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August 21, 2009

Mr. Patrick B. Simmons, Director  
Rail Division  
North Carolina Department of Transportation  
1553 Mail Service Center  
Raleigh, NC 27699-1553

Dear Mr. Simmons:

The North Carolina Department of Transportation (NCDOT) is preparing applications for funding of railroad infrastructure capital improvement projects in the State under the High-Speed Intercity Passenger Rail Program (HSIPR) of the Federal Railroad Administration (FRA). FRA will provide funds for approved projects pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA). The program of projects is consistent with the goals of the ARRA to contribute to economic recovery efforts by creating and/or saving jobs; to advance strategic transportation goals that ensure safe, efficient transportation that promotes future economic competitiveness, energy efficiency, and environmental quality; and to further the development of high-speed and intercity rail passenger service. As the owner or operator of many of the railroad lines in the State, Norfolk Southern Railway Company (NSR) supports the State's applications for funding of railroad infrastructure projects on the lines that it owns or operates that are identified in this letter.

NSR specifically supports the program of projects attached to this letter.

These projects are intended to improve both intercity rail passenger service and freight operations and to provide congestion relief and add fluidity to densely-trafficked rail corridors. NSR also supports the application for planning funds to complete environmental and engineering analyses in the Track 3 project, Project 7 on the attached list.

In accordance with NSR's support of the State of North Carolina's efforts to seek funding from the FRA for the projects in the attached list, NSR intends to enter promptly into a Memorandum of Understanding (MOU) concerning those projects identified in this letter as may be selected and funded by the FRA.

NSR intends that the MOU concerning the specified projects, if funded by the FRA, will comply with FRA guidance on the contents of agreements between HSIPR funding applicants and railroads and will include, among other points, the scope of the project,

responsibility for project design and implementation of both construction and related operational improvements, maintenance responsibilities, management and mitigation of project risks, and required railroad assurances, such as those concerning the application of collective bargaining agreements for the work performed by the railroad on the project, the accommodation of existing and reasonably projected future intercity rail passenger and freight service on the project railroad lines, and liability requirements consistent with 49 U.S.C. 28103. NSR understands that NCDOT shares these intentions. In line with the FRA's guidance concerning funding application requirements, the parties intend to submit a written agreement (MOU) to the FRA for approval prior to execution of the agreement.

NSR understands that the North Carolina Railroad Company (NCRR) supports the State's efforts to obtain funding for the rail improvement projects above. NSR operates much of NCRR's system and will cooperate with NCRR as well as NCDOT in reaching mutual agreement on the MOUs required by the FRA's HSIPR Program for any of the projects specified in this letter that may be funded by FRA and involve both NSR and NCRR.

Sincerely,

  
J. H. Friedmann

cc: Mr. Scott Saylor, President, North Carolina Railroad Company

attachment:

North Carolina ARRA Program of Projects

<b>Project</b>	<b>Track</b>	<b>TIP #</b>	<b>Railroad MP</b>	<b>Project Description</b>
1	1	P-34140	NCRR H 23.5 - 25.5	Haw River Passing Siding and Curve Realignment
2	1	U-3459	NCRR 335.2	Klumac Road Grade Separation
3	1	P-3819	NCRR H 71-79 CSXT S 160.5-164.8	Design and construct #24 universal crossover between Fetner and Method
4	1	P-2912	NCRR 299.4	High Point Station Parking
5	1	P-2909AA	NCRR H 21.4	Burlington Station platform extension
6	1	P-3803	NCRR H 73.5	Cary Station platform extension
7	3	NA	NSR S-line 0 to 141	Asheville to Salisbury - Environmental Document and Preliminary Engineering

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