

Jannotti Rail Consulting, Inc.

P.O. Box 490
401 Akeley Road
Russell, PA 16345
814-688-1905
e-mail jannotti1@verizon.net

August 19, 2018

Mr. Logan Day,
Save the Nickel Plate
P.O. Box 48
Fishers, IN 46038

Re: Hoosier Heritage Port Authority
Jannotti Rail Consulting, Inc.
Track Inspection Report and Rehabilitation Plan – November 2016
Request for Clarifications

Dear Mr. Day:

In response to your request for clarifications regarding our above referenced Report permit me to provide you the following:

The total rehabilitation of the former 37 mile Nickel Plate railroad, now owned by the Hoosier Heritage Port Authority, from Tipton to Belt Junction does NOT require a total of \$5 million to make it “safe” for rail movements.

The purpose of my inspection as written in the very first paragraph of the 42 page report is highlighted below:

“The Hoosier Heritage Port Authority (HHPA) has retained the services of Jannotti Rail Consulting, Inc. (referred to in this report as the “Consultant”) to inspect, evaluate and provide a report for the track on the passenger railroad extending through Tipton, Hamilton and Marion Counties. The Consultant shall provide a rehabilitation plan based on the inspection which categorizes priority locations. The Track Inspection and Rehabilitation Plan is based on the inspections performed in October, 2016 which concentrated on bringing the Railroad up to FRA Class Two level of service. Also included in the Report’s Scope of Work is to provide options for reconnecting the HHPA to Norfolk Southern Railway on the northern end in Tipton, Indiana.”

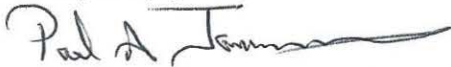
The rail passenger service as it existed prior to December, 2015 operation was as I understand it, Class One Track meaning maximum authorized speed was 10 MPH for freight and 15 MPH for passenger. My scope of work as defined above and in the Report was to bring the track to Class Two Standards or 25 MPH for freight and 30 MPH for passenger. The existing track with the exception of isolated locations that needed spot repairs, including tie replacements, brush cutting and tree trimming, was generally good

for the existing Class One 15 MPH service. The increase from Class One to Class Two standards increased the cost of the rehabilitation significantly which would not have been as extensive if the track was to stay at Class One. The Order of Magnitude - Estimate of Probable Costs to bring the track to the elevated Class Two level of service was \$3,715,000.

The additional \$1,383,233 was associated with connecting the line to Norfolk Southern Railway in Tipton. That section of track rehabilitation and construction was totally associated with reconnecting to NS and nothing to do with the existing passenger service. Our Order of Magnitude – Estimate of Probable Costs in Attachment V of the Report gives the breakdown of the entire scope of work which I cannot expand on any more than what is given on the spreadsheet estimate.

I hope this helps clarify the associated costs and what they apply to. If you have any further questions feel free to contact me. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul A. Jannotti". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Paul Jannotti, President Jannotti Rail Consulting, Inc.