



February 17, 2011

Secretary Brian Searles
Vermont Agency of Transportation
One National Life Drive
Montpelier, Vermont 05633-5001

Dear Secretary Searles:

Amtrak values its long term relationship with the State of Vermont. Because we want to keep this partnership strong, and based on a successful service, we feel obliged to inform you of a continuing problem which is materially impacting current and future operations of the Ethan Allen Express.

Under a 1996 Host Railroad Agreement with Vermont Rail Systems (VRS), specifically the Clarendon & Pittsford Railroad (CLP), VRS is required to meet certain operating standards that can provide a total trip time between Whitehall Junction, NY and Rutland, VT of 55 minutes. VRS has, by its own admission, not met its contractual performance standards for the service. Because of this, On-Time performance of the Ethan Allen Express is often below 70%. Unfortunately this situation is not temporary and despite numerous efforts to address the problem, as described further in this letter, VRS remains unwilling and unable to meet its on-going obligations to adequately maintain the rail line.

In addition, the Passenger Rail Investment and Improvement Act (PRIIA) requires that Amtrak's Host Railroads (those railroads over which Amtrak trains operate, such as VRS) comply with a standard set of performance metrics. These metrics are reported to and published quarterly by the Federal Railroad Administration (FRA).

The performance standard established by FRA for Host Railroad responsible train delays is 900 minutes per 10,000 miles of Amtrak train operation. Host-responsible delays include categories such as freight train interference, slow orders, restrictive signals, and route detours among others. For the quarter beginning October 2010 through December 2010, the total recorded VRS delays for the Ethan Allen express was 11,720 minutes per 10,000 train miles. Delay minutes in December 2010 alone reached 11,068. Slow orders due to poor track conditions account for more than 91% of the delays to the Ethan Allen Express.

Attached is a chart that shows a comparison of the Host Railroad delays on the Ethan Allen Express, compared to other routes in the region. A review of the performance of all Host Railroads, over which Amtrak operates, finds VRS as the poorest performing Host in the nation.

Amtrak has brought its concerns about VRS performance to attention of the railroad on several occasions. A meeting was held in 2006 to discuss the slow orders. Two separate performance violation notices were issued to VRS in 2008 along with a meeting to attempt to remedy the situation. An additional contract violation letter was issued to VRS in December 2010 because circumstances had not significantly improved.



As a follow-up to the December 2010 letter, a team from Amtrak along with staff from the Vermont Agency of Transportation met with David Wulfson, President of VRS on January 27, 2011. The intent of that meeting was to again discuss the poor performance and to inform VRS of the need to develop a "Get Well Quick" plan. We are told that process is underway, but it is likely to take time to resolve.

In the meantime, and in light of Amtrak's longstanding partnership with Vermont, we feel compelled to express our serious concerns about the ability of VRS to maintain the appropriate level of performance required to sustain the current Ethan Allen Express service. Furthermore, we are concerned about the ability of VRS to Host future service on any Western Corridor initiative, including the extension of the Ethan Allen Express service to Burlington and establishing a new and effective service to Manchester and Bennington, VT

The ongoing lack of compliance and abysmal performance track record brings into question the ability of VRS to maintain the high level of service that would be required for any Track 2 High Speed Intercity Passenger Rail Grant funding for the Western Corridor. The project benefits and service outcomes specified in the agreement must be maintained for 20 years. Failure to do so could place the State of Vermont at significant risk for payback of federal funds.

In closing, the poor performance by VRS on the Ethan Allen Express service reflects negatively on both the State of Vermont and Amtrak. Amtrak stands willing to discuss any joint efforts the State of Vermont and Amtrak could undertake in order to bring the VRS operation into compliance and to support the State's efforts to provide competitive intercity passenger rails service, not only along the current line, but along the entire Western Corridor of Vermont.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Gardner", written over a faint, illegible printed name.

Stephen Gardner
Vice President, Policy and Development

Section 207 Standard

- Host-responsible delay standard is 900 minutes per 10,000 train miles
- VTR route is 23.9 miles
- VTR Section 207 standard is 2.2 minutes per trip (.09 minutes per train mile x 23.9 miles)

Minutes of Delay by Host per 10K Train Miles - December 2010

Service	Host	Total Host		Largest Two Delay Categories - Quarter to				Route Miles
		Current Month	Quarter to Date	Oct. 2010 - Dec. 2010		Dec. 2010		
		December 2010	Oct. 2010 - Dec. 2010	#1	#2			
Empire Corridor		900	900					
Adirondack	CN	2,700	2,798	RTE	1,072	DSR	812	40
	CP	2,186	2,084	DSR	862	PTI	536	178
	CSX	883	581	PTI	194	DSR	153	89
	MNRR	1,056	1,102	DSR	843	CTI	233	64
Ethan Allen	CP	2,932	2,909	DSR	1,949	PTI	321	60
	CSX	1,003	849	PTI	315	RTE	143	88
	MNRR	922	1,083	DSR	471	CTI	324	64
	VTR	11,068	11,720	DSR	10,377	FTI	638	24
Maple Leaf	CSX	1,354	1,322	FTI	351	RTE	311	396
	MNRR	701	860	DSR	412	CTI	365	64
Vermont	MNRR	481	750	CTI	314	DSR	291	56
	NECR	527	810	DSR	568	FTI	78	238

