



U.S. Department
of Transportation

**Federal Railroad
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

MAY 4 2015

Honorable Lori Torres
Deputy Commissioner
Indiana Department of Transportation
100 North Senate Avenue, Room N758
Indianapolis, IN 46204

Dear Deputy Commissioner Torres:

Thank you for taking the time to meet with my staff to discuss continuation of the Hoosier State passenger rail service on April 1, 2015. From all accounts, it was a productive conversation. I want you to know how much I appreciate your and your team's willingness to participate in these conversations. I believe the most important understanding reached by the Federal Railroad Administration (FRA) and the Indiana Department of Transportation (INDOT) is that we are both committed to ensuring that the Hoosier State service continues to operate safely.

FRA understands that INDOT is seeking to contract with the National Railroad Passenger Corporation (Amtrak) to operate the Hoosier State service, and Iowa Pacific Holdings (IPH) to provide the equipment for the service and to be the primary contractor that will manage matters common to both the service and operations. As you know, FRA has expressed concern that while INDOT seeks to change its contracting arrangement for the service from its prior arrangement with Amtrak as the sole contractor, to a new arrangement, that INDOT maintain assurances that the Federal requirements that FRA and the U.S. Department of Transportation administer will be met. In response, INDOT has made clear that it will include provisions in its contracts with both Amtrak and IPH to assign responsibilities for compliance with Federal safety laws and regulations. INDOT has also agreed to maintain an INDOT staff person responsible for overseeing compliance with the two contracts. This staff person will serve as FRA's point of contact on matters related to the service. INDOT also committed to consider hiring additional oversight staff, to the extent that it may become necessary.

Notwithstanding FRA's and INDOT's prior discussions and correspondence, including letters from FRA's Chief Safety Officer to INDOT or its legal counsel dated August 7, 2014, January 26, 2015 and March 12, 2015, FRA believes that this arrangement will be sufficient

to ensure that a framework is in place so that Federal safety laws and regulations will be met, provided that INDOT shares its contracts with both Amtrak and IPH with FRA so we can understand and confirm the relationships between and among INDOT and its contractor railroads. (For example, FRA understands that IPH will be assigned responsibility for reporting to FRA as required by 49 CFR Part 225 under one reporting code that covers the entire Hoosier State service. FRA must verify that this arrangement is reflected in both the Amtrak and IPH contracts to avoid confusion and prevent any gaps in safety compliance.) FRA appreciates your willingness to share these contracts with us prior to and after their final execution.

To date, FRA, INDOT, Amtrak, and IPH staff have been making excellent progress to resolve the outstanding issues that must be completed prior to execution of the new contracts and continuation of the service under the new contractual arrangements. FRA looks forward to continuing our work together with the goal of continued safe intercity passenger rail service.

To ensure that I have fairly represented our mutual understanding, I ask that you sign below and share a final copy with me.

Sincerely,



Sarah Feinberg
Acting Administrator

INDIANA DEPARTMENT OF TRANSPORTATION

By: Kim Jones, Chief Counsel
Title: Brandye Hendrickson, Commissioner
Date: 5-6-2015