

March 28, 2007

TO: Ann Arbor to Detroit Steering Committee

FROM: Carmine Palombo, Director, Transportation Programs

SUBJECT: Update on Activities for Ann Arbor - Detroit Regional Rail Demonstration Project

I wanted to provide members of the Steering Committee with an update on our efforts to establish a three- year regional rail demonstration project in the Ann Arbor – Detroit corridor. I am happy to report that a number of positive activities are going on as we move towards establishing rail service in this corridor. I will report on progress by activity:

1. Amount of Service

MDOT has developed service plans based on having both two and three train sets. Service would be provided in the morning and afternoon peak periods, the mid-day and the evening periods. Service would be provided in both directions. The evening train would be late enough to have dinner in Ann Arbor or go to a baseball game in Detroit. The specific times of travel and the number of trips will be dependent on discussions with the freight railroads and the amount of service we can afford.

2. Station Locations

We have toured the potential station locations with the AMTRAK representatives and MDOT. While final decisions have not been made yet, it appears that the initial stations would be at Ann Arbor, Ypsilanti, Metro Airport (Merriman and Michigan), Dearborn, and New Center in Detroit. We will consider adding additional stations once the service has been initiated.

3. Cars

MDOT may have found a source that can provide enough refurbished rail cars to provide the service. MDOT has also been in contact with rail car manufacturers and there is a possibility that we may be able to use new cars on a demonstration basis for several weeks at a time throughout the demonstration period.

4. Freight Rail Roads

AMTRAK officials are in the process of formally contacting officials from the three freight railroads that own the trackage in the corridor, the Norfolk Southern (NS), CONRAIL Shared Assets, and Canadian National (CN). These discussions are critical to our project. They impact the service plan, costs, the length of the demonstration period and the timing of when service could begin.

5. Connecting Transit Service

We anticipate that we will need to provide additional transit service to and from each of the stations. We have had some preliminary discussions with DDOT, SMART and AATA about providing such service. Once we know what the service plan is, we can provide them with specific times that they will need to provide service. If they are not able to provide the needed service, we may have to go out to the private sector to purchase the service we need.

6. Costs

There are too many unknowns at this time to estimate the costs of the service. We will have some capital costs such as the costs of the rail cars and some station improvements to cover. In addition, we will have operating costs that will include the cost of AMTRAK service.

7. Funding

We have begun developing a funding plan that will not be complete until we have a better idea of costs. The funding plan is comprised of federal grants, local and state matching funds and some potential private sector contributions.

We are working to establish this service as soon as is possible. At this time, I do not have an estimate of when service could begin. We will have a much better estimate once AMTRAK has completed its discussions with the freight railroads. In the meantime, if you have any questions, please contact me.