

coordinated by FECR Police and Property Protection in cooperation with protocol that exists between emergency response departments.

- 3) Continued revision and publication of all FECR operating practices and special instructions for LNG operations as a result of learning and experience gained from Phase 1 and Phase 2 of LNG operations. These instructions may be in the form of Train Messages, Bulletins, Operating Rules, or Timetable instructions.
- 4) Complete specific training of Mechanical forces to begin LNG locomotive conversions at the FECR New Smyrna Beach Locomotive Shop. This training will include engine removal conversion and reinstallation as well as LNG control systems installation. Locomotive training will be provided by General Electric and will serve to greatly enhance the knowledge and expertise of the Mechanical forces that will maintain LNG locomotives in the future.

Incremental LNG locomotives and Tenders will be added to the fleet to support the Phase 3 Operational testing. FECR expects to incorporate up to twenty-three (23) additional LNG dual fuel locomotives, six (6) in Q4 2016 and seventeen (17) in 2017. FECR locomotives FEC 803 - 808 will be converted at the FECR New Smyrna Beach Locomotive Shop beginning in Q3 2016 and will be completed by the end of 2016. Remaining locomotives of the mainline fleet will be converted during 2017 to complete the initial conversion process with minor modifications being added by the OEM, as available. FECR locomotives 801 and 802 are currently at the GE facility in Erie, PA and will return in Q1 2017 as fully validated units expected to burn LNG at a diesel substitution rate of 75%. Additionally, thirteen (13) Tenders are expected to come online to support the twenty-four (24) LNG locomotives in the FECR fleet. Each Tender and locomotive will be the same design as the current FEC 800 locomotive and FEC 300 Tender.

Prior to operating on any other part of the FECR network, each incremental LNG Consist (2 locomotives and a Tender), will be operated between Bowden Yard and New Smyrna Beach under the original guidelines required for Phase 2 LNG Operations until each Consist is validated with respect to proper LNG functionality.

FECR continues to be appreciative of the guidance and support from FRA in regard to LNG as a locomotive fuel in railroad operations. I look forward to continuing the positive relationship with FRA and receiving a timely response to the FECR request for Phase 3 LNG operations.

Sincerely,

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Senior Vice President
Engineering, Mechanical and Purchasing