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Agency of Transportation

February 23, 2011

Mr David Wulfson, President
Vermont Rail Systems
One Railway Lane
Burlington, VT 05402

Dear Mr Wulfson.

Enclosed please find a letter I received from Amtrak Vice President of Policy & Development, Stephen Gardner, which outlines concerns about your performance under the Host Railroad Agreement. The letter outlines a series of problems that raise serious concerns to Amtrak, and therefore to the State of Vermont. Specifically, Mr Gardner notes the unwillingness and inability of Vermont Rail Systems (VRS) to adequately maintain the Clarendon & Pittsford (CLP) in a manner that meets its contractual performance standards and obligations. The resulting Host-responsible delays make this line, according to Amtrak, the "worst performing line in the nation."

This raises concern about the ability of VRS to maintain the appropriate level of performance required to sustain the current Ethan Allen Express service. It is also clear from the letter that Amtrak has tried numerous times to address these issues with VRS over the years, and has not been able to reach a successful resolution.

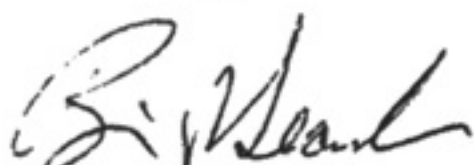
The State of Vermont values its long-standing partnership with Amtrak. The extensions of Amtrak services along the Western Corridor and through to Montreal are a top priority of this Administration. Amtrak's expressed concerns about VRS' ability to host future service on the Western Corridor appear to jeopardize these goals, and the future of passenger rail.

Due to the serious nature of the Amtrak letter, and in light of past and present concerns by the Agency of Transportation and others, I am ordering an immediate and thorough investigation of all past and present practices of the Vermont Rail Systems. I am asking the Office of the State Auditor to work with the Agency of Transportation to examine all practices, procedures and operations related to the Vermont Rail System's performance of its obligations to the State under leases, operating agreements, and project agreements. Given the nature of the concerns expressed in the Amtrak letter, I also recognize that the public may have concerns about the safety of freight train movements over VRS lines. Accordingly, I will be asking the Federal Railroad Administration (FRA) to undertake a special review of VRS compliance with federal rail safety regulations.



I expect your full cooperation with this investigation as we work toward the shared goal of safe and efficient freight operations throughout the state, as well as improving our current passenger service and expanding that service on the Western Corridor

Sincerely,



Brian R. Searles
Secretary of Transportation

cc Jeb Spaulding, Secretary of Administration
 Senator Richard Mazza, Chair, Senate Transportation Committee
 Representative Patrick Brennan, Chair, House Transportation Committee
 State Auditor Thomas Salmon
 Stephen Gardner, Vice President of Policy and Development, Amtrak
 Honorable Karen Rae, Deputy Administrator, Federal Railroad Administration
 Jean McDonald, Acting Commissioner, NYSDOT
 Senator Patrick Leahy
 Senator Bernie Sanders
 Congressman Peter Welch