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Mr. John Pedrozo
Chairman, San Joaquin Valley Rail Committee
Livingston City Hall
1416 "C" Street
Livingston, California 95334

Dear Mr. Pedrozo:

I have asked Mr. Rich Wessler, Director, Passenger Train Operations for the BNSF and Mr. Juan Acosta, Regional Assistant Vice President, Government Affairs for the BNSF to attend the San Joaquin Valley Rail Committee meeting on April 26th. Both gentlemen will be available to speak to the points in this letter and answer any questions you or your committee may have.

This letter has been written for three reasons:

- To communicate the principles under which BNSF works with local and state agencies in the development of their passenger rail service plans;
- To outline the processes which we follow in identifying capacity improvements that are necessary to support a highly reliable passenger service, without degrading the quality of our freight service; and,
- To summarize where BNSF finds itself as we have worked at the request and direction of Caltrans in preparing for future service enhancements between Bakersfield and Port Chicago, which is where Amtrak's San Joaquin Valley service leaves the BNSF and operates over the Union Pacific to and from Oakland.

Enclosed you will find a copy of our Passenger Principles. It was written to communicate BNSF's process and agreement requirements related to questions that can come up whenever a public agency proposes to BNSF a new or expanded commuter rail service. We apply the same ten principles when working with a state or local agency sponsor of a proposed regional inter-city passenger rail service. Please note that we begin our principles with a commitment to "cooperate on ... studies and provide state and local officials with information." With respect to such studies, there are several key points that I would like to share with you.

- In response to a request for new passenger service, BNSF will model using its computer simulation tools the operation of both proposed passenger and current and future freight rail service. However, this not a closed process. We expect a public agency passenger service sponsor to participate with us in our modeling efforts through their review of both study inputs and findings.



- Our intention with respect to modeling is to assure that needed capacity improvements, if any, lead to the operation of a very reliable (i.e., a simulated 98-100% on time) passenger service without degrading the quality of our freight service.
- The measures we have used in determining the impact of proposed passenger service on freight operations include changes in delay minutes per 100 miles of freight train operations, changes in total freight train transit times between two pre-defined points before and after the introduction of passenger service, and the availability of unused capacity for freight operations, keeping it approximately the same from before and then after the introduction of passenger service.
- New passenger service does not start until all capacity improvements needed to support it are in place and fully operational.
- It can take up to four months to complete necessary modeling, once service plans are in hand and work starts.

In anticipation of future San Joaquin Valley passenger train service and the capacity requirements needed to support such service, Caltrans has directed BNSF and BNSF has worked closely with Caltrans in examining multiple operating scenarios over the last two years. The most recently completed modeling exercise was finished over a several month period between late 2010 and early 2011. Against a base case of 12 daily one-way San Joaquin Valley intercity passenger trains, passenger train service levels five, ten, and twenty-five years into the future were tested, using passenger train schedules which called for the operation of between 18 and 33 passenger one-way trains a day, running at maximum operating speeds of 79 and 90 MPH. Underway right now is the examination of three additional options, examining what will be needed to accommodate between 14 and 18 one-way daily intercity passenger trains operating up and down the Valley between Port Chicago and Bakersfield on BNSF tracks.

In addition, enclosed you will find a list of capacity projects that are consistent with and supportive of modeling results to date, but, more important, that have already been designed and in some cases environmentally cleared. Each of these projects is necessary, but not necessarily sufficient, to support one or more of the operating scenarios that have been or are being modeled. In line with the Caltrans philosophy of having any number of capacity improvement projects ready for quick implementation if and when funding becomes available, these projects are now ready to implement whenever BNSF and an appropriate public agency sponsor can agree that, among the other requirements found in our Passenger Principles, proposed capacity projects are indeed sufficient to support, without degrading the quality of our freight service, whatever level of new passenger service is being suggested by that agency.

All of this said, and in light of recent developments, we are now waiting for direction from Caltrans and/or the California High Speed Rail Authority (the "HSRA"). The HSRA's proposed "Blended Service" may result in changes to several of the assumptions we have made in modeling future operations and, thus, may require a new round of modeling. Nonetheless, we hope to soon receive:



- Proposed passenger train schedules to be operated in the San Joaquin Valley, including a description of the mix of high speed passenger rail and regional or what may be called feeder trains; and,
- The operating speeds at which those trains may run.

We will also have to work with the appropriate public agency to determine what, if any, additional environmental assessment work must be done to clear the way for the start of engineering, design, and construction work.

Concurrently, we will be reviewing the agreements now in place to determine their applicability. If Amtrak continues to operate the intercity passenger trains in the San Joaquin Valley under the current BNSF/Amtrak operating agreement, we would anticipate having to process a technical amendment to the BNSF/Amtrak Operating Agreement and to negotiate new construction, maintenance, and service quality guarantee agreements with Caltrans, the HSRA, or an appropriate public agency sponsor, just as we have done with Caltrans for many years. If Amtrak is not to be the operator, a new BNSF/public agency sponsor agreement will have to be negotiated:

- Consistent with our Passenger Principles;
- In order to provide a right-of-access to our property; and,
- Similar to other "New Start" agreements recently negotiated by BNSF.

I hope you find this helpful. It's taken more than 15 years of investments made by both the State of California and BNSF, multiple refinements to the operating timetables by Caltrans and Amtrak, and the continuing efforts of the men and women who work for BNSF, Amtrak and the State to achieve the results that describe today's San Joaquin Valley Amtrak service. Hopefully, we've prepared adequately to be ready to carry out the next set of service improvements that are reflected in the plans we've recently seen.

If you have questions before the meeting on the 26th, please feel free to call me.

Sincerely,

Original Signed and Sent via USPS

DJ Mitchell II
Passenger Operations

CC: Mr. Vito Chiesa
Mr. William Bronte
Mr. Dan Richard