



COMMONWEALTH of VIRGINIA

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March 13, 2006

Mr. David B. Foster, PE
North Carolina Department of Transportation
Rail Division
1553 Mail Service Center
Raleigh, NC 27699-1553

Dear Mr. Foster:

On December 15, 2005 the Commonwealth Transportation Board approved the Fiscal Year 2006 Rail Enhancement Fund Program of Projects. Included in this program is the Virginia/North Carolina Passenger Rail Environmental Impact Statement project with state funding in the amount of \$1,500,000. The purpose of this grant is to extend the study limits of the Southeast High Speed Rail Corridor Tier II Environmental Impact Statement to include the corridor segment between Petersburg and Richmond Main Street Station. Members of my staff are currently working with the Attorney General's office to develop a project agreement that will include all of the conditions and requirements of the grant program.

Until such time as an agreement is executed, you are hereby authorized to begin incurring expenses towards this project. Expenses incurred after December 15, 2005 will be eligible for reimbursement when a Project Agreement is executed between the North Carolina Department of Transportation and the Department of Rail and Public Transportation. Please be aware that for future Rail Enhancement Fund grants, advance spending authorization will only be permitted from the date of the letter from DRPT granting the request. I understand that NCDOT will be incurring expenses to conduct environmental field work, preliminary engineering and supporting tasks and public involvement. However, if for some reason an agreement is not executed, then the Department has no obligation to reimburse any expenses that may have been incurred. All expenses will be subject to audit and reporting requirements which will be described in the Project Agreement.

We expect to have the Project Agreement ready for execution within the next several weeks. Until then, please do not hesitate to contact Alan Tobias (804-786-1063) if you have any questions about the Rail Enhancement Fund.

Sincerely,

Corey Hill
Acting Director