



500 Water Street
Jacksonville, FL 32254
Office (904) 359-1099
Email: Marco_Turra@csx.com

July 18, 2019

Mr. Jim Blair
Director - Host Railroads
National Railroad Passenger Corporation
30th Street Station, 4 Floor North
Box 20
Philadelphia, PA 19104

Dear Jim,

On July 12th, 2019, an informational meeting was held at the Arthur R. Outlaw Mobile Convention Center with various stakeholders to discuss the planning for the introduction of passenger trains on the Gulf Coast. Although the host railroads were not included in this meeting, CSX has received a copy of the presentations which includes slides that Amtrak prepared. The content of Amtrak's presentation causes great concern to CSX because the statements are in conflict with the Term Sheet that CSX and Amtrak signed in January 2019, to jointly evaluate intercity passenger service between New Orleans, LA and Mobile, AL.

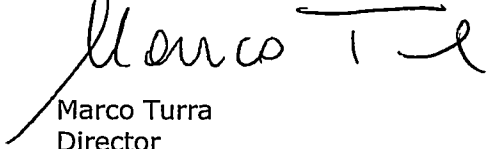
In the presentation, Amtrak already identifies "Priority Capital Improvements" for the State of Alabama for \$5.786M, which is very concerning because, as you are aware, CSX and Amtrak are still finalizing the scope of work for an operational simulation study that is specifically commissioned to identify the infrastructure necessary to support the initiation of passenger service on the Gulf Coast. Let me also reaffirm that if any additional infrastructure is required, CSX will seek reimbursement from Amtrak for the design, planning, construction and any on-going maintenance expenses. Since we do not know how much those additional expenses will be, we are concerned that the presentation is misleading because the slide that states, "Mobile to New Orleans capital needs, operational cost and schedule may be found in the GCWG Report July, 2017 at www.southernrailcommission.org," refers to a previous study that contemplated a different service, both in terms of origin/destination/stops and timing of trains.

The presentation also indicates that Amtrak believes that the service can be implemented in as soon as 24 months. Given that the operational modeling has not even started, we believe that it is premature to make statements about when the project could begin service. The expectations this statement sets are not based on facts and have not been discussed with the host railroads.

CSX's contractual on-time performance with Amtrak for Q2 2019 was 91% and this level of performance for future services can only be achieved if CSX and Amtrak work together, following the prescribed process, on the planning of any new service. CSX has contractual obligations to freight customers along the Gulf Coast, and their service requirements must be taken into consideration as well as the economic development impact that could result if capacity for new industries to locate is not also taken into account. A fact-based study that considers the actual current passenger service proposal as well as current freight service will provide critical information for those making decisions about state and local financial support for this service.

We look forward continuing to work with Amtrak to progress the joint planning for the implementation of passenger trains on the Gulf Coast consistent with the Term Sheet and Operating Agreement. As you are aware, the next step is finalizing the statement of work with the consultant tasked to perform the operational study. CSX was prepared to execute the statement of work until your recent request to allow Amtrak to control the freight service input in the study. We must retain the right to approve any changes to our existing freight operations, as those changes impact service obligations to Gulf Coast freight customers as well as rail connections well beyond the region. Aside from this point, we stand ready to execute the document and begin the study.

Kind regards,

A handwritten signature in black ink that reads "Marco Turra". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Marco Turra
Director
Passenger Operations