



U.S. Department
of Transportation

**Federal Railroad
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

JUN - 3 2016

(b) (6)

Senior Vice President-Engineering, Mechanical, and Purchasing
Florida East Coast Railway
7150 Philips Highway
Jacksonville, FL 32256

Dear (b) (6):

This letter is in response to Florida East Coast Railway's (FEC) March 31, 2016, letter requesting the Federal Railroad Administration's (FRA) concurrence with proposed Phase 3 of FEC's liquefied natural gas (LNG)-fueled locomotive project. Previously, FRA concurred with FEC's proposed Phase 2 of this project involving use of FEC's LNG consists in limited revenue service trains. FRA conditioned its concurrence with Phase 2 on FEC completing the phase by May 31, 2016. FEC's March 31, 2016, letter indicates that, although Phase 2 is not yet completed, to ensure continuity FEC is requesting FRA's concurrence with its proposed Phase 3 before FEC completes Phase 2.

In its March 31, 2016, letter, FEC indicates the objectives of its Phase 3 tests are consistent with those of Phase 2, with the addition of incremental incorporation of additional LNG equipment over an extended operational testing area. Specifically, in its March 31, 2016, letter, FEC lists the following principal components of its proposed Phase 3 testing and operations:

1. Extension of the geographic operational test area from Jacksonville, Florida, to FEC's Hialeah Yard near Miami, Florida. (This extends the Phase 2 operational test area about 250 miles, from Jacksonville to New Smyrna Beach, Florida);
2. Perform Phase 3 testing for 24 months (from June 1, 2016, through May 31, 2018);
3. Incrementally incorporate up to 23 additional LNG dual-fueled locomotives, 6 in the fourth quarter of 2016 and 17 in 2017. Convert FEC locomotives numbered FEC 803-808 beginning in the third quarter of 2016, and complete the conversions by the end of 2016. FEC will complete conversion of the remaining locomotives during 2017. FEC will convert the locomotives at its facilities and under the supervision of a representative of each locomotive's original equipment manufacturer (OEM). Each locomotive will be the same design as the current FEC 800 locomotive;