

February 28, 2014

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Mr. Joseph C. Szabo
Administrator
Federal Railroad Administration
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Re: Request of the California High-Speed Rail Authority for a Buy America Waiver for the Domestic Assembly of Two Prototype High-Speed Rail Trainsets

Dear Administrator Szabo:

On January 24, 2014, the California High-Speed Rail Authority (the "Authority") and the National Railroad Passenger Corporation ("Amtrak") issued a joint Request for Proposal for the Provision of Tier III Next Generation Trainsets and Other Related Goods and Services (RFP No. X-034-4007 NEXT GEN TRAINSETS). In accordance with the Buy America provisions defined in the solicitation documents, the Authority hereby requests a waiver from the Federal Railroad Administration ("FRA") regarding the Buy America requirements contained in 49 U.S.C. 24405(a). This waiver request is specific to the final assembly of the Authority's two prototype high-speed rail ("HSR") trainsets under the solicitation. There will be technical differences between the Amtrak and the Authority trainsets that warrant two distinct sets of prototypes to be developed (e.g., differences in traction power, carbodies, bogie suspension characteristics, and differences in initial operating speeds); hence, it is critical that the Authority receive a waiver for the Authority's two prototype trainsets and not rely on the fact that Amtrak's trainsets will be manufactured before the Authority's trainsets. It is the Authority's understanding that Amtrak will submit a separate Buy America waiver request for the final assembly of Amtrak's two prototype HSR trainsets.

The Authority has a statutory mandate to plan, build, and operate a HSR system in California. This system will be the first of its kind in the U.S. to accommodate 220 mph revenue speeds, and will leverage the latest technologies available for HSR. The Authority's network will include new infrastructure, new core systems, and new facilities and will require inspection, testing, operation, and maintenance protocols at levels that match or exceed those used for overseas HSR operations today. Enhancement of the overall network reliability and safety will be accomplished through the use of high-quality, service-proven HSR equipment that have been modified to meet both the FRA requirements and the Authority requirements. This includes the trainsets and its respective systems and components, and the implementation, preservation, and enhancement of proven manufacturing and assembly techniques currently used in high-speed trainset production overseas.

EDMUND G. BROWN JR.
GOVERNOR



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The correct integration of trainset design and the execution of proven manufacturing and assembly processes mitigate risk and maximize the potential for properly functioning, safe trainsets to be delivered ready for commissioning and introduction into revenue service. The timely delivery of prototypes supports a robust testing process, which facilitates the early discovery of latent defects. The identification of trainset performance matters, including potential safety issues realized during prototype testing, will allow designs to be modified prior to the start of serial production – thereby alleviating the need for post-production changes and their respective impacts on cost and schedule. Though the Authority’s trainsets are to be as off-the-shelf as possible, the trainsets will be compliant with the new FRA Tier III rulemaking and FRA Buy America criteria, and will meet ADA requirements – attributes which necessitate modification of current service-proven designs. It is imperative that these modifications are correctly integrated into the overall trainset design.

The verification and validation of the trainset design and assembly is critical at the prototype stage to ensure issues are found and corrected early. Performing this at an established HSR equipment manufacturer’s facility, which provides a service-proven high-speed trainset manufacturing and assembly environment and where experts in HSR trainset design, manufacture, assembly, and testing are resident, will significantly reduce the risk and will facilitate a seamless transfer of design and manufacturing technology to the U.S. for the manufacturing and assembly of the production trainsets. Allowing the prototypes to be assembled at such a facility will facilitate training of Authority and manufacturer resources abroad (during the prototype trainset assembly, inspection, and testing processes), and of operating and maintenance (“O&M”) personnel in the U.S. (post delivery). Authority resources responsible for performing oversight of the assembly and testing processes will be properly educated at this time, and resources responsible for O&M will be dispatched to interface with the appropriate specialists. In parallel, U.S. labor resources will also be dispatched to witness and participate in the proper assembly and testing of high-speed trainsets in advance of domestic final assembly occurring.

Two prototype trainsets are required to support the Authority’s program. The Authority trainsets will consist of trainsets proven in overseas service that have been modified to meet FRA Tier III requirements and the Authority requirements. During assembly, the first prototype trainset will be used to verify proper design and component/system integration. Upon delivery, it will be used to support trainset testing, core system commissioning, trainset commissioning, and O&M training. The second prototype trainset will be used to validate the manufacturing/serial production processes and procedures that will ultimately be transferred to the U.S. facility. Upon delivery, the second prototype trainset will first be used to support the training of domestic manufacturing and assembly resources, and will be used to validate the layout and function of the U.S. assembly facility, and the Authority’s heavy maintenance facility (“HMF”). In addition, the second prototype trainset will provide guaranteed availability of equipment to continue testing when the first prototype is undergoing maintenance, modification, etc. Having two trainsets will guarantee that testing and training can be carried out at the same time. In addition, as failures/defects are identified during testing, having two trainsets available to evaluate performance will enable the Authority and the manufacturer to determine if a failure/defect in a trainset is “infant mortality” related to that specific trainset or a precursor to an endemic problem.

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The approach described will minimize risk of significant delay to the prototype testing stage and will facilitate timely completion of core systems and trainset testing and commissioning. Contracting for two prototypes permits an additional benefit where one trainset can be used as a demonstration unit in the U.S., while the other trainset is undergoing testing. This unit will be a fully validated trainset, and will be used to support the training of domestic manufacturing and assembly and O&M resources, and to garner public support for HSR as the IOS is being completed.

The procurement of the two prototypes is a critical program element leading to the safe and timely introduction of 220 mph HSR service in California. A Buy America waiver that allows the prototypes to be assembled at an established HSR manufacturer's facility outside of the U.S. will facilitate delivery of the trainsets within a reasonable time and allow for consistency with public interest in that safe and reliable trainsets will be operated in revenue service. Waiver of the domestic final assembly for the prototypes will mitigate risks to the program, which include the possibility of delayed trainset delivery, delayed testing and commissioning, increased costs, incomplete training of resources, and incomplete/incorrect integration of systems. A detailed justification for the Authority's waiver request is set forth below.

1. California High-Speed Rail Program Overview

Established in 1996 by State legislation, the Authority has a statutory mandate to plan, build, and operate a HSR system in California. By 2029, the system will run from San Francisco to the Los Angeles basin (Phase 1 Blended) in under three hours at speeds of over 200 mph. The system will eventually extend to Sacramento and San Diego (Phase 2), totaling 800 miles with up to 24 stations.

The Authority's 2012 Business Plan identifies a phased approach to constructing the HSR system (refer to Figure 1 and descriptions below).

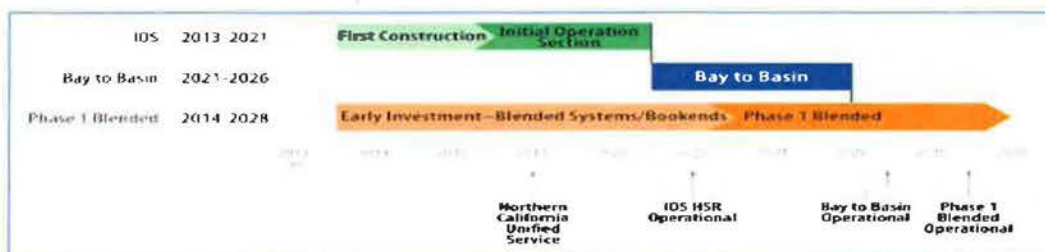


Figure 1: Authority's Construction Schedule

- **Step 1—Early Investments for Immediate Statewide Benefits:** Construction of dedicated HSR infrastructure begins in the Central Valley with the first segment of the Initial Operating Section (IOS).
- **Step 2—Initial High-Speed Rail Operations:** The second step completes the IOS, which will total 300 miles from Merced to the San Fernando Valley. HSR service will launch in 2022.

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- **Step 3—*Electrified Bay to Basin System*:** The third step connects the Central Valley to San Jose, establishing a connection from the Bay Area to the Los Angeles Basin (also known as Bay to Basin). Bay to Basin HSR service will launch in 2026.
- **Step 4—*Phase 1 Blended System*:** By 2028, dedicated high-speed infrastructure will extend from the San Fernando Valley to Los Angeles Union Station, linking the upgraded Metrolink corridor to Anaheim and connecting to commuter and urban rail systems throughout the Los Angeles region.
- **Step 5—*Phase 2 System*:** Under Phase 2, the HSR system will be extended northward to Sacramento and southward to San Diego for a total of 800 miles.

Additional information on the program can be found at the Authority's website, <http://www.hsr.ca.gov>, and in the 2012 Business Plan, which can be accessed by following this link, http://www.hsr.ca.gov/About/Business_Plans/2012_Business_Plan.html.

2. Amtrak/Authority Joint Trainset Procurement Overview

On January 17, 2013, the Authority announced that it was joining forces with Amtrak in the search for proven HSR trainsets, currently being manufactured and in commercial service, that are capable of operating safely at speeds up to 220 mph on both Amtrak's Northeast Corridor ("NEC") and on California's developing HSR corridor. The partnership advances each of the respective HSR programs, and creates efficiencies by ordering trains of similar specifications – thereby developing a U.S. standard for HSR rolling stock that can eventually be manufactured and supplied domestically. In addition, it is anticipated that combining orders will increase the attractiveness for international manufacturers to establish HSR factories in the U.S., and strengthen the business case for a new domestic HSR trainset "industry" to be developed, bringing new high quality jobs and stimulating the domestic supply chain.

On January 24, 2014, Amtrak and the Authority jointly issued a solicitation for the new HSR trainsets. The intended result of the solicitation is the procurement of "Common Platform" trainsets for Amtrak and the Authority. A "Common Platform" is defined as a trainset or trainsets from a "platform" family (e.g., either distributed or concentrated power, similar body construction/cross section, either conventional or articulated bogie architecture). The joint design and development of both Amtrak's and the Authority's prototypes enable the Authority to minimize the level of investment necessary to progress the trainset procurement, while maintaining the overall program schedule. Although the technical differences between the Amtrak and the Authority trainsets warrant two distinct sets of prototypes to be developed (e.g., differences in traction power, carbodies, bogie suspension characteristics, and differences in initial operating speeds), developing the prototypes in concert allows both organizations to share costs, share design perspectives, and leverage the benefits of a joint procurement.

The Amtrak plan envisions an acquisition of trainsets to supplement, and eventually replace, the current Acela Express service. Amtrak is seeking a trainset capable of operating at 160 mph, that can be subsequently modified to operate at up to 186 mph and 220 mph as the tracks and other infrastructure elements are improved to support the higher speeds. The Authority is seeking a trainset capable of

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operating up to 220 mph. The Authority intends to procure two prototype trainsets with options to procure up to 85 additional trainsets.

The Amtrak/Authority trainset joint procurement has progressed on the basis that a total of four prototypes will be designed, assembled and tested as part of the ongoing joint Amtrak/Authority trainset procurement. Two of these prototypes will be designed and assembled to meet the Authority's requirements. **It is the two prototype HSR trainsets meeting the Authority's requirements that are the subject of this Buy America waiver request.**

Key dates for the solicitation are identified in the following table.

Event	Date
RFP Issued	January 24, 2014
Proposals Due-Close Date	May 16, 2014
Oral Presentations	Week of September 8, 2014
<i>Notice of Award</i>	<i>December 2014</i>

Upon Notice of Award, the contracts will be executed, and the trainset design process will begin, leading initially to the manufacture and assembly of the prototype trainsets. The timely delivery of the two Authority prototype trainsets is critical as these units are necessary to support the commissioning of the core systems, final commissioning of the prototypes, and training of O&M and U.S. labor personnel. These prototypes are also intended to serve as demonstration units to build public confidence in the HSR system.

Key dates for the Authority prototype trainsets and associated testing and training activities are identified in the following table.

Event	Date
<i>Notice of Award</i>	<i>December 2014</i>
Completion of 2 prototype trainsets (Authority)	February 2019
U.S. Test Track (Prototypes delivered)	March 2019
Training of O&M personnel	March 2020
Commissioning Core Systems	March 2020
Commissioning of Prototype Trainsets	July 2020
Begin IOS Revenue Service	2022

3. An Overview of the Authority's Planned Trainset

The Authority intends to procure a service-proven trainset platform, capable of meeting the requirements of the performance specification. The trainset will be capable of operating bi-directionally at speeds up to 220 mph, and having a minimum seating capacity of 450 passengers.

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The Authority's trainset will have an operating speed of 220 mph and will be tested at 242 mph. As a result of these high operating and testing speeds, there are several attributes of trainset design that need to be respected in order to provide a safe and reliable service. The trainset carbody needs to be rigid and lightweight, necessary to reduce the static axle loads, and to improve the quality of vehicle/track interaction (e.g., HSR trainset carbodies are typically of an aluminum extrusion design). The trainset carbody needs to be carefully integrated with the crash energy management components. The trainsets need to be built to close tolerances to achieve an excellent level of pressure sealing; this is necessary to reduce the pressure pulses experienced by the occupants as trainsets pass one another at speed, and as trainsets travel in and out of tunnels. The propulsion and braking systems need to be highly reliable and capable of delivering the performance needed to support the operating plan, while providing the level of braking effort required to achieve the maximum safe braking distances. Lastly, as HSR is a system and not comprised of just the trainset, the equipment needs to be correctly integrated with the infrastructure and core systems (e.g., track, signaling, communications, traction power, etc.).

Though the Authority's trainsets are to be as off-the-shelf as possible, they will be compliant with the new FRA Tier III rulemaking, FRA Buy America criteria, will meet ADA requirements and the Authority's specific requirements – attributes which necessitate modification of current service-proven designs. It is imperative that these modifications are correctly integrated into the overall trainset design. The trainsets will embody highly technological component/system designs, and unique manufacturing and assembly processes and procedures that mandate a level of care and due diligence commensurate to that found at established HSR equipment manufacturers so as to mitigate the risk of incorrect integration, delays to the program, and potential unsafe conditions. Assembly of the prototype trainsets at an established overseas high-speed facility will significantly reduce the risks associated with the subsequent transfer of technology to the U.S.

4. Request for Waiver

FRA Buy America and Authority Request for Waiver for the Domestic Assembly of Two Prototypes

The Authority's trainset procurement is subject to FRA's "Buy America" statute at 49 U.S.C. § 24405(a) and applicable FRA guidance.¹ 49 U.S.C. § 24405(a) allows the U.S. Secretary of Transportation to obligate funds for "a project only if the steel, iron, and manufactured goods used in the project are produced in the United States." FRA has stated that what constitutes FRA Buy America compliant rolling stock is rolling stock that have undergone final assembly in the U.S. from components that are manufactured in the U.S. Tier III HSR trainsets are included in the FRA definition of rolling stock.

FRA may grant a waiver from the Buy America requirements if the FRA determines that one or more of the following are true:

- (1) Applying the requirement would be inconsistent with the public interest;
- (2) The required component(s) are not produced in the U.S. in a sufficient and reasonably available amount or are not of a satisfactory quality;

¹ See FRA Buy America Frequently Asked Questions at: <http://www.fra.dot.gov/Page/P0391>.

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- (3) Rolling stock or power train equipment cannot be bought and delivered in the U.S. within a reasonable time; and/or
- (4) Including the domestic component(s) will increase the cost of the overall project by more than 25 percent.

A cornerstone of the Authority's program is the procurement based on service-proven HSR trainsets. This includes the use of service-proven systems and components, and the implementation of proven manufacturing and assembly techniques. The correct assembly and timely testing of the prototype trainsets in an established HSR equipment manufacturer's facility furthers this objective. A Buy America waiver for the Authority's two prototype HSR trainsets is critical for the Authority to maintain the HSR program schedule, validate the critical safety elements of the trainset design, ensure that proper training is completed, and support the development of critical manufacturing and assembly resources – thereby facilitating timely delivery of equipment and consistency with public interest. In addition, a high degree of confidence can be attained in regards to safety by having a high-quality, "known" trainset delivered to the Authority. **Accordingly, it is the Authority's position that two of the above four waiver exceptions apply to the final assembly of the Authority's two prototype HSR trainsets, as detailed in Sections 4.A and 4.B below.**

Justification for Separate Amtrak and Authority Waivers

Amtrak and the Authority require two sets of two prototypes to be designed, assembled and tested under the Amtrak trainset procurement contract. The Amtrak and Authority trainsets will share a common platform. There are, however, physical and technological differences between the two, driven by the particular needs of Amtrak and the Authority. The Amtrak trainset will be designed and constructed to conform to the Amtrak NEC clearance requirements. This will impact the overall width of the trainset and the lower corner of the trainset where clearance between the equipment and the third rail is needed – thereby requiring modifications to existing trainset designs (e.g., carbody width and underfloor equipment layout). With new infrastructure, the Authority is not limited to the constraints found on the NEC and has the flexibility to leverage several existing equipment designs. Because of these physical differences, it is likely that manufacturers will propose two different trainset carbodies.

From a technological perspective, the Amtrak and Authority trainsets differ in initial operating speed, electrification, braking, signal/control and radio system, and suspension requirements:

- The Authority's trainset will have the capability of operating up to 220 mph, with testing speeds up to 242 mph. Amtrak is initially specifying an operating speed of 160 mph, with testing speeds up to 165 mph.
- The Authority's trainsets will be required to operate on extended gradients and in extended tunnels on the gradients as the alignment traverses the Diablo, Tehachapi and San Gabrielle mountain ranges. This will impact the design of the traction, braking and cooling systems.
- The Authority's traction power system will be based on a 25 kV, 60Hz system, whereas Amtrak's NEC operates with three different voltages, 12 kV, 25Hz; 12.5 kV, 60Hz; and 25 kV, 60Hz. The Amtrak trainset propulsion package will be a significantly different design when compared to the Authority's trainset, and the Authority anticipates that there will be two separate and distinct trainset propulsion system designs.
- The Authority's braking requirements will be based on criteria defined in European Technical Specifications for Interoperability, whereas Amtrak will need to meet the stop distances currently

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found on the NEC. There is likely to be differences in the type/number of brake equipment installed on the respective trainsets, especially considering the extended gradients found on the Authority alignment.

- Amtrak requires signaling equipment for Automatic Train Control and Positive Train Control compatible with the existing NEC infrastructure, whereas the Authority is initially specifying interface points (for both signaling and radio) that will be resolved once a systems Contractor is determined.

Based on the aforementioned differences, two distinct sets of prototypes are warranted.

4.A Applicability of Waiver Category No. 3 - Rolling stock or power train equipment cannot be bought and delivered in the U.S. within a reasonable time

Program Schedule

The trainsets being procured represent a significant increase in technology when compared to current U.S. commuter and intercity passenger rail equipment. Changes to existing service-proven HSR trainsets will be required to comply with FRA Tier III rulemaking, FRA Buy America criteria, and ADA requirements. In essence, these prototypes will represent a pilot program for “validating” the FRA NPRM language for Tier III operations and for introducing 220 mph service in the U.S. The final assembly of the prototypes at an established HSR equipment manufacturer’s facility is critical in increasing confidence that the trainsets will be correctly integrated, and the program schedule leading to revenue service will be maintained.

Interviews with HSR trainset manufacturers have identified a 1-1/2 to 2 year time period to establish the required facilities to support a domestic high-speed trainset assembly capability. This time period is largely comprised of the time needed to upgrade current/future new facilities to accommodate assembly of high-speed equipment, and the time needed to train the domestic workforce. Both of these elements of potential delay can be mitigated while final assembly of the prototypes is occurring overseas, and while using the overseas facilities to train key members of the domestic workforce.

Design Integration and Testing

Performing the final assembly of the prototypes at an established HSR equipment manufacturer’s facility allows for verification and validation of trainset system design and the early identification of faults. During assembly, the first prototype trainset will be used to verify proper design and integration. Experienced HSR trainset design, assembly, and test personnel will verify the correct integration and function of the U.S. manufactured components (this waiver assumes that the trainset will comprise of 100% domestic components unless component waivers have been granted by the FRA), and will verify the integration of design modifications necessary to accommodate FRA Tier III and ADA requirements. **Currently, there is no domestic high-speed trainset (>160 mph) assembly and testing facilities.** Testing the prototype trainsets overseas will facilitate the testing necessary to prove the design, and will reduce the time required for commissioning on the IOS. This approach also reduces the risk of production proceeding with latent defects present in the trainset design.

The second prototype will be used to validate the manufacturing/serial production process and procedures that will ultimately be transferred to the U.S. facility. This is the stage during which training of U.S.

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manufacturing and assembly resources will occur. This training opportunity will facilitate technology transfer to the U.S. and will reduce the risk of U.S. production proceeding with an insufficiently trained workforce, and will reduce the potential for unproven, incorrect assembly techniques being applied to the production trainsets. As mentioned previously, there will be technical differences between the Amtrak and Authority trainsets (e.g., differences in traction power, carbodies, bogie suspension characteristics, and differences in initial operating speeds). These technical differences will not only require different systems/components to be installed on the trainsets, but also will require different assembly and testing processes and procedures. The second prototype will help facilitate training of domestic resources to ensure that correct processes and procedures are successfully transferred and implemented – ultimately leading to the delivery of domestically-assembled production trainsets that are of equal or better quality than the prototypes.

After delivery, the first prototype will be used to support trainset testing, core system commissioning, trainset commissioning, and O&M training. The first prototype trainset will be delivered to the selected U.S. location at which low to medium speed testing will be performed. Following the successful completion of this phase of testing, the first prototype will be delivered to the Authority's HMF location to facilitate testing of the core systems, and subsequent high-speed commissioning of the trainset on the IOS. In all, the testing period for the first prototype trainset will span from 12 to 18 months, which will lead to the start of the manufacture and assembly of the production trainsets. It is during this testing period that training of O&M personnel will begin. The identification of trainset performance matters, including potential safety issues discovered during prototype testing will provide an opportunity for designs to be modified prior to start of production. This process promotes the delivery of high quality, safe, service-proven trainsets, ready for commissioning and introduction into revenue service.

The second prototype trainset will be delivered to the manufacturer's U.S. assembly facility to be initially used as a demonstration unit while the first trainset is undergoing testing. This demonstration unit will be a fully functional trainset, and will be used to support the training of domestic manufacturing and assembly resources. In addition to this training, the second prototype trainset will be used by the manufacturer to validate the layout and function of the U.S. assembly facility and associated equipment. Subsequent to the training of the domestic manufacturing and assembly resources, the second prototype will be delivered to the Authority's HMF. This prototype will then be used to validate the layout and function of the HMF and associated equipment, and will also support the continuation of O&M training. The Authority anticipates utilizing the prototype trainsets for demonstration purposes to generate public support for HSR as the IOS is being completed. The second prototype trainset will provide this demonstration opportunity as the first prototype is undergoing testing.

A major benefit of having two prototypes is for guaranteed availability of equipment for both testing and for training. Having two trainsets will guarantee that testing and training can be carried out at the same time. In addition, as failures/defects are identified during testing, having two trainsets available to evaluate performance will enable the Authority and the manufacturer to determine if a failure/defect in a trainset is "infant mortality" related to that specific trainset or a precursor of an endemic problem. Minimizing risk of significant delay during the prototype testing stage will, in turn, ensure timely completion of the testing of the systems and trainsets, the expeditious training of the O&M resources, driver and train crew, and emergency preparation.

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The approach described above increases the likelihood that there will be an efficient manufacturing, assembly, and commissioning process for production (rather than prototype) trainsets, thereby supporting the scheduled IOS revenue service start date.

4.B Applicability of Waiver Category No. 1 - Applying the requirement would be inconsistent with the public interest

The correct integration of trainset design, and the preservation and execution of proven manufacturing and assembly processes mitigate risk and maximize the potential for a properly functioning, safe trainset to be delivered. The timely delivery of properly functioning trainsets supports a robust testing process, which facilitates the early identification of latent defects. Identification of latent defects prior to the start of production will mitigate risks that could contribute to unsafe operation, along with any costs associated with having to alter a design or remove/replace a defective component/system from the production units.

HSR has proven to be the safest mode of transport when compared to air and highway travel. The implementation of carefully controlled and proven manufacturing and assembly processes contributes to the historical safe record of HSR. Performing the final assembly and the associated verification and validation of the trainset design at an established HSR equipment manufacturer's facility facilitates the correct integration of the trainsets, and will provide the public with a safe alternative mode of transportation. Risks associated with incorrect assembly and incomplete training of a domestic workforce are mitigated for the prototypes through the use of trained/seasoned professionals at the manufacturer's facilities.

During the assembly of the prototypes, U.S. manufacturing and assembly resources will be deployed to the country of origin to be trained in a service-proven manufacturing and assembly environment, becoming educated on manufacturing and assembly processes and procedures that have proven successful for other HSR programs. U.S. labor resources will witness and participate in the proper assembly and testing of the prototypes in advance of domestic final assembly occurring; this eliminates the steep learning curve associated with the domestic assembly of new HSR prototype trainsets, and minimizes the potential for mistakes to be made during assembly and testing of the production units. Authority resources responsible for performing oversight of the assembly and testing processes will be properly educated, and resources responsible for O&M will be dispatched to interface with appropriate specialists. In addition, as the prototypes are being assembled, domestic production planning specialists will have the opportunity to develop and refine production plans/procedures that will be utilized in the domestic facility so as to facilitate correct technology transfer (i.e., design, manufacturing, assembly, and testing).

The Authority's HSR program is viewed as an economic engine for California. This program must be successful if U.S. HSR and the associated domestic manufacturing and assembly industry are to succeed. The final assembly of the prototypes at an established HSR equipment manufacturer's facility is a practical necessity, and will have a beneficial impact on the public by facilitating the development of U.S. labor resources, improving the probability of the successful implementation of these highly technological trainsets, and providing a forum for developing a skilled work force that is trained in the proper application of HSR trainset manufacturing and assembly techniques. To the riding public, it will provide a safe and efficient alternative mode of travel.

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5. Conclusion

The Authority understands and appreciates the importance of domestically manufactured and assembled trainsets and is committed to procuring Buy America compliant trainsets for the California High-Speed Rail Program. A Buy America waiver for the limited purpose of assembling the Authority's prototype HSR trainsets overseas will further FRA's Buy America program goals by facilitating the future transition to a U.S.-based manufacturing, assembly, and testing operation. Waiver of the domestic assembly requirements for these prototypes will provide the time needed to develop new and/or upgraded existing domestic facilities for correct technology transfer and transition to domestic final assembly. Waiver of these requirements will also provide for a high level of confidence that the trainset introduced for the California High-Speed Rail Program is one that is safe, reliable, service-proven, and known to be designed and produced with the best interest of the riding public in mind. Due to the unique circumstances surrounding the joint procurement, the Authority believes a waiver for the final assembly of two prototype trainsets is justified.

Please direct questions, comments, and dispositions to:

Chief Counsel
California High-Speed Rail Authority
770 L Street, Suite 800
Sacramento, CA 95814 USA

Thank you for your careful consideration of our request.

Sincerely,



Thomas C. Fellenz
Chief Counsel