

December 18, 2014

Mr. Joseph C. Szabo
FRA Administrator
Federal Railroad Administration
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

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OFFICE OF THE SECRETARY
EXECUTIVE SECRETARIAT
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RE: The National Railroad Passenger Corporation ("Amtrak") Request for a Waiver from the FRA's Buy America Requirements to Purchase Turnouts and Crossovers Manufactured by VAE Nortrak

Dear Mr. Szabo:

The Rhode Island Department of Transportation ("RIDOT") and the National Railroad Passenger Corporation ("Amtrak") are hereby applying for a waiver from the Federal Railroad Administration's ("FRA") Buy America requirements set forth at 49 U.S.C. 24405(a) (the "FRA Buy America Statute") for the purchase of one No. 20 RH 136RE Turnout, one No. 20 LH 136RE Turnout, and one No. 20 LH Crossover 136RE for the Kingston Track Capacity and Platform Improvements Project (the "Kingston Project" or "Project"), High-Speed Rail Improvements Program. A detailed justification for our request is set forth below.

I. The Kingston Project

In 1995, Amtrak developed conceptual track plans that were approved by Providence and Worcester Railroad (P&W), RIDOT and FRA. The concept was presented to RIDOT, which then agreed to fund the Project through a grant from the FRA. On September 16, 2011, RIDOT, and the FRA entered into a cooperative agreement pursuant to the High-Speed Intercity Passenger Rail (HSIPR) Program (the "Cooperative Agreement"). The Cooperative Agreement provided RIDOT with \$26,200,000 in funding.

Among other things, the Cooperative Agreement provided for the construction of approximately two miles of a new Track 3 with upgrades and improvements to the catenary, power, track, and signal systems on the NEC between a new interlocking at mile post 157 called "Liberty" and the existing Kingston interlocking in South Kingston, Rhode Island. It also provides for the construction of high-level platforms at Kingston Station. The Project will facilitate increased speeds and improved reliability for all users and eventually higher levels of service.

Once implemented, the Project will also deliver improved travel times and service reliability for Amtrak high-speed, regional, and long-distance services. The Project will also provide the following benefits:

- Provide a location for higher speed trains (ACELA Express) to overtake and pass lower speed trains (Regionals);
- Minimize service disruptions during construction and establish reliable



operating patterns when construction is complete; and

- Ease congestion and route conflicts between future commuter and freight operation.

II. The Solicitation Process

On July 12, 2013, Amtrak issued an invitation for bid (IFB) for the provision of the purchase of one No. 20 RH 136RE Turnout; one No. 20 LH 136RE Turnout; and one No. 20 LH 136RE Crossover. The IFB sought Turnouts and a Crossover that could meet Amtrak's standard, which has been in existence for some twenty-five years. The standard, which was developed based on best practices used by other railroads (domestic and foreign), has been revised several times to reflect changes in manufacturing techniques and correct design deficiencies.

The IFB was issued to six companies that are considered to be Amtrak-approved suppliers of Crossovers and Turnouts. Of the six, only one, VAE Nortrak ("Nortrak"), submitted a bid. The other five suppliers indicated that they were unable to bid for a variety of reasons. Three of the prospective bidders indicated that they either did not or were unable to manufacture the Turnouts and Crossovers. The other two indicated that they could not be Buy America compliant because several of the components could not be sourced domestically. Accordingly, Amtrak has selected Nortrak for award of a contract under the IFB. Since there appears to be only one supplier that can meet Amtrak's requirements, we have no information on price differentials or a basis for comparing a domestic end product to a foreign one.

III. Description of the End Product for Which a Waiver is Requested

The end products for which Amtrak is seeking a waiver to purchase are one (1) number 20 Crossover (tangential) and two (2) number 20 Turnouts (tangential). Amtrak currently uses the No. 20 Turnouts and Crossovers in high speed concrete tie track to allow diverging speeds of 45 MPH. High speed reliable operations require longer Turnouts or Crossovers with a movable point frog. The number 20 Turnout design has been in use by Amtrak since 1995. Indeed, Amtrak has made the No. 20 Turnout with concrete ties and movable point frog its standard and Amtrak has many in current service on the NEC.

The Turnouts and Crossover will be manufactured by Nortrak in the United States at its facility in Birmingham, Alabama. While the Turnouts and Crossover will be largely comprised of domestic material, the Crossover consists of approximately 10 percent foreign material and the two Turnouts consist of approximately 8 percent foreign material. The cost of the Turnouts is \$350,000. The cost of the Crossover is \$700,000¹

¹ Pricing information as of August 4, 2014.



Although the Turnouts and Crossover will contain a significant amount of domestic material, there are some components which Nortrak is unable to source domestically. The following table lists the foreign components, the component's country of origin, and comments indicating why the component is unable to be sourced domestically.

Foreign Components	Origin	Comments
Roller Assembly Single	Switzerland	Schwihag proprietary design manufactured in Switzerland
Roller Assembly Double	Switzerland	Schwihag proprietary design manufactured in Switzerland
Roller Assembly Triple	Switzerland	Schwihag proprietary design manufactured in Switzerland
Switch Point Rail Machined ZUI-60	Austria	Rail Steel rolled to specific unique rail shape in Austria

Although, in the instant case, Amtrak has been unsuccessful in acquiring Turnouts and a Crossover that are made of 100% domestic components and meet its needs for the Project, Amtrak has evidenced a history of taking measures to acquire domestic number 20 Turnouts. In fact, Amtrak revised its Turnout Specification to ensure that the number 20 Turnouts used on the Midway Project are 100% compliant with the FRA Buy America Statute. Unfortunately, the number 20 Turnouts that are being used on the Midway Project cannot be used on the Kingston Project for several reasons. Specifically, the reasons are as follows:

1. The tangential design turnouts which will be used on the Kingston Project are designed for high speed passenger operation. As a result, they have a shallower switch angle of attack that produces a lower jerk rate and provides greater passenger comfort. In contrast, the #20 turnouts used at Midway on the NJHSRIP project are basically modified freight turnouts and have a higher angle of attack. The turnouts at Midway are appropriate for that location since they will mostly be used during maintenance outages. The turnouts on the Kingston project will be used daily for diverting trains.
2. Longer length switch points are required to provide the lower jerk rate mentioned in paragraph 1 above. Stock rails used with conventional AREMA style switch points are restrained on only the field side. In this case, for a distance of 56 feet as opposed to 39 feet). This portion of the stock rail is subject to horizontal and vertical forces that tend to roll the stock rail out of its seat. These forces are magnified by the higher train speeds. (In this case, 150 MPH with a future increase up to 160 MPH.) For this reason, Amtrak specifies an inner stock rail fastening system which consists of an asymmetric switch points, slide plates and resilient fasteners. This system allows the stock rail to



be restrained both horizontally and vertically. The system is both simpler to maintain and safer as it has less points of failure.

3. There may be a possibility of increasing the diverging train speed for (certain train sets) to 60 MPH. Amtrak has commissioned a study to increase the diverging train speed through various turnout geometries. Although not complete, the study shows promise with tangential designs. The higher speed permits diverging trains to clear out of the way of opposing trains or trains following faster, thereby increasing capacity. The general track layout and station improvements at Kingston are designed for just such a purpose -- to allow our regional trains to be passed by ACELA trains which do not stop there.
4. The conventional (AREMA) 20 would not provide the necessary diverting speed for Kingston. The higher speed was not as critical at Midway because other new higher speed turnouts were installed a short distance away. Other interlockings (Adams and Delco) were installed in conjunction with the New Jersey High Speed project which reduced the role of Midway Interlocking for crossover moves and the Adams and Delco Turnouts were covered under a Buy America waiver.
5. The tangential Turnouts, generally have better ride quality features than the AREMA Turnouts, especially in the switch area, and that improvement is attributed in large part to some of the components that cannot be sourced domestically.

Amtrak understands the importance of buying domestic supplies and, as mentioned above in the case of the number 20 Turnout, Amtrak has taken proactive measures to ensure that it could incorporate a domestic Turnout in the Midway Project. The FRA can be assured that if Amtrak could use the domestic Turnout being used for the Midway Project, it would do so on the Kingston Project.

IV. Request for a Waiver

As mentioned above, three of the six prospective bidders indicated that they either did not or were unable to manufacture the Turnouts and Crossovers. Two others indicated that they could not provide Buy America compliant products because several of the components could not be sourced domestically. The awardee, Nortrak, has advised that it is in the process of designing 100% domestic replacements for the Schwihag rollers and plates and are hoping to have them fully tested and approved in one to two years. Although it will not be through the testing and approval process in time to be utilized on this requirement, sometime in the next year or two Amtrak expects to be able to procure fully compliant crossovers and turnouts.

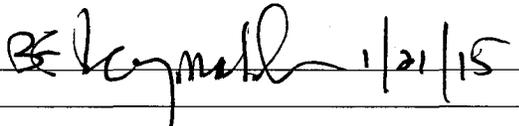


Under Section 24405(a)(2)(B) of the FRA Buy America Statute, the Secretary of Transportation may waive application of the statute if he finds that "the steel, iron, and goods produced in the United States are not produced in a sufficient and reasonably available amount or are not of a satisfactory quality." Amtrak believes that a waiver is appropriate for the Schwihag roller assemblies and plates, the frog point forging and the ZUI-60 switch point rails because domestically produced components meeting the specific needs and requirements of Amtrak for the Project are not currently "produced in sufficient and reasonably available amount or are not of a satisfactory quality." Based on the foregoing, Amtrak hereby requests that it be granted a waiver to purchase the Crossover and Turnouts described herein.

Thank you for considering Amtrak and RIDOT's Buy America waiver request. Please contact either of us should you have any questions concerning this matter. Bud Reynolds may be reached at (215) 349-3170 and Director Lewis may be reached at 401-222-2481 ext. 4001

Respectfully,

Bernard Reynolds
Vice President and Chief Procurement Officer
National Railroad Passenger Corporation (Amtrak)



Michael Lewis
Director
Rhode Island Department of Transportation

