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OFFICE/EXECUTIVE DIRECTOR



March 17, 2008

Amadeo Saenz, Jr., P.E.  
Executive Director  
Texas Department of Transportation  
Dewitt C. Greer State Hiway Bldg.  
125 E. 11<sup>th</sup> Street  
Austin, Texas 78701-2483

Dear Mr. Saenz:

In response to your letter dated March 5, 2008, Amtrak is pleased to provide assistance to the Texas Department of Transportation (TxDOT) in preparing a feasibility study of enhanced intercity passenger rail service between San Antonio and Austin.

Included in Amtrak's study will be a coordinated analysis with the host railroad, Union Pacific, of needed route infrastructure improvements and related cost estimates. We will also provide projected revenue/ridership forecasts as well as projected operating costs, start-up (mobilization) costs and projected state subsidy requirements. Based on TxDOT's minimum service requirements and suggested station stops, Amtrak will develop proposed train schedules using our standard schedule development methodology.

Upon completion of our analysis, Amtrak will prepare a preliminary report of findings for TxDOT's review. A final feasibility report will be prepared after TxDOT's input and approval is received.

Given existing commitments, we estimate that we will be able to begin our initial involvement with the study during the 1<sup>st</sup> week in May and depending upon the complexity and outcomes of our analysis, we estimate that we can deliver our preliminary report to TxDOT by early September, 2008.

As was discussed previously, we ask that TxDOT reimburse Amtrak for its out-of-pocket expenses in connection with the study including air fare, hotels, meals, car rentals and related expenses. As well, we will ask to be reimbursed for the cost of the AECOM consultant study covering revenue/ridership. We estimate that total invoicing to TxDOT for the study, including AECOM plus our out-of-pocket expense, will be in the range of \$20,000 to \$25,000. In the event the Union Pacific Railroad requires a capacity modeling of the route to assess the impacts of additional passenger trains, the expense of that activity could be substantial and would be passed through to TxDOT.

If you are in agreement with our approach as outlined above, please advise and we will plan to commence our work in early May, 2008.

We look forward to working with TxDOT on this study.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Franke".

Michael W. Franke  
Assistant Vice President-  
State and Commuter Partnership