



New Mexico DEPARTMENT OF
TRANSPORTATION

September 10, 2015

The Honorable John Thune, Chairman
Committee on Commerce, Science and Transportation
United States Senate
512 Dirksen Senate Building
Washington, DC 20510

Dear Senator Thune:

I am writing in response to your September 4 letter requesting information regarding the issues and challenges facing the New Mexico Department of Transportation (NMDOT) in implementing Positive Train Control (PTC) by the current December 31, 2015 deadline.

NMDOT owns 100 miles of railroad that is used by our New Mexico Rail Runner Express (NMRX) commuter rail system, a large segment of which is also used by BNSF and the Amtrak Southwest Chief. NMDOT estimates the design cost of the PTC system on the NMDOT-owned rail line and rolling stock at \$3-\$7 million, and the subsequent construction/implementation cost at an additional \$30-\$50 million.

Like most passenger railroads, NMDOT will not be able meet the current deadline for implementation of PTC for the myriad technological and financial reasons that have been cited by the passenger and freight railroad industry over the past several years. There has been and continues to be very little or no federal grant funding available for PTC projects. New Mexico has no dedicated funds for state railroad infrastructure and NMDOT does not have the ability to incur a level of debt necessary to fund PTC. Any state funding for PTC would be provided at the expense of needed highway, bridge and railroad maintenance, repair, improvement and safety projects that would have serious economic development, mobility and safety impacts across New Mexico.

The benefits of PTC on the NMDOT-owned rail line are expected to be very minimal due to the low volume of passenger trains and limited freight train movements on our railroad. PTC would not have prevented any of the fatalities that have occurred on the NMDOT-owned railroad since we acquired it and began NMRX service in 2006. All fatalities on the NMDOT-owned railroad/NMRX have been the result of suicides, trespassing and automobiles or bicycles failing to stop at railroad-highway grade crossings. PTC will not prevent these types of fatalities and expenditures on PTC reduce funding that could be used to address these safety problems.

NMDOT supports statutory and regulatory changes that would provide more realistic deadlines for implementing PTC, federal funding for the unfunded PTC mandate, greater flexibility for smaller commuter rail systems such as NMRX to implement alternative safety technologies that demonstrate a comparable safety impact at a greater cost-benefit ratio than PTC, and an increased threshold for a limited operations exception from the PTC requirements.

The current Federal Railroad Administration (FRA) regulations contain a "limited operations exception" for implementing PTC. The current regulation requires railroads to install PTC,

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unless they request and are granted this exception. Commuter railroads can seek this exception from the FRA if there are no more than 12 daily regularly scheduled passenger trains operated on the rail line during a calendar year. Currently 14 weekday NMRX and 2 daily Amtrak Southwest Chief trains are operated on the NMDOT-owned railroad between Albuquerque and Belen, and 16 weekday NMRX and 2 daily Amtrak trains are operated on the NMDOT-owned railroad between Albuquerque and Santa Fe. A revision to the regulation to increase the passenger train threshold would allow NMDOT to apply for an exception to the PTC requirement and avoid the significant cost of implementing a PTC system and maintain the current number of NMRX and Amtrak train trips on this rail line.

If the current PTC deadline is not extended, NMDOT would be confronted with two options regarding NMRX:

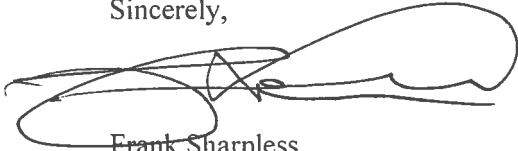
1. The NMRX train schedule would need to be reduced by 4 train trips per weekday between Belen and Albuquerque and 6 trains per weekday between Albuquerque and Santa Fe to meet the limited operations exception threshold. NMDOT would then request that FRA grant NMDOT a limited operations exception. If approved by FRA, PTC would not be required to operate Rail Runner at this level of service. However, unless the PTC requirements are subsequently revised, no additional passenger train trips would be permitted on the rail line unless and until PTC was implemented. If the limited operations exception is not granted and the PTC requirements are not revised, NMDOT would need to cease Rail Runner operations unless the PTC requirements are amended.
2. Cease NMRX operations. Termination of NMRX service, which transported 1 million passenger trips in State Fiscal Year 2015, would impact mobility, congestion, traffic safety, air quality, economic activity and community vitality in the 4 county NMRX corridor, which includes the Albuquerque and Santa Fe metropolitan areas.

In addition, failure to extend the PTC deadline would have repercussions regarding the potential impact on BNSF's freight operations and Amtrak Southwest Chief service that are operated on the NMDOT-owned railroad that will not be PTC-compliant by the current December 31, 2015 deadline. Although NMDOT cannot speak for BNSF and Amtrak regarding their intentions under such circumstances, any cessation of BNSF freight and Amtrak passenger service would have significant impacts on the New Mexico economy. A 2014 NMDOT analysis indicated that Amtrak's Southwest Chief had an estimated \$16 million annual economic impact on the state of New Mexico in 2013. Although we do not have an estimate of BNSF's annual economic impact on the state of New Mexico, disruption of their service on the NMDOT-owned railroad would also have a significant negative impact on the state's economy.

Thank you for the opportunity to discuss our challenges regarding the PTC requirement and deadline. NMDOT appreciates your leadership in attempting to develop a reasonable solution to addressing railroad safety in light of the technical complexities and significant costs associated with the implementation of PTC.

Please feel free to contact me if you have any questions or would like additional information regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Sharpless', with a large, sweeping flourish extending to the left.

Frank Sharpless
Transit and Rail Director

Cc: New Mexico Congressional Delegation
Tom Church, NMDOT Cabinet Secretary
Loren Hatch, NMDOT Deputy Secretary