materially benefit from the project, if applicable; and (6) the ability of your state to compensate Amtrak for certain types of requested assistance, including assistance that would require Amtrak to procure external services or dedicated significant staff and company resources to your project.

Please have your staff continue discussions about the application process with Michael Franke, Assistant Vice President, Policy & Development, who can be reached at (312) 880-5300 or Fran3624@amtrak.com. I look forward to working with you in the coming years to develop and implement your proposals to further passenger rail service within the United States.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph H. Boardman".

Joseph H. Boardman

President and Chief Executive Officer

cc: Michael Franke

Stephen Gardner

John Maddox, Kansas DOT ✓