



**The Department of Transportation  
Office of the Secretary of Transportation  
1200 New Jersey Avenue SE, Washington, DC 20590**

**USDOT Directive 2019-004**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE U. S. DEPARTMENT OF TRANSPORTATION**

**AND**

**THE CHESAPEAKE COMMONWEALTH**

**REGARDING**

**DEVELOPMENT OF NEXT-GENERATION RAIL TRANSPORTATION  
SYSTEMS (PHASE I), URBAN TRANSIT MODERNIZATION, AND  
MAINTENANCE OF BRIDGE INFRASTRUCTURE**



## Executive Summary

This Memorandum of Understanding (“MOU”) is agreed to between the U.S. Department of Transportation, represented by Secretary Archism\_, and the Commonwealth of Chesapeake Department of Finance and Infrastructure, represented by Secretary 2Shekel.

This MOU approves the following projects as part of the Green Frontier initiative to boost Federal-aid green infrastructure investments in the States:

- A \$10 billion grant from the Rebuild America Act’s spending authority to study and begin planning and engineering work on **high speed rail through Chesapeake portions of the Chicago Hub Network**, particularly necessary work to the Cincinnati-Columbus-Cleveland line, and the Cleveland-Toledo line, including connections to the Great Lakes and Atlantic Commonwealth.
- A \$1 billion grant from the Transportation Equity Act for the 21st Century’s spending authority to study and begin planning and early engineering work on **high speed rail along the Charlotte-Richmond-Washington line**, including necessary refurbishments to existing traditional rail infrastructure.
- A \$5 billion grant from the Rebuild America Act’s spending authority to fund municipal investigation, planning, and work, on **Mass Rapid Transit Networks**, wherein the Commonwealth of Chesapeake shall be responsible for disbursing allocated funds to appropriate municipal projects.
- A \$2.66 billion dollar grant from the Rebuild America Act’s spending authority to fund the **maintenance and repairs of structurally deficient bridges** by the Chesapeake Bridge Repair and Maintenance Agency (hereinafter CBRMA).

**THIS MEMORANDUM OF UNDERSTANDING (hereinafter "MOU") is entered into by and between the UNITED STATES DEPARTMENT OF TRANSPORTATION (hereinafter "USDOT"), and the Chesapeake Commonwealth (hereinafter "the Commonwealth"), acting by and through its DEPARTMENT OF FINANCE AND INFRASTRUCTURE (hereinafter "CHDFI"), hereby provides as follows:**

**Now, therefore,** USDOT and CHDFI agree as follows:

### **Part I. Purpose and Enactment**

1. This MOU approves CHDFI's applications to the following programs for Fiscal Year 2019:
  - a. the Green Frontier program; and
  - b. the Transportation Equity Act for the 21st Century.
2. This MOU shall be executed:
  - a. for the United States by the USDOT, the Federal Railway Administration and the Federal Transit Administration; and
  - b. for the Commonwealth by the CHDFI, the CBRMA, and any other agency or public authority designated by the Governor.
3. This MOU shall be effective upon final execution by both parties.

### **Part II. Federal and State Responsibilities**

1. USDOT retains no liability for any of the responsibilities assumed by CHDFI under this MOU. Nothing in this MOU affects USDOT's ability to partake in litigation.
2. The Commonwealth shall assume responsibility for all environmental reviews as required by law for construction of high speed rail and other projects funded under this MOU.
3. The parties agree that a violation of the terms of this MOU by either party shall allow the other party to withdraw participation. The USDOT shall, in event of violation, be permitted to recuparate any grants issued under this MOU.

### **Part III. High Speed Rail Lines**

1. A grant of \$10 billion shall be issued to CHDFI through the Rebuild America Act for the execution of a study, as well as planning and engineering work on high-speed rail in the proposed Chicago Hub Network, specifically:
  - a. the determination of optimal routes and plans for high-speed rail service between Cleveland and Toledo;
  - b. the determination of optimal routes and plans for high-speed rail service between Cincinnati, Columbus, and Cleveland;

- c. investigation into the removal and replacement of level crossings, reconstruction of rail curve and slope, and other engineering work integral to rehabilitating rail lines for High Speed Rail;
  - d. deriving safe and effective plans for the use and sharing of track on both the Cleveland-Toledo and the Cincinnati-Cleveland line;
  - e. planning and preparing for the connection of the Cleveland-Toledo and Cincinnati-Cleveland line to larger inter-state High Speed Rail networks;
  - f. any other factors deemed germane to the implementation of high-speed rail service between Cincinnati and Cleveland, and Cleveland and Toledo, by the CHDFI.
- 2. All remaining funding from the Chicago Hub Network grant that is unused in study and planning stages may be allocated towards engineering work in developing the preferred plans determined by the study.
- 3. A grant of \$1 billion shall be issued to CHDFI through the Transportation Equity Act for the 21st Century for the execution of a study, as well as planning and early engineering work on high-speed rail along the proposed Charlotte-Richmond-Washington line, specifically:
  - a. determination of optimal routes and plans for high-speed rail service between Charlotte and Richmond, and Richmond and Washington;
  - b. deriving safe and effective plans for the use and sharing of track on the Charlotte-Richmond-Washington line;
  - c. investigation into the removal and replacement of level crossings, reconstruction of rail curve and slope, and other engineering work integral to rehabilitating rail lines for High Speed Rail, between Richmond and Washington DC;
  - d. investigation into new High Speed Rail track construction between Charlotte and Richmond;
  - e. any other factors deemed germane to the implementation of high-speed rail service between Charlotte and Richmond, and Richmond and Washington DC, by the CHDFI.
- 4. All remaining funding from the Charlotte-Richmond-Washington line grant that is unused in study and planning stages may be allocated towards engineering work in developing the preferred plans determined by the study.

#### **Part IV. Municipal Mass Rapid Transit Grants**

- 1. A grant of \$5 billion shall be issued to CHDFI through the Rebuild America Act for the disbursement of grants towards municipal developments of Mass Rapid Transit systems.
- 2. It shall be the responsibility of the CHDFI to accept municipal applications for grants, and to disburse funds appropriately.

3. No funding shall be allocated from these grants towards the study, planning, or construction of transit systems that run on fossil fuels.

#### **Part V. Bridge Repair and Maintenance Funding**

1. A grant of \$2.66 Billion through the Rebuild America Act shall be issued to the CHDFI to reimburse that department for one year of allocated funding towards the CBRMA, for the purpose of the repair and replacement of bridges defined to be structurally deficient in the Commonwealth of Chesapeake.
2. The CBRMA will continue to operate under the standards set by Chesapeake B.067 in terms of bridge repair activities.

#### **Part VI. Commonwealth Bond Issue**

1. \$30 million in Commonwealth of Chesapeake Federal Highway Reimbursement Anticipation Notes ("Notes") shall be issued by the Commonwealth Transportation Board.
2. The Notes shall be issued with the backing of the full faith and credit of the Commonwealth upon the execution of this MOU.
3. The Notes shall, in their covenant, require the timely completion of the project as prescribed in this MOU unless modified by the consent of both parties hereto, and provide for bondholder class-action remedy.

**IN WITNESS THEREOF**, the parties hereto have caused this MOU to be duly executed in duplicate as of 30 June 2019.

**U.S. DEPARTMENT OF TRANSPORTATION**

*Archism*

Acting U.S. Secretary of Transportation, *ex officio*

**CHESAPEAKE COMMONWEALTH**

**Executed for the State by:**

*leafy\_Emerald*

Governor, Chesapeake Commonwealth