

**HUNTON
WILLIAMS**

HUNTON & WILLIAMS LLP
2200 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20037-1701

TEL 202 • 955 • 1500
FAX 202 • 778 • 2201

NEIL K. GILMAN
DIRECT DIAL 202 • 955 • 1674
EMAIL: ngilman@hwl.com

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December 6, 2011

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Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street SW
Washington, DC 20423

In re National Rail Passenger Corporation
STB Finance Docket No. 35571

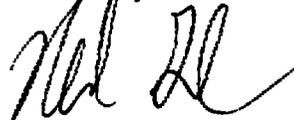
Dear Ms. Brown:

My firm represents National Rail Passenger Corporation (Amtrak) in connection with the above-referenced matter. Enclosed for filing is Amtrak's Third Supplemental Filing in Support of Petition for Determination of PRIIA Section 209 Cost Methodology. The filing includes an original and 10 copies of all documents.

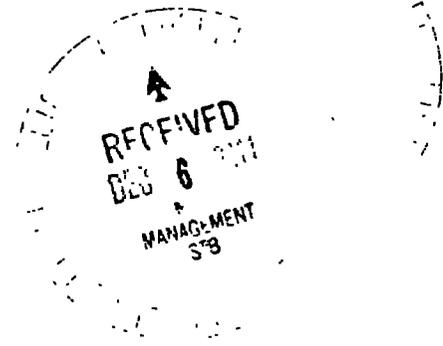
Please stamp one copy of this letter to indicate that all documents have been received and filed, and please return the stamped copy with our messenger for our files. Thank you for your assistance in this matter.

If you have any questions or concerns, please feel free to contact me.

Sincerely,


Neil K. Gilman

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



In re National Railroad Passenger Corp.

STB Finance Docket No. 35571

**AMTRAK'S THIRD SUPPLEMENTAL FILING IN SUPPORT OF
PETITION FOR DETERMINATION
OF PRIA SECTION 209 COST METHODOLOGY**

William H. Herrmann
Christine E. Lanson
National Railroad Passenger
Corporation (Amtrak)
60 Massachusetts Avenue, N.E.
Washington, DC 20002

Neil K. Gilman
David C. Lashway
Jennifer L. BenEliyahu
Hunton & Williams LLP
2200 Pennsylvania Avenue, N.W.
Washington, DC 20037

Thomas R. Waskom
Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, VA 23219

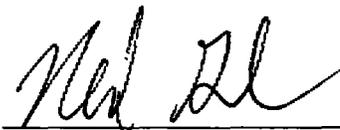
Counsel for National Railroad
Passenger Corporation (Amtrak)

On November 21, 2011, National Railroad Passenger Corporation ("Amtrak") filed its petition for miscellaneous relief pursuant to 49 C.F.R. § 1117.1. In its petition, Amtrak explained, among other things, that 15 of 19 Covered States had voluntarily adopted the Agreed Methodology and that transportation officials in three additional states had recommended adoption of the Agreed Methodology. On November 23, 2011, Amtrak filed a supplemental filing noting that one of those three states, Massachusetts, formally adopted the Agreed Methodology. On December 5, 2011, Amtrak filed its second supplemental filing noting that another of these states, Pennsylvania, formally adopted the Agreed Methodology. Amtrak now files its third supplemental filing to inform the Surface Transportation Board that on December 5, 2011, the third state, Washington, formally adopted the Agreed Methodology. This brings to 18 the number of Covered States that have adopted the Agreed Methodology. A true and correct copy of the signed letter received from Washington is attached to this Supplemental Filing as Exhibit A.

December 6, 2011

William H. Herrmann
Christine E. Lanzon
National Railroad Passenger
Corporation (Amtrak)
60 Massachusetts Avenue, N.E.
Washington, DC 20002

Respectfully Submitted,



Neil K. Gilman
David C. Lashway
Jennifer L. BenEliyahu
Hunton & Williams LLP
2200 Pennsylvania Avenue, N.W.
Washington, DC 20037
Tel: 202-955-1500
Fax: 202-862-3629

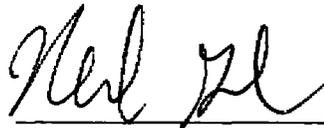
Thomas R. Waskom
Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street

Richmond, VA 23219
Tel: 804-788-8200
Fax: 804-343-4868

Counsel for National Railroad
Passenger Corporation (Amtrak)

CERTIFICATE OF SERVICE

Because there are no other "parties" to this proceeding, service is not required pursuant to 49 C.F.R. § 1104.12. Nonetheless, because the 19 Covered States have an interest in this matter, I hereby certify that I have this day caused to be sent by express mail, next day delivery, courtesy copies of Amtrak's Third Supplemental Filing in Support of Petition for Determination of PRIIA Section 209 Cost Allocation Methodology to the Governors of the 19 Covered States.

A handwritten signature in black ink, appearing to read "Neil K. Gilman", written over a horizontal line.

Neil K. Gilman

Exhibit A



**Washington State
Department of Transportation**
Paula J. Hammond, P.E.
Secretary of Transportation

Transportation Building
310 Maple Park Avenue S E
P.O. Box 47300
Olympia, WA 98504-7300

360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

December 5, 2011

Thomas C. Carper, Chairman
Amtrak Board of Directors
60 Massachusetts Avenue NE
Washington, D.C. 20002

Dear Mr. Carper:

Enclosed is your letter of September 1, 2011, transmitting the proposed cost sharing methodology developed by Amtrak and the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) Section 209 State Working Group. Governor Gregoire has reviewed the methodology and delegated Washington's concurrence to me. I have signed indicating acceptance of the methodology under the following conditions.

First, the Section 209 State Working Group must be given the opportunity to develop a collaborative process for implementing the methodology. Second, Amtrak must provide regular and timely reporting of data used for this cost distribution methodology and assurances of the data's accuracy. Finally, given the shift in financial responsibility for regional routes, Washington will expect to have a greater role, to be outlined in the service contract, in managing cost factors.

Washington is currently faced with a budget crisis requiring significant cuts in state programs. Consequently, we will look to our partners like Amtrak to share in some of the sacrifices by reducing the cost of the state's subsidy for providing the current level of service. By working together, we can continue to provide reliable and affordable passenger rail service for the citizens of Washington. If you have any questions, please call me or Chief of Staff Steve Reinmuth at (360)705-7054.

Sincerely,

Paula J. Hammond, P. E.
Secretary of Transportation

PJH:jaa
Enclosure

cc: Governor Gregoire
Steve Reinmuth, WSDOT
John Sibold, WSDOT



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SEP 06 2011

Office of the Governor

September 1, 2011

The Honorable Chris Gregoire
Governor of Washington
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

Dear Governor Gregoire:

This letter serves to officially transmit the proposed cost sharing methodology and accompanying policy developed by Amtrak and the Section 209 State Working Group (SWG) as required under Section 209 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA, Public Law 110-432, Division B). Section 209 of PRIIA requires that the Amtrak Board of Directors and relevant States collaboratively develop a common methodology for establishing and allocating operating and capital costs between the parties for all intercity passenger train services operated by Amtrak on routes less than 750 miles outside the Boston-Washington Northeast Corridor, known herein as "Section 209 services". In your State, the Section 209 service includes the *Cascades* Amtrak corridor route, as we identified in our February 4, 2011 letter to Paula J. Hammond, Secretary, Washington State Department of Transportation.

The proposed methodology, captured in the attached Section 209 policy, has been cooperatively developed between Amtrak and the States over the past year and a half. Through the SWG, comprised of representatives from California, Maine, North Carolina, Virginia, and Wisconsin appointed by the American Association of State Highway and Transportation Officials' Standing Committee on Rail Transportation (SCORT) and the States for Passenger Rail Coalition (SPRC), Amtrak and the States have worked hard to create a common and transparent cost sharing methodology which will apply to all routes equally, ensuring that all States are compensating Amtrak in a like manner for like services. Through national, regional, and individual meetings with all impacted States, plus extensive outreach efforts undertaken by the SWG, we have sought to fully engage all States in the development of this policy and have provided opportunities for your State to provide comments, feedback and improvements throughout the development process. Most recently, your rail agency staff was provided this policy in draft form for comment on June 23, 2011 and in final draft form on August 12, 2011.

We are now asking for your concurrence with this policy. Concurrence with this policy does not obligate your State to a specific future funding amount or level of service. However, concurrence does indicate your acceptance of the methodology and policy as the ruling basis for any contract with Amtrak for Section 209 services, with the understanding that such policy will govern Amtrak's pricing for such services beginning on October 1, 2013. Between now and then, Amtrak will continue to work with your State's rail staff to develop specific service alternatives and agreements for routes in your State that are affected by Section 209.



The Honorable Chris Gregoire
Page 2
September 1, 2011

Amtrak and the SWG's priority has been to develop a policy in a collaborative way, since failure to reach voluntary agreement between Amtrak and the relevant States on this policy will trigger the provisions of Subsection 209(c) which requires that the U.S. Surface Transportation Board (STB) determine the appropriate methodology and require its full implementation by the parties within one year of the STB's decision. Once the policy voluntarily adopted by the parties or imposed by the STB has taken effect, Amtrak will only continue to operate Section 209 services that are governed by funding agreements with States that are consistent with the policy.

While the original statutory deadline to reach agreement on the policy of October 16, 2010 was not met, extension agreements between Amtrak, SCORT, and SPRC afforded us the opportunity to continue to develop the sound policy structure proposed in this transmittal. These agreements to extend negotiations expired on June 16, 2011 and the parties are now free to petition the STB to determine the methodology. It remains our hope that we will reach voluntary concurrence on this policy and avoid turning to the STB for resolution of this important matter.

To that end, we request your concurrence with the policy by you or your designee signing this letter and returning it to the above address by September 30, 2011. Upon receipt of your reply and other states, we will transmit the results to the STB.

We look forward to the swift conclusion of this important process. Amtrak deeply appreciates your support of intercity passenger rail service and the contributions made by your State in developing this policy. We, and the States with which this proposed policy was developed, recognize that implementing this policy may present significant challenges for some States, especially given the current economic climate, but are confident that it represents a thoughtful and fair approach that responds to the requirements of the law. Our partnership with your State is of vital importance to Amtrak and we will endeavor to work collaboratively with you on the successful implementation of this policy, or such other policy as may be ordered by the STB, and strive towards the continuation and improvement of all of today's Amtrak Section 209 services.

Sincerely,

Thomas C. Carper
Chairman, Amtrak Board of Directors

ACCEPTED AND AGREED

Date: 11/5/11

By:

Title:

SECRETARY of TRANSPORTATION
Governor or Governor's Designee

cc: Paula Hammond, Secretary, Washington State Department of Transportation
John Sibold, State Rail and Marine Acting Director, Washington State DOT
Joseph H. Boardman, President and CEO, Amtrak