

APPENDIX J

FDOT-CSXT MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING (MOU)
by and between
CSX TRANSPORTATION, INC.
and
FLORIDA DEPARTMENT OF TRANSPORTATION
for the
ENVIRONMENTAL ASSESSMENT OF A PORTION OF
CSX TRANSPORTATION, INC.'S "A" LINE
for the
CENTRAL FLORIDA COMMUTER RAIL TRANSIT SYSTEM

WHEREAS, the State of Florida Department of Transportation (hereinafter referred to as FDOT) has undertaken and completed an Environmental Assessment pursuant to a Scope of Services dated November 10, 2004 (hereinafter referred to as EA) associated with a 61-mile portion of rail line that may be acquired for commuter rail transit running from DeLand in Volusia County to Poinciana in Osceola County, and

WHEREAS, the FDOT is in the process of making application to the Federal Transit Administration (hereinafter referred to as FTA) and Congress for capital funds, commonly referred to as New Starts funding to provide a portion of the funds necessary for the planning, design, right-of-way acquisition, construction, and operation of the proposed commuter rail service, and

WHEREAS, the FDOT and the project sponsors, including Orange, Seminole, Osceola and Volusia Counties, have been working to secure local funding for portions of the capital and operating expenses of the Central Florida Commuter Rail Transit System, and

WHEREAS, the FDOT has programmed funds for a portion of the capital cost and initial operating costs of the Central Florida Commuter Rail Transit System, and

WHEREAS, the Central Florida Commuter Rail Transit System is contained in the Year 2030 Metroplan Orlando's *Orlando Urban Area Transportation Study* "Financially Constrained Network," and

WHEREAS, in December 2004, at FDOT'S request, CSX Transportation, Inc. (hereinafter referred to as CSXT) officials and FDOT executives discussed a Strategic Plan, that contemplated designating a portion of the "A" line as primarily for passenger service, and the "S" line to the west of central Florida and in the middle of the state, for freight service, and

WHEREAS, this shift is to complement the strategic location of "intermodal rail villages" most notably in the Lakeland/Auburndale area, and

WHEREAS, the FDOT intent is to encourage CSXT to gradually shift certain freight trains on the portion of the "A" line under consideration over to the "S" line, as capacity

improvements are made to the "S" line and as passenger use increases on the portion of the "A" line so acquired, and

WHEREAS, in support of the CSXT Strategic Plan and the Central Florida Commuter Rail Transit (hereinafter referred to as CF CRT) Project, FDOT and the project sponsors have had meetings with CSXT and have been sharing information in support of refining the proposed CF CRT Project, and

WHEREAS, during 2005, at the request of FDOT, CSXT allowed FDOT consultants access to their right of way to collect environmental field data, and conduct inspections, and

WHEREAS, at the request of FDOT, CSXT has supplied existing freight operations data, track charts, railway signal drawings, right of way, utilities, bridge plans, etc. and fully participated in the development of an enhanced combined CF CRT and freight operating plan for the corridor, and

WHEREAS, the FDOT and CSXT have been negotiating freight traffic density and train operating patterns on the "A" line, and

WHEREAS, a fundamental component of these negotiations is an operating agreement that minimizes freight traffic during the proposed CF CRT service periods, consistent with the CSXT Strategic Plan, and

WHEREAS, the Central Florida Commuter Rail Transit system will greatly benefit all of the citizens of and visitors to the Central Florida region, and is needed in order to relieve traffic congestion, and provide transportation opportunities.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the above parties agree as follows:

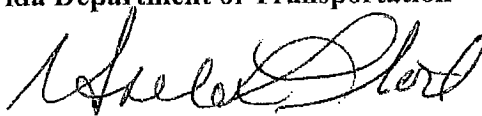
1. Both CSXT and FDOT agreed to the scope and the purpose of the EA, which has been completed. For the most part, the property that is the subject of the EA is controlled by CSXT, and CSXT has allowed the EA to proceed. Any further environmental assessment shall be subject to mutual agreement.
2. FDOT is currently in negotiation with CSXT to acquire by purchase or otherwise a portion of the CSXT "A" line in central Florida for passenger rail use in exchange for monetary and other considerations.
3. While this negotiation is nearing its conclusion during this EA process, it was not complete at the time of the EA publication. Consistent with FTA's request, this document serves as a Memorandum of Understanding (MOU) between CSXT and FDOT regarding the permission to conduct an EA on CSXT owned property, CSXT consent to the EA process, CSXT participation in the CF CRT project, and the current status of negotiations.


4. FDOT and CSXT intend, within the next 30 days to enter into a non-binding term sheet that will describe the basic terms and conditions under which: (1) FDOT will acquire a portion of the CSXT "A" Line for passenger rail services, including the CF CRT project, and (2) CSXT will retain certain perpetual exclusive rights to operate limited freight rail service on that portion of the "A" Line acquired by FDOT. In addition, FDOT and CSXT will also negotiate and enter into one or more definitive agreements, the schedule for which has not been determined, covering: (1) the specific conditions under which FDOT will acquire that portion of the "A" Line to operate passenger rail services, and the specific conditions under which CSXT will retain certain perpetual exclusive rights to operate limited freight services on the portion of the "A" Line acquired by FDOT; (2) an "A" Line operating agreement, which will address the respective roles and responsibilities of FDOT and CSXT regarding dispatching, maintenance-of-way, signal maintenance, passenger and freight service periods (operating windows), and any other operational provisions that may be agreed to by the parties; and (3) such other definitive agreements that FDOT and CSXT may agree are necessary to implement the transactions contemplated herein. Nothing in this MOU shall be deemed to (i) imply CSXT consent or acceptance of any operational term addressed in the EA or (ii) require either party to proceed with the transaction to be described in the non-binding term sheet described herein.

5. This MOU is subject to monetary and term items that must be mutually agreed upon by both FDOT and CSXT.

For Florida Department of Transportation

For CSX Transportation, Inc.

Name 
 Ysela Llort


Name 
 PETER J. SHULTZ

Title Assistant Secretary
 For Intermodal Systems
 Development

Title AUTHORIZED AGENT

Date April 6, 2006

Date April 6, 2006

Witness 

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