

December 14, 2007

TO: Ann Arbor to Detroit Steering Committee

FROM: Carmine Palombo, Director, Transportation Programs

SUBJECT: Ann Arbor-Detroit Commuter Rail Project: December, 2007 Update

SEMCOG is aggressively moving forward to obtain the detailed rail operation information that will provide us with the capital and operating costs that will be needed to allow passenger and freight trains to safely co-exist with reliable service in the same corridor.

In previous updates, I indicated that the Norfolk Southern is conducting a capacity study of the NS line under contract to SEMCOG. They are well into study at this time and have the existing rail infrastructure and operations coded into the model. They will validate the model by replicating the existing freight and passenger movements in the very near future. Once we are assured that the model can replicate the existing operations, they will be able to run and analyze the various options we have discussed.

In addition to the work being done by the NS, we have also had a preliminary response from the Canadian National (CN) Railroad to our request for their analysis of potential impacts of the project to their operation. We are continuing our dialogue and have asked CN to further refine their analysis to identify additional impacts to their operation. I want to stress to you that the railroads, CN and NS, have been extremely cooperative. I anticipate this work being completed in early 2008.

At the same time, SEMCOG has also entered into an agreement with AMTRAK to conduct a ridership and fare study. This work will identify estimated ridership by station and recommend a fare structure. This information will allow us to estimate operating costs, the amount of the costs that the farebox will cover, and the operating deficit that we must find funding for. This work should also be completed within the same time frame as the work being done by CN and NS.

While these studies are in progress, we continue to work on other necessary pieces of work. We have begun work on an environmental clearance document for the project, continue to narrow down the location of the station to serve Metro Airport and continue to explore existing and new funding options.

As always, please contact me if you have questions at 313/961-4266 or palombo@semco.org.