

June 10, 2016



Mr. Sal Pace
Chairman
Southwest Chief Rail Line Economic Development
Rural Tourism, and Infrastructure Repair and Maintenance Commission Fund
Colorado Department of Transportation
4201 E. Arkansas Avenue
Denver, Colorado 80222

Dear Mr. Pace:

In accordance with the letter agreement between your Commission and Amtrak dated March 17, 2016, we have prepared the ridership/revenue forecast for a potential extension of Amtrak's "Southwest Chief" service from LaJunta to Pueblo, Colorado utilizing thru cars to/from Chicago. The results are attached.

Specifically, the proposal entails train 3 splitting at LaJunta with the split train providing service to Pueblo while the rest of the train continues as normal to LA. In the other direction, train 4 merges with the split train (coming from Pueblo) at LaJunta before continuing onwards to Chicago. The ridership/revenue forecast includes two options: (1) service between LaJunta and Pueblo at current speeds and (2) with service between LaJunta and Pueblo at increased speeds of 79-mph following track upgrading. Note that the ridership increase is slightly higher for option 2 since the faster speeds save about 21 minutes in trip times. As you can see, the ridership generated by the extension to Pueblo is approximately 14,000 annually, with ticket revenue of just under \$1.5 million. It is my understanding that Ray Lang of our Government Affairs group recently shared these numbers with you during a conference call.

Please let me know if you have any questions or wish to discuss further. I can be reached at 312-382-5300 or email fran3624@amtrak.com.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Franke". The signature is written in a cursive, flowing style.

Michael W. Franke
Senior Director, State Government Contracts

MWF/yb

cc: Ray Lang

Att.

Forecast Results for Connecting Train Service to Pueblo, CO from La Junta, CO - Option 1

Prepared 4/22/2016

| Route | FY16 Baseline | | | | Proposed | |
|------------------------------|---------------|----------------|---------------|---------------------|--------------|----------------|
| | Annual Totals | | Annual Total | | Annual Total | |
| | Ridership | Ticket Revenue | Ridership | Ticket Revenue | Ridership | Ticket Revenue |
| New Pueblo Connection | | | | | | |
| Coach | 0 | | 12,900 | \$ 1,179,000 | | |
| Sleeper | 0 | | 1,100 | \$ 266,000 | | |
| Total | 0 | | 14,000 | \$ 1,445,000 | | |

Notes

Train 3 splits at La Junta and split train serves Pueblo

Train 4 merges with split train from Pueblo at La Junta and then continues to Chicago

La Junta Pueblo section covered at current speeds

Forecast Results for Connecting Train Service to Pueblo, CO from La Junta, CO - Option 2

Prepared 4/22/2016

| Route | FY16 Baseline | | | | Proposed | |
|------------------------------|---------------|----------------|---------------|----------------|---------------------|----------------|
| | Annual Totals | | Annual Total | | Ridership | Ticket Revenue |
| | Ridership | Ticket Revenue | Ridership | Ticket Revenue | | |
| New Pueblo Connection | | | | | | |
| Coach | 0 | | 13,500 | | \$ 1,212,000 | |
| Sleeper | 0 | | 1,200 | | \$ 271,000 | |
| Total | 0 | | 14,700 | | \$ 1,483,000 | |

Notes

- Train 3 splits at La Junta and split train serves Pueblo
- Train 4 merges with split train from Pueblo at La Junta and then continues to Chicago
- La Junta Pueblo section covered at increased speeds of 79 mph