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Ms. Anne Furr, Executive Director
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Ms. Kathleen Munson
President
Lakeland Area Chamber of
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35 Lake Morton Drive
Lakeland, FL 33801

Dear Tony, Anne and Kathleen:

Thank you for hosting the first meeting of the Lakeland task force on June 12th so that we could begin to address the issues surrounding the public/private initiatives planned to bring solutions to the transportation needs of Central Florida. I think we are off to a good start and expect to build on that momentum as we continue regular working group sessions to identify and implement some concrete plans. We are sincere in our interest to work with the Lakeland stakeholders. I think this was demonstrated by the subject matter experts that we convened for the meeting. As we go forward, we will continue to devote the resources necessary to address the topics of concern.

As we mentioned in the meeting, our plan was to formally document for you the answers to the questions set forth in your May 18, 2007 letter after having used those questions as the basis for our discussion at the June 12th meeting. As was mentioned at the outset of the meeting, it is important that we not lose sight of the overall needs of Florida and its residents. CSX is into its second year of expanding the principal Chicago-to-Florida corridor to meet the demands for consumer goods and materials of the growing Florida population. This expanding population base requires a corresponding growth in transportation and distribution infrastructure. The highways are already congested, especially in Central and South Florida. That leaves rail as the principal economic, reliable and environmentally sound solution. We are able to carry more freight on less fuel, and a single rail car can carry as much freight as three trucks. However, the solution to the growth and congestion issues facing Florida is not tied to freight only. We are also able to help the state accomplish its goal of creating a commuter rail system in Central Florida. By building the Winter Haven terminal, we can move our terminal operations out of Orlando and make available a 61-mile stretch of our A-Line for commuter services.

Our responses to your questions will be presented in the order addressed in your letter.

1) CSX's goal is to improve fluid movement through downtown Lakeland. Is research being conducted by CSX to review increasing train speeds to facilitate movement through the downtown area?

ANSWER: CSX is continuously evaluating ways to increase fluidity on its network and to facilitate movements through core travel lanes to meet the needs of its customers. The authorized speed for both passenger and freight trains through downtown Lakeland on CSX's A-Line is 45 mph. In addition, the train speeds just outside the city, on the A-Line are the maximum for freight and passenger trains, 60 mph and 79 mph respectively. However, several factors influence train speed through this area. Track geometry of the north leg of the connection track where CSX's track from Vitis/Stokes connects to the A-Line, physically constrains speed over that connection track to 25 mph. That speed applies to the entire train as long as any part of the train is moving on the connection. Thus trains moving from the Vitis Line to the A-Line or vice versa, will not to exceed 25 mph through Lakeland's downtown. For most trains operating over that route, the rear of the train would still be on the connection track, west of Sikes Boulevard/Lake Wire Drive, while the head end is just passing over Massachusetts Avenue.

To increase train speed over the connection track would require reducing curvature (straightening the curve) but that action will require expanding the footprint of the connection track significantly onto adjacent property and stretching the end points of the curve both toward Vitis and toward Auburndale, which will impact additional road crossings. Detailed engineering and signals studies will be needed to redesign the connection track to provide faster speeds on that route through the downtown area and to ensure that higher speeds would not compromise safety.

In addition, although there is no local rail- served industries in the immediate downtown Lakeland area, CSX "switcher" locomotives are serving nearby industries and shuttling between those industries and the local CSX yard. The local train must move at slower speeds due to the proximity of those industries and the nature of the work.

2) In the same vein, is there information available or that can be researched to provide background on the causes and frequency of trains stopping in the downtown corridor?

ANSWER: We are certainly willing to perform the research necessary to address this concern, and your feedback and detailed information is important in taking the first step. There are no customer service requirements in the immediate downtown area that should result in frequent stopped trains. For safety and operational reasons, trains occasionally stop or move slowly due to other train traffic. There are 2 trains that change crews just outside of downtown Lakeland. These trains tend to move at slower speeds as they prepare to stop for the crew-change point. Once the Winter Haven terminal is open, the crew-change points will move from Lakeland to Winter Haven, which should further reduce the cause for trains to stop in the downtown corridor. As agreed during our meeting, we will attempt to dig into the history of trains that were reported have stopped in the downtown area to see what we can learn. As we also discussed, it is important that CSX and the City coordinate and communicate interrelated activities in the downtown limits. The recent incident in which a train blocked crossings might have been avoided if together we could have planned for the work being done at the New York Avenue crossing that rendered the warning devices inoperable during construction. When the warning devices are taken out of service, it is necessary for CSX to stop the train and flag the crossing for safety purposes. Once the train had to stop, there was insufficient power on the train to get it back up to speed without supplying an additional locomotive.

3) What is CSX prepared to do, be it with physical improvements or operating practices, to reduce the frequency of trains stopping in downtown Lakeland?

ANSWER: There is no planned operating reason for trains to actually stop in downtown Lakeland. As mentioned in the answers to other questions, CSX is making investments in its rail infrastructure and locomotives to provide reliable and recoverable service to our customers. If a train is stopped without reason, CSX is not meeting its velocity objectives. Therefore, a stopped train in downtown Lakeland could only be attributed to some unforeseen condition. In addition, CSXT plans to increase track capacity on the S Line in Florida, a segment of which runs through downtown Lakeland. Most of that additional capacity will be in the form of long, passing sidings that allow trains to operate more efficiently through optimum "meets and passes." Two of these sidings are currently contemplated for the area around Lakeland.

4) The City is researching the cost and implementation requirements of "Quiet Zones" within the downtown sector (approximately six grade crossings). To what extent is CSX prepared to assist in the review and funding of measures that will reduce noise in the six grade crossing areas of downtown?

ANSWER: The situation being experienced in Lakeland is not unique and is shared by many other cities that have seen a rebirth of their downtown areas that initially developed around the railroad. That has prompted the Federal Railroad Administration to establish criteria for Quiet Zones. First, some background: Federal law requires trains to sound horns in a prescribed manner as they approach and traverse rail-highway grade crossings. This is a safety measure designed to alert motorists to an approaching train. The FRA also permits the establishment of Quiet Zones if certain criteria are met. CSX does not have the authority to grant Quiet Zones or to make decisions about sounding train horns.

Our research indicates that the downtown Lakeland crossings would require upgrades to the crossing warning devices to meet minimum requirements of a Quiet Zone. The crossing warnings, which are motor vehicle traffic control devices, are activated by approaching trains and provide at least 20 seconds of warning. The devices in Lakeland are activated by motion sensors regardless of the speed of trains. Trains traveling slower than the speed limit activate the warning devices for more than 20 seconds. The FRA requires that Quiet Zones be equipped with "constant warning" devices that calculate train speed and provide 20 seconds of activation no matter how fast or slowly the train is traveling. Florida DOT and CSX have dedicated resources to complete a diagnostic review of these at-grade crossings and the results should be available soon.

Upgrading the warning devices so that they comply with this FRA "constant warning" standard for Quiet Zones could run between \$100,000 and \$200,000 per crossing. Other modifications, such as roadway median barriers, may also be necessary. CSX will cooperate fully to provide information for preliminary engineering and make other data available to evaluate the opportunity for Quiet Zones. Florida DOT has committed to take a look at its funding priorities given the important nature of this freight corridor to the overall transportation plans of the region. CSX will also commit its available resources, including engineering expertise, in an effort to reach an acceptable solution.

This is an area that will require continued evaluation and concentrated discussion among the task force members in a smaller working setting.

5) Additionally, are there modifications available to the existing infrastructure to move train traffic more efficiently through Lakeland?

ANSWER: As noted in Question 3, additional track capacity will be added to the S Line. These capacity improvements include the possible construction of two extended sidings that will improve train fluidity in the Lakeland area.

6) Can the hours of operation be adjusted to avoid local rush hours and high traffic density time periods?

ANSWER: The demand for consumer goods and commodities transported by rail into and within Florida continues to grow as the state's population increases. The major roadway systems in Florida are congested, and the opportunity to increase highway capacity to meet the combined demands for the transportation of passengers and freight is limited unless rail becomes a viable alternative. The ability of freight to move on demand must be preserved to meet the freight delivery needs of area industries and businesses, and to keep the nation's rail network operating fluidly. That requires freight to move at all hours of the day. Limiting freight trains to certain windows of operation would create train congestion, slow the delivery of freight, and significantly increase costs, which would ultimately be borne by consumers.

7) We have received some preliminary numbers on the increased train movements through the City. Can CSX provide a more accurate number and possibly a year-to-year estimate of train traffic changes to be expected through Phase I and Phase II of the ILC implementation and transfer of commercial traffic off of the A Line?

ANSWER: The current average train count is 16 trains per 24-hour period, 4 of which are passenger trains. Once freight trains are shifted to the S Line, and the Winter Haven terminal opens, Lakeland should see an increase of an average of 4 trains per day over a 24-hour period – 2 automotive trains serving the new Winter Haven terminal and 2 unit coal trains serving Orlando Utilities. The 2 automotive trains would be a direct result of building the Winter Haven terminal. The 2 coal trains are being shifted off of the A Line to the S Line as part of the train traffic realignment necessary for the commuter rail operation. There are currently 2 intermodal trains traveling through Lakeland downtown from Orlando to Tampa. Once the Orlando facility is closed and the new terminal operational in Winter Haven, the net effect of intermodal trains through Lakeland will be unchanged. CSX's primary goal is to develop the Winter Haven automotive and intermodal terminal so that those operations can be relocated from Orlando and the state's plan to initiate commuter rail in Central Florida in 2009-2010 can proceed. Amtrak handles all passenger trains and CSX does not have authority over their train count.

8) Is CSX looking at upgrading the tracks or grade crossings throughout downtown Lakeland?

ANSWER: As noted, track capacity is being added to the S Line, and two long passing sidings are contemplated around the Lakeland area. The track structure that exists today meets all federal and company standards for safe operation, as do the grade crossings.

9) Are there any other alternatives to bringing trains through downtown Lakeland?

ANSWER: CSXT's main line runs through Lakeland, and the costs of relocating it would likely be prohibitive. The former Coleman Subdivision that extended from Wildwood to Auburndale has been severed and is not a viable option. CSX is investing millions of dollars in capital on the S Line in order to create a fluid and reliable transportation corridor to meet the needs of its customers and deliver freight to Florida consumers. Following a nationwide pattern of urban development, Lakeland grew up around the rail line as commerce flourished and neighborhoods were established. CSXT continues to provide a vital transportation service to Lakeland, Polk County and Florida. The alternative to trains would be to force more trucks on the already congested highways. A single rail car can carry as much freight as three trucks.

10) Current train lengths are approximately 7,500 feet. CSX states the optimal length to be 10,000 feet. Can train lengths be modified to allow traffic to move at a greater pace along the S Line and through the heavily populated areas?

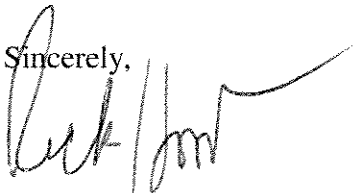
ANSWER: Train lengths are the result of freight demand and track capacity. Maximum train lengths on today's S Line, from Baldwin to Lakeland, are 9,000 feet based on physical constraints of the geography. Train length varies widely due to business needs. On many trains, CSXT can add cars at almost no additional cost. That keeps fuel consumption, emissions and prices to our customers down on a per ton basis. At the same time, the track capacity improvements on the S Line will promote faster, more efficient train operations, more than offsetting longer trains.

11) Would CSX be willing to assist the City in conducting a downtown impact study?

ANSWER: CSX considers itself as a partner in this effort and is always willing to furnish information and provide expertise for studies commissioned by public bodies. We would appreciate the opportunity to comment on the scope of such a study for best results, and how the information will be interpreted and used.

I will be back in touch in the near future to set up a date and time for our next session which I would envision will be a dedicated working group to address specific actions. In the meantime, please feel free to contact me if you have any questions.

Sincerely,



Richard M. Hood

cc: Mr. Gary Sease
Mr. Craig Camuso
Mr. Cliff Stayton
Mr. Bob Frulla, Jr.
Mr. Jeff Miller