U.S. Department
of Transportation

**Federal Railroad
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

SEP 19 2013

Mr. Paul C. Worley
Director, Rail Division
North Carolina Department of Transportation
1553 Mail Service Center
Raleigh, NC 27699

Dear Mr. Worley:

The Federal Railroad Administration (FRA) has received your request to amend the Scope of Work and goals associated with the P9-CRISP-NS/CSX Mainline Grade Separation (MLGS) component of the Cooperative Agreement (FR-HSR-0006-10-01-14) for the NCDOT Piedmont Third and Fourth Frequency Program, "Piedmont Improvement Program."

FRA recognizes the North Carolina Department of Transportation's (NCDOT) efforts to complete the preliminary engineering and environmental review necessary to develop the MLGS project, which resulted in FRA's issuance of a Finding of No Significant Impact (FONSI) on April 3rd of this year. Through these project development steps, NCDOT has thoroughly evaluated all reasonable engineering alternatives available to construct the MLGS project within the requirements of the American Recovery and Reinvestment Act of 2009 (ARRA) and the terms and conditions of the Cooperative Agreement. Upon review of your request and the engineering design provided by NCDOT, FRA concurs that the MLGS project has a high level of risk for completion within the requirements of ARRA and the Cooperative Agreement and does not affect delivery of the committed service outcomes of the Piedmont Improvement Program, as reflected in the Cooperative Agreement and the Definitive Service Outcomes Agreement (DSOA) dated March 21, 2011.

Therefore, FRA approves NCDOT's request to reprogram the funding currently remaining in the MLGS component ($117.6 million) to supplement other components within the Piedmont Improvement Program. This reprogramming will enable FRA and NCDOT to deliver the maximum benefit from the investment in the Piedmont Improvement Program and, in fact, exceed the benefits articulated in the existing Cooperative Agreement and DSOA.

The increased investment in the Track and Structures component will enable NCDOT to complete all safety and service outcomes projects included in the DSOA for the addition of the third and fourth frequencies to the Piedmont Corridor with a faster trip time and increased reliability. The increased investment in the Stations and Facilities component will deliver a new full-service maintenance facility in Charlotte, reflective of the Capital Yard facility in Raleigh, and construct a new modern and efficient passenger station in Raleigh. The additional investment in the equipment will reduce the time required to turn trains at Charlotte and Raleigh and will allow for a potential fifth frequency.

The table below reflects the proposed redistribution of funding within the Piedmont Improvement Program as requested by NCDOT and approved by FRA.

Component Program and Project	**Amount ($ millions)**
Program Development and Administration (PD&A)	
PD&A: NCDOT Program Management and Oversight	$ 9.6
Track and Structures	
Service Outcomes Projects: Task 4 Funds, Construction Management and Contingency	$ 61.0
Stations and Facilities	
P8: Charlotte LRMF-ROW Acquisition, Sitework, Building and NS Mainline Access	$ 27.2
P42: Raleigh Union Station	$ 15.0
Equipment	
P22: Refurbish Passenger Coaches; (Brake and truck modernization, refurbish five cab control cars and one locomotive.)	$ 4.8
Total Reprogramming:	**$117.6**

Please continue to work with your Project Manager, Randy Brown, and Grant Manager, John Winkle, to prepare an Amendment to the Cooperative Agreement and Statement of Work to reflect these changes.

We appreciate NCDOT's tremendous effort and commitment to the delivery of FRA's High-Speed and Intercity Passenger Rail Program.

Sincerely,

Paul Nissenbaum
Associate Administrator,
Railroad Policy and Development