

September 10th 2015

Dedicated to

passengers

Responsive to change The Honorable John Thune

Chairman

Committee on Commerce, Science and Transportation

United States Senate Washington, DC 20510

Committed to growth

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Dear Chairman Thune:

Commissioners

Bob Johnson City of Lodi

Steve Bestolarides
San Joaquin County

Kathy Miller San Joaquin County

> Steve Dresser City of Lathrop

Vince Hernandez City of Manteca

> Michael Maciel City of Tracy

Executive Director Stacey Mortensen Thank you for your letter requesting information on Positive Train Control (PTC) installation, and the impacts if Congress does not extend the December 31st, 2015 deadline.

The Altamont Corridor Express (ACE) is a tenant on the Union Pacific Railroad (UPRR) in California, providing passenger rail service from the Central Valley to the Silicon Valley with 4 daily roundtrips Monday through Friday serving over 5,000 passengers daily. ACE is working closely with the UPRR on installing the required equipment on our locomotives however, as UPRR states in their letter dated September 9, 2015, they will not meet the mandated deadline of December 31, 2015. Without an extension the implications to ACE will be the ACE service will be cease operations as you can see below form the excerpt from page 2 of the UPRR letter.

What will happen if Congress does not extend the deadline? As you know, we have been contemplating that question for several months now. Because we would be operating in violation of federal law, and because we would be potentially subject to hundreds of millions of dollars in fines and expose ourselves to untold liability should a toxic by inhalation gas (TIH) or passenger accident occur on a line that was supposed to be equipped with PTC, it is our plan to embargo all TIH traffic as well as passenger traffic on our railroad. TIH traffic would be embargoed several weeks prior to January 1, 2016, to ensure an orderly shutdown and clear our system of TIH carloads prior to the end of the year. We expect to issue the TIH embargo notice prior to Thanksgiving. Commuter operations would cease before midnight on December 31, 2015, and long distance passenger trains will stop originating several days earlier to ensure that all passengers reach their destinations before the deadline.

This cessation of the ACE service will have a negative economic impact on the Central and Silicon Valley's by reintroducing not only commuters back to the congested highway system, but also trucks coming to and from the Port of Oakland.

ACE is committed to working to work with the UPRR on the deployment of PTC in any way possible however, without an extension to of the deadline the ACE service with cease operation on December 31, 2015.

CORRIDOR

The Honorable John Thune September 10, 2015 Page 2 of 2

Chairman Thune, thank you for the opportunity to update you on ACE's progress on PTC and appreciate action you and your colleagues in the Senate have taken to responsibility to extend the PTC deadline.

Sincerely,

STAECY MORTENSEN

Executive Director

Altamont Corridor Express