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August 21, 2013

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

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ENTERED
Office of Proceedings
August 22, 2013
Part of
Public Record

Re: **Finance Docket No. 35731**
Ballard Terminal Railroad Company, L.L.C. -- Acquisition
and Operation Exemption -- Woodinville Subdivision

Docket No. AB-6 (Sub-No. 465X)
BNSF Railway Company -- Abandonment
Exemption -- In King County, WA

Dear Ms. Brown:

Pursuant to 49 C.F.R. § 1115.3, Ballard Terminal Railroad Company, LLC (“Ballard”) hereby petitions the Board for reconsideration of its August 1, 2013 decision denying Ballard’s Motion for Preliminary Injunction. The basis for this Petition for Reconsideration is both material error on the part of the Board as well as new evidence.

Specifically, in its injunction filings, Ballard requested that the Board withhold its ruling on the motion until interested parties could provide comments pursuant to the Board’s procedural schedule. Through no fault of Ballard, and on the basis of a spurious motion to compel discovery filed by the City of Kirkland, the Board suspended the procedural schedule, thereby denying interested parties the opportunity to file relevant comments. Thus, the Board could not have seen the entirety of the case in support of rail retention prior to reaching its ruling on injunctive relief. Indeed, Ballard and other interested parties are still awaiting the Board’s resetting of the procedural schedule and, as such, the premature ruling by the Board on injunctive relief without evaluating all evidence with respect thereto constitutes material error.

Attached please find some, albeit not all, of the evidence that would have been filed had the Board retained its original procedural schedule. This additional evidence in concert with other evidence that would have been filed had the procedural schedule proceeded, establishes Ballard’s likelihood of success in this case. Specifically, the correspondences of Ballard majority owner Paul Nerdrum (Tab 2), EB5 Capital Partners.us, LLC principal Daniel

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Behr (Tab 5), and Eastside Community Rail, LLC managing member Douglas Engle (Tab 5) establish that Ballard has access to significant funding with respect to the reactivation. It is, therefore, a bona fide petitioner. It would be highly inappropriate for the Board to effectively require that Ballard be a billion dollar company before holding it to be bona fide. In fact, Ballard is a successful short line operation, operating three short lines, and, per the attached correspondences, does have access to the financing for this reactivation.

Further, the previous letters submitted by Wolford Demolition Company and CalPortland, as well as the supplemental letter filed by CalPortland (Tab 4) and the new supporting letters filed by RJB Wholesale, Inc. (Tab 3), establish that there are, indeed, shippers in the area of Bellevue ready, willing and able to ship via this rail line if it is reactivated.

The unnecessary removal of 5.75 miles of rail from this line, which will significantly add to the financial burden of reactivation, is wholly unsupported, in view of the fact that the trail desired by Kirkland can be constructed alongside the rail, and the two public uses can easily operate in tandem. For all of the foregoing reasons, and on the basis of the evidence attached hereto, Ballard requests that the Board reverse its previous denial of injunctive relief, and order that the 5.75 miles of rail at Kirkland not be removed until such time as the Board has reviewed **ALL** evidence in this proceeding.

Respectfully submitted,



Thomas J. Litwiler
Attorney for Ballard Terminal
Railroad Company, L.L.C.

MLT:tjl

Enclosures

cc: All Parties of Record via Email and First Class Mail

TAB 1



EASTSIDE COMMUNITY RAIL BRIDGING THE GAP

2013 August 21

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Re: STB Finance Docket No. 35731
Ballard Terminal Railroad Co., LLC
Acquisition and Exemption, Woodinville Subdivision

Dear Ms. Brown:

Eastside Community Rail, LLC (“Eastside”) requests that the Board reconsider its August 1, 2013, decision on Ballard Terminal Railroad Company, LLC’s (“Ballard’s”) Motion for Preliminary Injunction. Contrary to the contentions of the governmental entities opposing the injunction, the Woodinville-Bellevue line has demonstrable freight potential and financing to support multiple uses. Moreover, Ballard is a bona fide railroad with a proven ability to turn-around short line railroads spun off by BNSF, and Ballard is in process of completing the handling carrier process for this line with BNSF.

As the Board is aware, I am the managing member of Eastside, which has partnered with Ballard in the efforts to reactivate the Woodinville-Bellevue line. I am also a Certified Business Intermediary and member of the International Business Brokers Association. I possess an M.B.A. in finance, and I have specific training in both Return of Investment and business valuations. I trained under one of two hundred certified turnaround professionals, I have worked with countless senior executives on strategy, finance, mergers and acquisitions, and I have managed various strategic initiatives and projects.

In assessing the business opportunities associated with reactivation of the Woodinville-Bellevue line, I interviewed dozens of stakeholders and iteratively decomposed the business cost structure and revenue streams. I created an integrated financial business model, which is unique to this situation, looked at all aspects of the business, and “tuned-in” a detailed financial model including all operational costs and individual revenue sources underlying Ballard’s opportunity. Ballard’s business approach is conservative, verifiable and mitigates substantial risk. Given STB approval for reactivation, in-depth analysis supports the conclusion that the line will have a positive cash contribution in its second year of operations.

Ballard’s business prospects are favorable, widely supported, and justify status as a bona fide rail operator based on its demonstrated 15-year history of turning around short line railroads, ownership’s financial commitment, and business prospects. A diverse group of private investors

have come together to keep this line alive and have put more than \$500,000 into the effort over the past several months. Investment funds are available from ownership, typical railroad financing programs, and private investment sources. It is my opinion that Ballard's reactivation petition before the Board is verifiable, sound, and executable.

COST OVERVIEW – The success of this rail corridor is based distributing right of way costs across (see Attachment A):

1. Freight
2. Trail (maintenance of way road)
3. Excursion train
4. Future commuter rail

Multiple uses of the corridor provide synergy: freight, excursion, a trail, and future commuter and transit-oriented development. The synergy from joint use also lowers the individual investment requirement and operating costs for all. Freight maintenance of way ("MOW") costs are significantly reduced, which enables Ballard's freight operations to more easily profit and allows Ballard further investment capabilities in new rail business. All users of the rail corridor will have similar benefits.

Importantly, it is in Ballard's best interest to support the construction of a MOW road for use as a public trail. The railroad gets non-disruptive access to the right of way (ROW) and lowers its MOW and operating costs. Rails and trails peacefully coexist around the world and on Ballard's other two lines.

BULK FREIGHT – The economic recovery and new markets make rail service once again viable for the foreseeable future.

A large bulk of freight opportunities have emerged in Bellevue and Kirkland since BNSF abandoned the Bellevue and Redmond lines, which have changed the freight market. Several specific projects have been verified with building permits from Bellevue's municipal government, while other private projects in the works have also been confirmed with general size and scope. A third group of public works is unknown, but general estimates can be made based on other related or similar projects. I agree with Bobby Wolford's conclusion that three million cubic yards of spoils will need to be removed from Bellevue over the next several years with a reasonable likelihood of this volume continuing in subsequent years (see Attachment B).

A business does not have to be on the rail line to utilize the freight rail service. Some of CalPortland materials come from Canada on barges and can be directly loaded to railcars via conveyor and shipped on this line. Ballard will load or receive materials and trans load them directly

Ms. Cynthia T. Brown
August 21, 2013
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within the Bellevue right of way, which is over three tracks wide. Although additional width of the right of way would be nice, it is not required for planned operations.

An old shipper is returning – General Mills is requesting service to the Safeway bakery in Bellevue, which previously received rail shipments of flour and milk. The spur into the Safeway facility still exists, and is north of any potential interference with Sound Transit's operations. Ballard's management and I have spoken many times over the past several weeks to General Mills. A request from General Mills to initiate service is in final legal review as I type, and they want service immediately.

RJB Wholesale, a pipe distributor in Kirkland has also come forward since this matter came before the STB. Presently, its pipe comes via rail, and then is trans loaded in Seattle for shipment back to Kirkland, which adds unnecessary cost.

A new shipper on the existing line has been identified – CT Sales, a rebar fabricator for construction projects. They receive out of state rebar via truck, but could have it shipped via rail. They are asking Ballard for rail service to Bellevue as well, which will allow them to bid on the same construction projects as CalPortland and Wolford.

Now that this STB matter is in the press, shippers and property owners have begun stepping forward. Given Ballard's success on its Meeker Southern line with trans loaders and the availability of property along the right of way, I believe there are favorable conditions for a trans load operation with reactivation of the line to Bellevue.

Two of the petitioning stakeholders, CalPortland and Salmon Bay Sand and Gravel, and Ballard's owner Paul Nerdrum, have been in business for over a century. Wolford and RJB have over forty years each. They know their markets and businesses. These successful businesses disagree that freight opportunities on the Woodinville-Bellevue line are "remote, speculative and uncertain." The reactivation efforts have been time consuming, particularly in light of the discovery and deposition obligations, and required a significant cash investment by all concerned. No rational businessperson would invest such time and money if there were not a profitable reason to do so. It is clear that ample businesses desire to utilize the rail line to Bellevue for on-going freight mobility.

EXCURSION TRAIN – A rail excursion train on this line was proven by the 15-year run of the Dinner Train, a \$10M/yr business, which only ceased operations because a key bridge was removed to widen I-405. New operations will be north of this bridge. Since excursion will have more "car miles" than freight, freight benefits more. The highly successful Napa Valley Wine Train and Cuyahoga line are other good analogies to this situation. The new Tasting Train will be based out of Woodinville with its vast tourism and operate to historic Snohomish.

Kathy Cox's Bounty of Washington Tasting Train enjoys great regional support, except by King County and Kirkland.

COMMUTER – Sound Transit’s 2008 study showed that commuter use of the line is “viable.” The situation has only improved with more jobs in Bellevue today than in 2008. The Washington Department of Transportation is currently finishing the state rail plan. King County is presently conducting their regional corridor study, albeit without rail consideration. Kirkland does not have a master plan and staff would not allow railroad presentations to city committees. Commuter on this line is inevitable. The only question is when. Freight operations can be adjusted to accommodate other traffic on the line, which further benefits the cost structure of all rail users.

POLITICS – The politics of this situation are intense, pitting regional public agencies against each other. In these circumstances, it is difficult to conclude that certain public entities, such as Kirkland, are being harmed while others, such as Bellevue and Woodinville, are not. When the Board assesses the public interest considerations associated with reactivation, I believe it will find that the greater good lies in sustaining the interstate rail system. A trail next to the track can easily be constructed as is underway in Snohomish County within the rail corridor. Kirkland never communicated the possibility of rail service returning to their business community, and simply wants to rapidly tear up the tracks. In fact, Kirkland officials have repeatedly stated that the tracks would be removed, therefore scaring away any potential business interests that would have interest in shipping by rail. The Kirkland Chamber of Commerce has not spoken in favor of rail removal, nor has any other regional business group. Overall, there is no business support for Kirkland’s destruction of existing rail infrastructure.

Beyond Ballard and the shippers seeking service, the upper Eastside cities of Woodinville and Snohomish, Snohomish County and several state representatives vehemently disagree with Kirkland’s decision and the harm it will cause a larger number of taxpayers. Though Snohomish County harbors 12 miles of the corridor, Snohomish County, along with the cities of Bellevue, Woodinville and Snohomish, were excluded from King County’s “regional” process, as were interested railroads. In reconsidering its decision on the injunction, I believe the Board should examine the multi-use opportunities associated with the line which best promote the public interest. The *trail only* advocates of the right of way are a minority who do not represent the interests of the public.

The state senate has put forward \$65 million in the transportation budget for rail and trail in this corridor (see Attachment C). State legislation with bi-partisan support is in process for this next session to make financially partnering with railroads easier, which would directly benefit this line and all shortlines in the state.

Removing the track in Kirkland will only make it more expensive for state and local taxpayers to rehabilitate the line unless the Board acts now to stop the unnecessary removal of the track. The greater good should prevail, which by federal law is sustaining the interstate rail system when there is a bona fide railroad and freight customers.

THE FOX IN THE CHICKEN COOP – King County owns the reactivation rights to this line, yet it is committed to never allow the resumption of freight operations. King County Councilmember Jayne Hague, who is leading the Eastside Rail Corridor Regional Advisory Committee, said “freight is a non-starter” multiple times, once to me, (as heard by Bruce Agnew, Director, Cascadia Center), and also in a meeting with the Mayor of Snohomish, Karen Guzak, and Kathy Cox of Marketing Philharmonic. Ms. Hague is leading the “Owners” of rights in the Eastside Rail Corridor, which excludes only the railroad. Additionally, in December 2009, King County Executive Project Manager Pam Bissonnette, at the closing table with the Port, BNSF and GNP, stated to GNP “we will never allow you south of Woodinville.”

HYPOTHETICAL HARM – TODAY, Kirkland’s residents are using the corridor to walk and ride mountain bikes along the rail. Citizen groups are maintaining sections of the right of way, after the city created an “adopt a trail” program for dozens of corridor segments. Steel prices are only going up, so Kirkland would likely gain financially if they renegotiate the track removal next year. Leaving the rail in place until the Board properly considers freight reactivation is absolutely no burden and causes no “harm” to Kirkland residents.

King Co has not paid the Port of Seattle for its acquisition of line segments, and after meeting with the Director of King Co’s Department of Natural Resources & Parks, it will be six years before King Co could begin to physically develop trails. Surely working out a joint rail and trail solution can be worked out in less time. King County can show NO harm by working to re-establish freight service on this line as is their responsibility by holding the reactivation rights.

The inferred harm to Puget Sound Energy (PSE), a utility easement holder, is simply wrong. Ballard has been working with them for 15-years on three lines. Utility companies and railroads have a long history of cooperation, and there is no expectation that this will change. Witness PSE is not a party to this action.

Additionally, the Port of Seattle recently withdrew from this matter.

In my 10-hour deposition under oath, I made it clear that Ballard and ECRR want to work with Sound Transit and keep out of their way. Ballard’s freight operations would be a financial benefit to Sound Transit’s new East Link construction project, which will save them and taxpayers substantial money. All of the East Link public documents and diagrams allow for future use of freight through their short section of the corridor in Bellevue. In fact, the East Link line primarily crosses over the freight line with a very short parallel run (about one-half mile). Additionally, Sound Transit has not selected a location for their East Link rail yard. There are two possible sites in Bellevue and another on the west side of Lake Washington in Lynnwood. Further, at this Bellevue site, Sound Transit has already studied three viable site options, including; the east side of the track, the west side, and straddling it. Sound Transit cannot demonstrate “harm” by reactivating the line as they don’t even know if they will be using the track where trans loading operations will occur, and they certainly have not discussed or studied the benefits of having rail service! Their “harm” is totally hypothetical, and based entirely on their lack of willingness to even discuss the situation.

ENVIRONMENTAL – Importantly, removing the track in Kirkland has significant issues: environmental, quality of life, and carbon fuel savings that were not considered by the Board. It is quite ironic that these three public agencies have totally ignored these vital aspects in their discussions. However, other parties have raised this concern. Eastside did a basic analysis to demonstrate how Ballard's solution with trucks and rail is vastly superior to truck only for construction projects on and near the line (see Attachment D).

Approximately 85,000 gallons of fuel will be saved, which also means substantially less air pollution. Fewer truck miles means less road wear and less traffic congestion, which improves the quality of life in the region. The factors should be an important consideration by the Board in their decision.

Snohomish County will be building a new dyke to help with salmon recovery. The construction spoils from Bellevue are a match for the materials required for this new dyke. (see Attachment E). Additionally, Snohomish County wants construction spoils to help construct their new trail system inside the corridor. Side dump railcars easily make this possible, and unfit spoils can be managed separately. What could possibly be more environmentally positive than reusing materials versus dumping them in a hole?

IN SUMMARY – There is investment capital is available from private parties, and there is SBA and public railroad financing programs available to make this line's reactivation successful. It is clear that Ballard wants to help the public agencies get their trail, because doing so lowers the MOW cost for all corridor users. Any actual "harm" is hypothetical and of their own making by not including the railroad in any of their "process" or discussions.

Ballard is not only capable, an entire team of people and businesses are ready, willing and able make this reactivated segment of interstate infrastructure viable again. The business plan is financeable, executable and has state, county, cities, NGO, tourism, public and business support. Preserving the rails in Kirkland will make it possible to reactivate this line and quickly bring it back into service, while removal of the track will be detrimental to the railroad's business.

Thank you for your consideration.

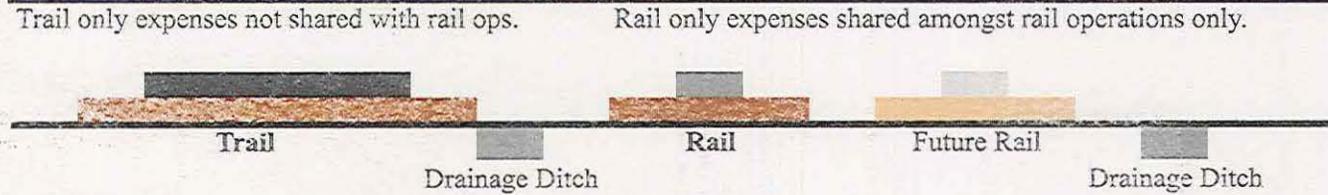
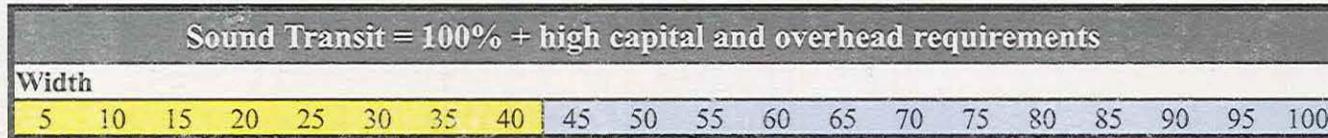
Very truly yours,



Douglas Engle, MBA, CBI
Member IBBA
Eastside Community Rail, LLC Managing Member

Eastside Community Rail Corridor Alignment - Cost Sharing Example

As of 2013 May 3

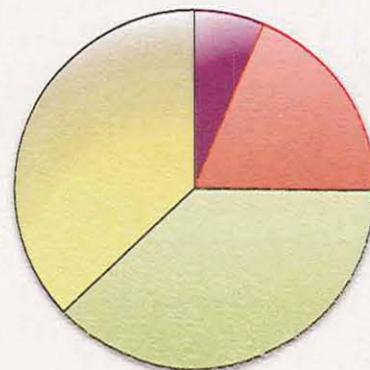


Trail expenses do not include rail structure costs.

	Net		Gross Vehicle Miles	
	6%	Freight	50,000	10%
	19%	Excursion	150,000	30%
	38%	Commuter	300,000	60%
	63%	TOTAL	500,000	100%

Trail 37%	Rail 63%
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Cost Sharing = Lower Operating Costs



- Freight
- Excursion
- Commuter
- Trail

ECRR is a zero-sum entity, with excess year-end funds added to the ECRR capital sinking fund.

Ballard Terminal Railroad Company and Eastside Community Rail

Analysis of comparative cost of hauling excavation spoils, Truck vs. Railroad

May 2013

Summary. Eastside Community Rail (ECRR), established in 2012, leased freight rail operations to Ballard Terminal Railroad Company (BTRC) along the northern third of the Burlington Northern Santa Fe Railway's (BNSF) former Woodinville Subdivision, which ran from Renton to Snohomish, Washington. This line, now locally known as the 'Eastside Rail Corridor' (corridor), was railbanked by BNSF circa 2009 and acquired by the Port of Seattle. The Port still owns the segment between Snohomish and Woodinville, and has sold off the remainder of their acquisition to various governmental entities.

After taking control of the freight service on the Snohomish-Woodinville rail line, ECRR began a search for additional freight customers in order to enhance the line's viability. One opportunity that appeared is in Bellevue. It became clear that massive amounts of excavation spoils and demolition materials would be generated by various private and public projects in and around Bellevue over the coming decade. *Further, CalPortland sees an opportunity to transfer aggregate directly from barges to railcars in Everett for Bellevue delivery as a lower cost alternative, but beyond this analysis.* BTRC and ECRR's current spoils only volume estimate is three million cubic yards. In a case of serendipity, there is also a need for a large quantity of fill material to construct a maintenance-of-way road/trail alongside of the currently operating rail segment, centered on Maltby. BTRC and ECRR therefore modeled spoils hauling scenarios to compare the cost of hauling and disposal via conventional trucking with the cost of doing so by rail. This analysis lays out the assumptions underlying the modeling and highlights the benefits of the rail option.

Trucking Assumptions. One of the biggest problems to solve when disposing of excavation spoils by truck is legal dumping. At this time, there are few qualified, large disposal sites anywhere near Bellevue. For purposes of this study, it was assumed that the nearest sites of reasonable capacity are in the vicinity of Monroe, Washington, about 25 miles away. Consequently, a round trip (cycle) by conventional dump truck and trailer from an excavation site in downtown Bellevue of 2 hours 30 minutes (2.5 hrs), including tipping time, was estimated by ECRR's trucking consultant, *Bobby Wolford Trucking* (Wolford). Dumpsite operators currently charge \$4-6 per ton for disposal space; this analysis uses \$4/CY.

The other factor to consider is the excavation contractor's desired daily production volume, which determines the number of trucks needed on the job. BWT stated that a large building excavation project would target removing 2000 cubic yards per day. Given a capacity of 24 CY/truck and trailer combination, 83 truck loads per day would be needed to move this volume. This calculation assumes an eight-hour workday, that translates to just over 9 trucks per hour, or just over 6 minutes per truck loading time. Since each truck could only complete three round trips per day, 27-28 trucks would be needed in the contractor's fleet, without allowing for breakdowns or other interruptions, to keep the excavator busy. The included spreadsheet shows the resulting extended costs in 2013 for removing 3,250,000 CY, roughly equivalent to all of the expected Bellevue excavations over the next decade. For reference, a quarter-block building excavation about 45 feet deep would generate a little over 250K CY of spoils, e.g. Lincoln Center.

Railroad Assumptions. The excavation job design would be different from the trucking approach. Basically, a string of rail cars would be spotted on the rail line near (<2 miles) the excavation site, and trucks would make a short cycle between the job site and railroad.

For purposes of this analysis, it was estimated that a truck (tractor) and side-dump trailer of 23 CY capacity could complete a round trip every 24 minutes, or 0.4 hours. The trucks would simply create a windrow of material alongside the stationary rail cars. A large wheel loader would then transfer the material into the side-dump rail cars. See picture 1.

In order to meet the 2K CY/day production volume stated above, it would be necessary to load and remove two trains of 1K CY each, or 17 side-dump cars of 60 CY capacity each. That means that there would have to be 50 truck cycles per trainload, or 100 per day. However, due to the short cycle time, each truck could make up to 20 trips per day. Therefore, as few as five trucks could keep the excavator busy; versus 27-28 truck-trailer combinations.

In the rail alternative, there typically would not be a fixed dumpsite for the spoils, and no dump fees. By using side-dump cars, the spoils could be placed wherever needed along the corridor for maintenance-of-way road construction, trail creation, embankment reinforcement, and so on. For estimating, the trains were assumed to run to Maltby. Nonetheless, a fixed trans-load site could be used, e.g., to supply Snohomish River dike construction materials. See pictures 2,3.

Analysis. Using the assumptions outlined, local costs for trucking were obtained from Wolford in Maltby, who removed spoils from Lincoln Center. Trucking costs were \$120/hr for dump truck and trailer combinations, and \$110/hr for tractor and side-dump trailer. These rates include operator, fuel, insurance, overhead and profit; there is no per mile charge. From their experience, a conversion factor of 1.3 tons/CY was used to calculate dump fees, based on \$4/CY. The truck trips needed was calculated, and the rates above applied to develop gross cost figures for each alternative. In the trucking case, cost was added for supervision/dispatch and a 10% contingency. These unit costs may be low as demand has been relatively flat from 2008-2012, but is expected to increase sharply as more projects start.

The rail alternative was approached a little differently since there was no 'everything included' hourly rate available. Instead, individual components, such as crew time, locomotive cost, rail car leases, supervision, overhead and profit were estimated and totaled. There are certain unique costs for the railroad trans-load site, also, e.g., site preparation and maintenance, overnight security for the railroad equipment, etc. Finally, since the railroad transportation would be managed by BTRC, supervision, overhead and profit items were also added. (Note that the railroad's profit would be computed at the STB's 'Revenue Adequacy Rate of Return', about 11%.) All of these items are computed and totaled in the spreadsheet.

Conclusions. As can be seen in this spreadsheet, moving large quantities of spoils out of the Bellevue area by rail would be considerably less expensive than doing so by truck. However, this analysis only considers the direct costs. Indirect benefits, such as reduced wear and congestion on the state's highways, reduced air pollution and consequent reduced health impacts, and lessened in-city traffic accident potential from elimination of 'extended reach' dump truck trailers, are significant. Another benefit is that the rail line remains viable for any and all other uses, such as importing bulk construction materials, which are also to provide similar savings. Unfortunately, estimation of the value of those benefits, which are considerable, is beyond the scope of this report.

Eastside Community Rail Bellevue Spoils Hauling Comparison

as of 2013 July 12

Conventional Truck Disposal Option

Assumptions: Reference site in NE quadrant of Bellevue Way and NE 4th St., Bellevue
 Area: 2.95 acres, excavated to average depth of 45 ft.
 Dirt volume in place: 5,782,590 cu. ft.= 214,170 cy
 Swell factor 20%, yields 257,004 cy on trucks; USE 250K cy
 Total est. Bellevue spoils vol. 3,000,000 CY
 Capacity, dump truck & trailer 24 CY
 Daily production 2000 CY
 Unit weight of 1 cy spoils, loaded 1.30 tons
 Disposal site: vicinity of Monroe; approx. 50 mi. R/T
 Est. roundtrip travel + dump: 2 h 30 m= 2.5 hr

	Quantity	Units	Time	Rate	Totals	
Trucks	125,000	trips	2.5	\$ 120	\$ 37,500,000	
Tipping fee	3,000,000	CY		\$ 4	\$ 12,000,000	
Supervision	1,500	days		\$ 200	\$ 300,000	Dispatch, etc.
subtotal					\$ 49,800,000	
Contingency				10%	\$ 4,980,000	
Total	Trks/Day	83			\$ 54,780,000	\$ 18.26 /CY
WSST				9.50%	\$ 5,204,100	

Rail & Trail Disposal Option

Assumptions: Quantities, production same as above
 Capacities, side dump truck trailer: 23 cy, side dump rail car 60 cy
 Transload site: alongside railroad tracks south of NE 8th St.
 Est. roundtrip travel + dump: 0 h 24 m= 0.4 hr
 Transload equipment e.g., CAT 966H wheel loader w/5 cy side dump bucket
 2 trainloads per day to RR access road sites in vicinity Maltby

	Quantity	Units	Time	Rate	Totals	
Trucks	130,435	trips	0.4	\$ 110	\$ 5,739,130	Single vs double
Transloading cost	600,000	cycles	0.02	\$ 110	\$ 1,320,000	End loader
Load site preparation	8	LS		\$ 8,500	\$ 68,000	Mobilize, clear
Site maintenance	1,500	days	8	\$ 36	\$ 432,000	Laborer
Water truck	1,500		8	\$ 110	\$ 1,320,000	Dust control
Water	1,500	days		\$ 8	\$ 12,000	Per day
Supervision	1,500	days		\$ 200	\$ 300,000	Trucking
Train crew	1,500	days	12	\$ 73	\$ 1,314,000	Crew hours w/ dumping
Locomotive	1	each	120	\$ 4,500	\$ 540,000	Mon. lease, GP38
Loco. Operation	1,500	days	12	\$ 36	\$ 648,000	
Locomotive fuel	1,500		460	\$ 4	\$ 2,760,000	Incl. Lubricants
Side dump cars	17	cars	77	\$ 3,900	\$ 5,105,100	Monthly lease
Security, rail equip.	300	weeks		\$ 2,500	\$ 750,000	Overnight, wknd
ECR Direct	1,500	days		\$ 1,458	\$ 2,187,000	Managers
ECR Indirect OH	1,500	days		10.0%	\$ 2,249,523	Incl MOW
subtotal					\$ 24,744,753	
Contingency				10%	\$ 2,474,475	
STB RARR				11.22%	\$ 3,053,997	
Total	Trns/Day	2		\$ 594	\$ 30,273,226	\$ 10.09 /CY
WSST				9.50%	\$ 2,875,956	

Potential savings, rail over trucking: \$ 24,506,774 44.7%

Bellevue Projects
Construction Spoils
as of 2013 July 12

loaded vol/wt 35% railcars/consyst 17
soil swell 20% CY/truck-trailer 24
CF/CY 27 CY/railcar 60

#	Project	Address	Developer	Permit #	Start Date	Parking Floors	CY	Loaded Vol. (CY)	Load Wt. (tons)	Railcars	Trucks
1	Bellevue Park II Apts.	88 102 nd Ave. NE	Canterra Dev. Group,	111-119405GD		3 lev.	22,000	26,400	35,640	440	1,100
2	Bellevue at Main	15 Bellevue Way SE	SRM (CBA?)	13-109737GD		2 lev.	81,300	97,560	131,706	1,626	4,065
3	Alley 111	11011 NE 9 th St.	Alley III-LLC	12-126956GD		3 lev.	29,640	35,568	48,017	593	1,482
4	Alamo Manhattan Main St.	10505 Main St.	AMMS, LLC	13-106069GD	Jul-13	319	39,330	47,196	63,715	787	1,967
5	Lincoln Square Expansion	410 Bellevue Way NE	KDC	12-132832GD		6 lev.	385,000	462,000	623,700	7,700	19,250
6	Bellevue Center	10833 NE 8 th St.	Beacon Cap. Partners	13-112826BV/GC		7 lev.	216,000	259,200	349,920	4,320	10,800
7	Bellevue Apts.	204 111 th Ave. NE	LiHi Bellevue LLC	13-105956G			3,062	3,674	4,960	61	153
8	GRE Bellevue	2070 NE Bel-Red Rd	GRE*Bel-Red LLC	13-107208GD		2-3 le.	90,000	108,000	145,800	1,800	4,500
Total Spoils							866,332	1,039,598	1,403,458	17,327	43,317

City of Bellevue Review Issued

The Summit, Bldg. C	320 108 th Ave. NE	Bentall						200,000			
Pacific Regent Ph. II	919 109 th Ave. NE	Sunrise Devel.									
?NE 4 th St. Extension?		COB									

Bellevue Projects under Construction (Q1 2013)

SOMA Towers Ph. I	200 106 th Ave. NE	Su Development						300,000			
Park Metro	11017 NE 12 th St.	Evergreen Pt. Devel.									
Marriott Hotel	200 110 th Ave. NE	Marriott									
SR-520 Eastside Transit & HOV	10819 NE 37 th PL			13-113220GD							
SR-520 Eastside Transit & HOV	10700 Northup Way			13-113218GD							

Large Bellevue Projects Pipeline (Q1 2013)

415 Office Bldg.	415 106 th Ave. NE	Schnitzer NW						1,500,000			
Bellevue Cadillac	1001 106 th Ave. NE	UDR									
Bellevue Sq. SE Cor.Expan.	701 Bellevue Way NE	KDC									
103 rd Ave. Apts.	1025 103 rd Ave. NE	HSL Properties									
Rockefeller Bellevue Tower, Ph. I	10605 NE 8 th ST.	NBBJ (arch.)									
Main Street Gateway Center	10328 Main St.										
East Link Light Rail		Sound Transit									
Bellevue-Redmond Road corridor		Bellevue									
Spring District		Wright Runstad									

Bellevue Spoils

3,062,000 CY
 27 CF/CY
 82,674,000 CF

U.S. Football Field			
Width	53.33	yds	
Width	160	ft	
Length, incl end zones	360	ft	
1 U.S. Football Field =	57,600	sq ft	
Height of Field	1,435	ft	

Landmark Buildings	Height in US Football Fields	Centurylink Stadium	adj
Sears Tower, including spires Chicago, IL	1,450 ft 1.0 ea.	Roof 200,000 Roof (adj) 285,714 sf	70% add open area
Columbia Center Seattle, WA	937 ft 1.5 ea.	Height 200 Height (adj) 160 ft	-20% no arches
Lincoln Ctr Bellevue, WA	450 ft 3.2 ea.	1,693,122 CY	
		# of Stadiums	1.8 ea.

http://en.wikipedia.org/wiki/CenturyLink_Field

Rank	Building	City	Country	Height (m)	Height (ft)	Floors	Built
1	Burj Khalifa	Dubai	UAE	828	2,717	163	2010
2	Makkah Royal Clock Tower Hotel	Mecca	Saudi Arabia	601	1,971	120	2012
3	One World Trade Center	New York City	USA	541	1,776	104	2013
4	Taipei 101	Taipei	Taiwan	509	1,670	101	2004
5	Shanghai World Financial Center	Shanghai	China	492	1,614	101	2008
6	International Commerce Centre	Hong Kong	Hong Kong	484	1,588	118	2010
7	BELLEVUE SPOILS (in Football Fields)	Bellevue	USA	437	1,435	133	2014
7	Petronas Tower 1	Kuala Lumpur	Malaysia	452	1,483	88	1998
7	Petronas Tower 2	Kuala Lumpur	Malaysia	452	1,483	88	1998
10	Willis Tower (Formerly Sears Tower)	Chicago	USA	442	1,450	110	1973
111	Columbia Center	Seattle	USA	285	937	87	1985

http://en.wikipedia.org/wiki/List_of_tallest_buildings_in_the_world

Transportation Projects Comparison – Snohomish Co. only		
	Clibborn Proposal (6/10/13) \$7.8 billion in expenditures over 12 Years	King Proposal (6/10/13) \$8.06 billion in expenditures over 10 Years
State Highway Projects		
SR 9 Snohomish River Bridge	\$109 million	\$136.2 million
I-5 Marysville Interchanges	\$42 million and \$5 million	Not funded
I-5 northbound Marine View Dr to SR 528 (Everett to Marysville) – Peak use shoulder lane	\$34.38 million	Not funded
US 2	\$15 million	Not funded
SR 529/I-5 Interchange	\$1.8 million	Not funded
41 st to West Marine View Drive	\$1.5 million	Not funded
Lake Forest Park Highway Planning Study	\$500 thousand	Not funded
SR 9/SR 204 Interchange	\$56 million	\$58 million
SR 526 Hardeson Rd Interchange (Paine Field)	\$44 million	Not funded
SR 524 Widening	\$14 million	Not funded
SR 522 Paradise Lake Road	\$10 million	Not funded
US 2 Trestle	\$10 million	Not funded
Poplar Way Extension Bridge Lynnwood	\$2.2 million	Not funded
City of Everett 41 st Street to W Marine View Dr. (Freight Corridor Improvements)	\$1.5 million	Not funded
Construction Engineering Design to 35 th Ave SE Mill Creek	\$500 thousand	Not funded
subtotal	\$347.38 million	\$194.2 million
Bike/Ped/Transit		
Sunset Ave Walkway Project	\$700 thousand	Not funded
subtotal	\$0.7 million	\$0
Rail		
Eastside Rail and Trail Project	Not funded	\$130 million (assume ½)
Cascades Corridor Slide Prevention	\$91 million for slope stabilization improvements	\$30 million
subtotal	\$91 million	\$95 million
Ferries		
Mukilteo Ferry Terminal Replacement	\$119 million	\$114 million
subtotal	\$119 million	\$114 million
TOTAL	\$558.08 Million	\$403.2 Million

 **denotes** -Strategic infrastructure investments identified as a priority by the Washington Aerospace Partnership in their Winning the Boeing 777x for Washington State Strategy

000000Bellevue Spoils Hauling Comparison

Eastside Community Rail

Road Wear Comparison

	TRUCKS	Rail/Truck	Rail	
Spoils (cy=cubic yards)	866,332	866,332	866,332	
cy/Vehicle	15	15	100	
Trips	57,755	57,755	8,663	
Vehicles/Trip	2	1	17	
	truck w/ trailer	truck only	side-dump rail car	
Trips	28,878	57,755	510	
Distance (miles)	30	2	30	
Gross Miles	866,332	115,511	15,288	15.1%
Actual Mile Savings		750,821		
"pup"/trailer	2	1		
Effective Vehicle Miles	1,732,664	115,511		
Road Wear Loaded (vs automobile)	19	19		
Adj Wear Miles	32,487,450	2,165,830		
Road Wear Empty (vs automobile)	6	6		
Adj Wear Miles	10,829,150	721,943		
Total Adj Wear Miles	43,316,600	2,887,773		6.7%
Vehicle Wear Miles Savings		40,428,827		
Length of I-405 Corridor		30		
Equivalent trips saved over length of corridor		1,347,628		

Rated at 80,000 lbs Federally, calculation assuming 60,000 lbs. (20,000lbs for dry truck, plus an additional 40,000lbs for spoils at 2,600lbs per cy X 15cy) Versus a Toyota Camry at 3,200 lbs

Empty Truck/Trailer
Conservative Estimate at 20,000lbs (no trailer)
<http://en.visionerv.com/cgi-bin/md/M10414/s1.pl>

PUBLIC ROADS BENEFIT

TRAFFIC CONGESTION BENEFIT

Fuel Comparison

	TRUCKS	Rail/Truck	Rail
Gross Miles	866,332	115,511	15,288
Miles per Gallon	6.50	6.50	0.50
Gallons of Diesel	133,282	17,771	30,576

<http://www.lrrb.org/media/reports/200319.pdf>
Assumes 6.5 miles per gallon average

000000Bellevue Spoils Hauling Comparison

Total Fuel (gallons)	133,282	48,347	
Fuel Savings (gallons)		84,935	63.7%
	\$	4.00 /gallon	
Fuel Cost Savings	\$	339,738	
Pollutants	grams/gallon		
CO2	5.954	1,129	
CO	15.0215	2,848	
Particulates	1.313	249	
Nox	55.9845	10,614	
		14,839	lbs
Pollutants	grams/mile		
CO2	0.916	1,535.16	
CO	2.311	3,873.10	
Particulates	0.202	338.54	
Nox	8.613	14,434.87	
		20,182	lbs
Pollutants Saved from Air		17,511	Avg

PUBLIC HEALTH SAVINGS
 LNG locomotive saves 80% more
<http://www.epa.gov/otaq/consumer/420f08027.pdf>

Driver Cost Comparison

	TRUCKS	Rail/Truck	Rail
Trips/day	2.50	12.00	
Days	11,551	4,813	
Days Saved		6,738	
Hourly Pay	17	\$ 22.10	
Gross Driver Savings		\$ 1,191,303	
Rail Labor Adds:			
Locomotive Engineer		\$	50,603
Conductor		\$	50,603
Front-End Loader		\$	40,482
Traffic Mgmt		\$	30,362
Additional Rail Labor Costs		\$	172,049
Net Labor Savings		\$	1,019,254
Fuel and Labor Savings		\$	1,358,992

guestimate - Ernie

Yearly Dump Truck Salary (<http://www.indeed.com/salary/Dump-Truck-Driver.html>) @ \$34,000/2000 (hours in work year) = \$17.00

DEVELOPER BENEFIT



Snohomish County
Public Works

John Lovick
County Executive

3000 Rockefeller
Everett, WA 98201

(425) 388-3488
FAX (425) 388-6494

August 21, 2013

Doug Engle
Managing Director
Eastside Community Rail
1340 Lombard Street, Suite 606
San Francisco, CA 94109

Re: Material for Smith Island Dike Project

Dear Mr. Engle,

Thank-you for your inquiry about material needs for the County's proposed Smith Island project located in the Snohomish River estuary, northeast of the City of Everett. The project will require approximately 270,000 cubic yards of material for construction of a new setback dike. Construction is scheduled to begin in 2014. This schedule is dependent on obtaining permits and completion of an environmental review under the State Environmental Policy Act (SEPA), including resolution of any appeals.

A review of the geotechnical information you provided for sites in Bellevue indicates that some of the material to be excavated will likely meet the dike material specification. One project indicates that material will be excavated to 75 to 85 feet below existing grade. Material descriptions for Bore Log GEI-1 indicate that material between 40 feet and 50 feet depth has over 20% fines and would therefore likely be suitable. The silty sand above 40 feet may also be suitable, but unfortunately the log does not give percent fines so we cannot make an assessment of that material at this time.

The silty fine to medium sands discussed in the geotechnical reports prepared for other sites with excavation depths of some 10 to 30 feet are potentially suitable for dike construction. Further assessment of the fines content would be required before suitability can be confirmed.

The Smith Island project will be subject to public bidding and, as part of the project specifications, the County will specify the material to be used. It will be the responsibility of the successful bidder to arrange material source and transportation to the Smith Island site.

Sourcing suitable material for this important project is a challenge that is yet to be overcome. We therefore appreciate you making us aware of this possible source.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Dickson', written over a horizontal line.

Stephen Dickson
Special Projects Manager

TAB 2

**BALLARD TERMINAL RAILROAD
EASTSIDE FREIGHT RAILROAD
MEEKER SOUTHERN RAILROAD**

Subsidiaries of:

**Ballard Terminal Railroad Company, LLC
4725 Ballard Avenue NW
Seattle, WA 98107**

Office: (206) 782-1447 Fax: (206) 782-7724

August 20, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW, Room 1034
Washington, DC 20423-0001

Re: STB Finance Docket 35731
Ballard Terminal Railroad Company, LLC
Acquisition and Exemption, Woodinville Subdivision

Dear Ms. Brown:

As the majority owner of BTRC,LLC I ask the Board to reverse its Injunction decision, and pursue reactivation of the Woodinville-Bellevue line.

It is apparent that my previous letter of June 15, 2013, did not impress upon the Board Ballard Terminal Railroad Company, LLC's (BTRC,LLC's) ability to finance the necessary upgrades to the existing track, in order to restore freight train service between Woodinville and Bellevue.

The cost of constructing six or more miles of brand new track, shortly after the city of Kirkland has ripped out the existing track, makes it much harder to accomplish our goal of reinstating rail service to the Totem Lake, Kirkland, and Bellevue communities.

It seems that the assessment that BTRC,LLC is not a bonafide petitioner is based on misinformation and factual errors presented by the likes of City of Kirkland, Sound Transit, and King County, all of whom seem to have no use for conserving existing freight rail networks, and all of whom were present at our depositions. This letter is intended to be an effort to correct some of that misinformation, as BTRC, LLC has not yet had a meaningful opportunity to refute our opponents' contentions.

Since founding BTRC,LLC in 1996, Byron Cole, our General Manager, and I have acquired two other shortlines in Western Washington, the Ballard Terminal Railroad in Seattle's Ballard industrial district, and the Meeker Southern Railroad, in rural Pierce County, east of Puyallup, WA. A few months ago, we signed a contract with Eastside Community Rail to operate and maintain their recent acquisition, the former BNSF branchline segment between Woodinville and Snohomish, WA. Our three lines have been spun off by the BNSF, over the years. We were pleased that 2012 was our best year ever for the total number of cars handled, and accordingly, income. We have an excellent relationship with BNSF, whom we interchange with on all three railroads.

We don't have a lot of debt. We are prepared to make the necessary investments, and support the financing, to reactivate the line to Bellevue. The existing operations of the Woodinville to Snohomish line, the Eastside Freight Railroad, will be merged with the operation of the line from Woodinville to Bellevue. The Woodinville Wye will remain the operations center for both line segments. Currently we are responding to several inquiries from potential shippers about transloading facilities on both line segments. We are much more upbeat about future freight traffic levels than the STB is.

We are on our home ground. Byron Cole has been our Marketing guy for 15 years. With the budding resurgence of High Rise building construction in Bellevue, with the attendant huge excavated parking garages to be built under them, there will be plenty of excavated soils to move out of town. For the first time, some of it would be moving in rail cars, after a short truck haul from the job site. We conservatively estimate that annual carloadings would be 500-1000 the first year of operation

In addition, there is the opportunity for the inbound rail transport of construction materials for the highrise buildings, as well. Materials like sand, dry bulk cement, gravel, crushed rock, can easily move by rail, and reduce highway congestion. We would plan for at least one rail-to-truck transloading site somewhere in the existing small rail yard, near the Safeway regional bakery, in Bellevue. Inbound carloadings are estimated at 200-500 for the first year.

General Mills, who supplies flour from Montana to the Safeway Regional Bakery in Bellevue, has recently agreed to once again ship flour by rail, directly from the Montana mill to the bakery. Since rail service to Bellevue ended several years ago, the flour has been offloaded from the rail cars into food grade highway truck/trailers in the Seattle area, for the last few miles of the journey to the bakery, at an extra cost. Annual carloadings are estimated at 200-250 per year.

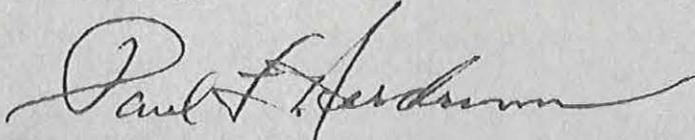
Also, we have a very recent overture from one of the industrial supply businesses in the Totem Lake district, RJB, near the East boundary of Kirkland. Their property is located immediately adjacent to the existing railroad right of way. They would like to have an industrial spur track built into their yard. They would be a good customer for the railroad, and take a few more trucks off the highways. If we are able to preserve the rail line, we will most certainly accommodate them. First year carloads inbound are estimated at about 100 cars.

All of Sound Transit's drawings and plans for their Eastside commuter operations contemplate the return of Freight Rail. Their public plans show both light rail and freight rail operations on the line in question. Further, Sound Transit has not selected this Bellevue site for its rail yard for passenger car storage, out of three locations under consideration.

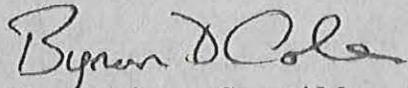
If the rails come out there is only a very slim chance of them ever being restored. This is very real harm, especially when a short segment in the middle of a long corridor is removed.

Please reconsider the Board's decision and stop the Town of Kirkland from removing the rails.

Sincerely,

A handwritten signature in cursive script that reads "Paul Nerdrum". The signature is fluid and extends across the width of the page.

Paul Nerdrum, CEO

A handwritten signature in cursive script that reads "Byron Cole". The signature is more compact and contained than the one above.

Byron Cole, General Manager

June 15, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

Dear Ms. Brown:

Our shortline railroad company, Ballard Terminal Railroad Company, LLC (BTRC,LLC), was formed in 1996. Today we own and operate two small, freight only, shortlines in the greater Seattle area. In the Ballard industrial district we have the Ballard Terminal Railroad (BDTL), and in the Puyallup area we have the Meeker Southern Railroad (MSN). Both lines were spun off from the BNSF Railway, one in 1997, and the other in 2000. In addition, we recently took steps to solidify our position as the freight railroad providing the common carrier service on the Snohomish to Woodinville line segment, for East Side Community Rail.

In late 2009, in a well intentioned joint venture with Mr Tom Payne's GNP Railway, both BNSF, and the Port of Seattle approved BDTL as the common carrier freight service provider on the 14 mile Snohomish to Woodinville segment of the Eastside Rail Corridor, which the Port of Seattle subsequently purchased, in late 2009. We ran our first freight train on the East side line in January, 2010, and continue to do so today, with twice weekly service, between East Snohomish Junction and Woodinville, WA. Currently we have four customers on the 14 mile line.

I would like to impress upon the Board the importance of restoring freight rail service between Woodinville and Bellevue, Washington, a distance of about 12 miles, which is currently railbanked. The northern portion of the Eastside Rail Corridor is our third shortline in the Puget Sound area, and we are ready, willing and able to make the Eastside line to Bellevue a success.

I am the majority shareholder of Ballard Terminal Railroad Co. (Ballard) and silent partner to Byron Cole, our General Manager, for the past 15 years. My family has owned and operated Salmon Bay Sand and Gravel Co. in Seattle for over 100 years, where I am currently Vice President. Salmon Bay S&G is a major concrete and building materials provider to the greater Seattle Area. We currently receive direct rail shipments of dry bulk cement to our inner city ready mix concrete plant, via BDTL, who interchanges with BNSF. Our annual revenues are significant, and we are profitable witness to our many years in business and operational growth.

BTRC,LLC is a viable business as well. BTRC,LLC qualified for and received, a \$300,000.00 interest free loan, for track rebuilding, from the Washington State Department of

Transportation Rail Office, in 1997, when we acquired the first railroad, and paid it back, in full, on time. In 2000, we qualified for, and received, a \$350,000 loan, for track rebuilding at the second railroad (MSN), which we are currently close to paying off. In 2009 we had no difficulty in financing the purchase of a third \$150,000 locomotive. In 2010, we qualified for and received a modest Washington State grant of \$62,000, to help finance a new industrial spur we constructed into a new transload facility, on our Meeker line.

We expect no difficulties in funding the necessary track rehabilitation for freight operations on the 12 mile, Woodinville to Bellevue segment of the Eastside Corridor. We have inspected it, and find it to be close to "Excepted" condition for much of the route. It is premature to seek any financing without first obtaining the rights to operate the line from the Board.

We are not a company or people to pursue risky ventures, and we believe there is a viable market for our freight railway services between the BNSF mainline in Snohomish and Bellevue, otherwise why would we invest our time and resources on this costly and arduous path to reactivate this vital segment of railroad?

The region has been fortunate with companies like Microsoft, Expedia, Google, Nintendo, AT&T Wireless, Verizon, and many other thriving enterprises on the Eastside. We look forward to a continued future of economic growth in the Bellevue and Kirkland areas.

Since Eastside Community Rail acquired the freight easement and running rights in December 2012, Ballard for the first time has had an opportunity to market the line and bring new opportunities to bear. Over a dozen construction projects worth in excess of \$15 billion are being permitted in Bellevue, Washington, and timely restoration of rail service to Bellevue is critical. Reactivation of rail service from Woodinville to Bellevue is vital to the efficient transportation and removal of 4-million cubic yards of construction spoils, delivery of aggregate fill from barge to railcar, delivery of fabricated rebar, and various other construction materials. Two respectable and successful regional companies, CalPortland and Wolford Trucking, have affirmed this market. The future has even more projects lending to rail service.

These projects were not foreseeable when BNSF abandoned the line, but they have emerged as Ballard's opportunity today.

At the Meeker Southern line, we are just completing an expansion of one of our Meeker transload facilities to support our growing business and partnerships with Optimus Transport, Inc and Sound Delivery Services there. Comparable transload opportunities very likely exist on the Woodinville to Bellevue line segment provided time to develop them.

As a lifelong resident of the area, I have watched our highways become overburdened, including truck transportation that is neither efficient nor cost-effective sitting in constant traffic. The opportunity to utilize the Eastside Rail Corridor as a viable option for the movement of these materials is a very advantageous option for the region. The railroad has the ability to help lower traffic congestion, reduce road wear, and improve air quality while still servicing the market with the needed construction materials with the most efficient logistic methods possible.

Ms. Cynthia T. Brown
June 14, 2013
Page 3

Ballard has recently been approved by BNSF to be a Handling Carrier on the Eastside. (the best, most efficient business model for small shortline railroads). Further, the American Shortline & Regional Railroad Association has recognized Ballard 15 consecutive times with the Jake award for completely accident-free, annual operations.

To summarize, Ballard is a bona fide railroad that is ready, willing and able to assume freight operations and develop the obvious business opportunity at the end of the Woodinville to Bellevue segment of the Eastside Rail Corridor.

Thank you for your consideration.

Very truly yours,

A handwritten signature in cursive script that reads "Paul Nerdrum". The signature is written in dark ink and is positioned above the printed name.

Paul Nerdrum

Majority Owner – Ballard Terminal Railroad Co.
Vice President – Salmon Bay Sand & Gravel Co.

TAB 3



20 August 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW, Room 1034
Washington, DC 20423-0001

PETITION FOR RECONSIDERATION

REF: STB FINANCE DOCKET NO. 35731/ Docket No. AB 6(Sub-No. 465X)

**BALLARD TERMINAL RAILROAD COMPANY, L.L.C.
ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION**

Dear Ms. Brown,

RJB Wholesale, Inc.(RJB), hereby notifies the Board that we are petitioning for reconsideration of the Board's decision of 1 August denying Ballard Terminal Railroad Company's (Ballard) request for an injunction to prevent the City of Kirkland, Wash., from salvaging 5.75 miles of track over which Ballard is seeking authority to reinstitute freight rail service. We allege that the Board erred in not considering the impact on RJB of removing the rails which adjoin our facility, when we have previously stated to STB our interest in obtaining freight rail service from Ballard over these very tracks. It is inconceivable to us that the Board would even consider allowing the rails to be removed by Kirkland prior to the Board's full consideration of the reactivation request and circumstances. We further allege that it was error for the Board to partially base its decision on Kirkland's unsubstantiated claims of possible harm from further delay of the decision on the requested injunction. Contrary to the Board's conclusion, we believe that Ballard has in fact demonstrated adequate support for delaying a ruling on its preliminary injunction request, or alternatively, granting the injunction immediately.

In June, we wrote to the Board in support of Ballard's proposed rail line reactivation and expressed our interest in receiving our product inventory by rail. The Board in its decision failed to mention us as a 'prospective shipper', even though our business is located on the Line and is a 'conventional' rail customer. Our current product volume exceeds 10,000 tons/year. As we pointed out, most of our pipe already ships from factories by rail, requiring additional cost to transload to our trucks for delivery to our distribution yard. So, the Board is in error in stating (on P. 6) that the record fails to show that there actually are "...customers "ready willing and able" to use freight rail service". We are such a customer, in an industrial zone, yet Kirkland never inquired about our potential use of the adjacent rails. While we may not have a rail spur into our facility today, we are quite ready and financially able to participate in the cost of such an improvement to our facility . In fact, we would welcome that opportunity to upgrade our distribution operations with rail shipping.

Regarding Kirkland's claim of financial and other harms that would befall it if they were required to wait to begin salvage operations, it seems questionable to us. Kirkland is located in an area of the Pacific Northwest with a temperate, marine climate. We are a construction-related business. Low technology construction activity, such as rail salvage, can be conducted virtually year-round here. Considering that the City went through a public bidding process to select a salvage contractor, we are quite sure that the chosen firm would gladly extend their offer a few months in order to hold on to the rail removal contract, which would be quite lucrative to them. The Board also repeats Kirkland's claim that a "delay in proceeding with these plans will result in costs to the City's taxpayers..." In today's climate of extremely

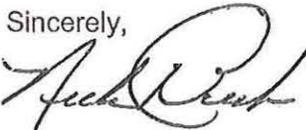
low interest rates and negligible inflation of construction costs, this appears unlikely, too. Besides, people are already walking along the tracks today. And trails co-exist with trains in freight rail corridors in many locales. We don't see any real harm to the City from a slight delay in your overall decision regarding reactivation vs. track removal. On the contrary, we see real harm to local industry's freight mobility from the threatened loss of rail service, which Kirkland falsely claims isn't feasible.

The potential 'harm' to King County and Sound Transit is even harder to quantify. Nothing in Ballard's reactivation proposal would substantially interfere with those agencies' plans. Ballard has made clear that they support 'Rails with Trails', and so do we. Consider also that an intact Woodinville Subdivision rail line offers the possibility of future (circa 2023) commuter trains feeding customers to Sound Transit in Bellevue. What is the real harm to other interested parties? We submit that there isn't any. Where is the proof of the parties' claim, restated by the Board, that they have "invested years and millions of dollars of public funding toward their interim trail use and other public projects in the area the Line traverses"? King County only consummated their purchase of a portion of the Line's right-of-way this year. They still have not completely paid for it, and don't expect to for a few years. King County also doesn't yet have a Master Plan or trail design for their part of the corridor. We submit that the Board erred in giving credence to their arguments.

We appreciate that a case such as this presents the Board with many competing interests and arguments. However, it appears to us that Ballard's request for authority to reinstate freight rail service on this Line and expand its service territory is sound, and comes from a bona fide and solvent rail operator. Considering the extreme financial barrier to entry that would be posed by prior removal of the rail assets, it is vital for the STB to protect them during these proceedings. Shouldn't that be the Board's default position on these matters? For the reasons stated herein, we therefore respectfully request that the STB grant this petition for reconsideration of its August 1st decision in this matter, and immediately enjoin Kirkland from instituting any further salvage operations on or along the Line, pending the Board's final action on Ballard's Acquisition and Operation Exemption request.

Thank you for your consideration of our petition and of our interest in obtaining freight rail service from Ballard Terminal Railroad into our trackside facility in Kirkland.

Sincerely,



Nick Best
President



17 June 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

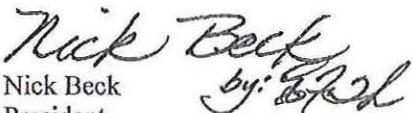
REF: STB FINANCE DOCKET NO. 35731
BALLARD TERMINAL RAILROAD COMPANY, L.L.C.
ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown,
RJB Wholesale Inc., established in 1973, is the Western United States leading supplier of steel and PVC pipe to the wholesale distributor market. Our complete line of fittings meets the needs of a diverse group of industries. Additionally, RJB Wholesale supplies a full line of water well casing and drilling products. In 2012 our gross revenue exceeded \$15 million. Please refer to our Web-site at <www.RJBWholesale.com>. Our company headquarters site, including warehouses and storage yard, adjoins the southerly right-of-way line (railroad east) of BNSF Railway's former Woodinville Subdivision, just east of 124th Ave. NE, in Kirkland, Washington.

We recently became aware that Ballard Terminal Railroad is attempting to save these tracks and resume freight service on the line. So, we are writing to the Surface Transportation Board in support of Ballard's above-captioned petition to reactivate the Woodinville Subdivision between Woodinville and Bellevue, Washington. We support this reactivation because we would like to start using that rail line for receiving our product inventory, and possibly for shipping completed orders to customers. Last year we sold and distributed about 10,000 tons of pipe and other materials. Much of our bulk product is initially shipped from the manufacturer by rail, but it must currently be trans-loaded to one of our flatbed trucks in either Kent or Puyallup. Last year, we received about 26 rail cars of product. We expect 2-3 carloads per month going forward. To bring this material to our Kirkland yard, RJB trucks make over 90 trips to the trans-load sites annually, taking on average 2.5-3 hours each. Considering the constant congested traffic conditions in King County, it would save us a lot of money to be able to have those same rail cars of pipe delivered directly to our Kirkland yard. Obviously, that would make our business more competitive. It would also help us do our part towards reducing local traffic congestion and air pollution. Surely preserving and using the existing railroad infrastructure has a much higher economic return to our region than removing it and turning it into yet another expensive trail, as the City of Kirkland proposes.

We respectfully request that the STB grant Ballard's petition to reactivate this segment of rail line. We would be happy to answer any question you may have about our operations and our interest in shifting to freight delivery by rail to our facility.

Sincerely,


Nick Beck
President
Enclosure: Site Map, RJB Wholesale

PIPE

(425) 823-1444
FAX (425) 821-7353

P. O. BOX 2849
12418 N.E. 124TH ST.
KIRKLAND, WASHINGTON 98003

RJB Wholesale site



(C) 2008 King County

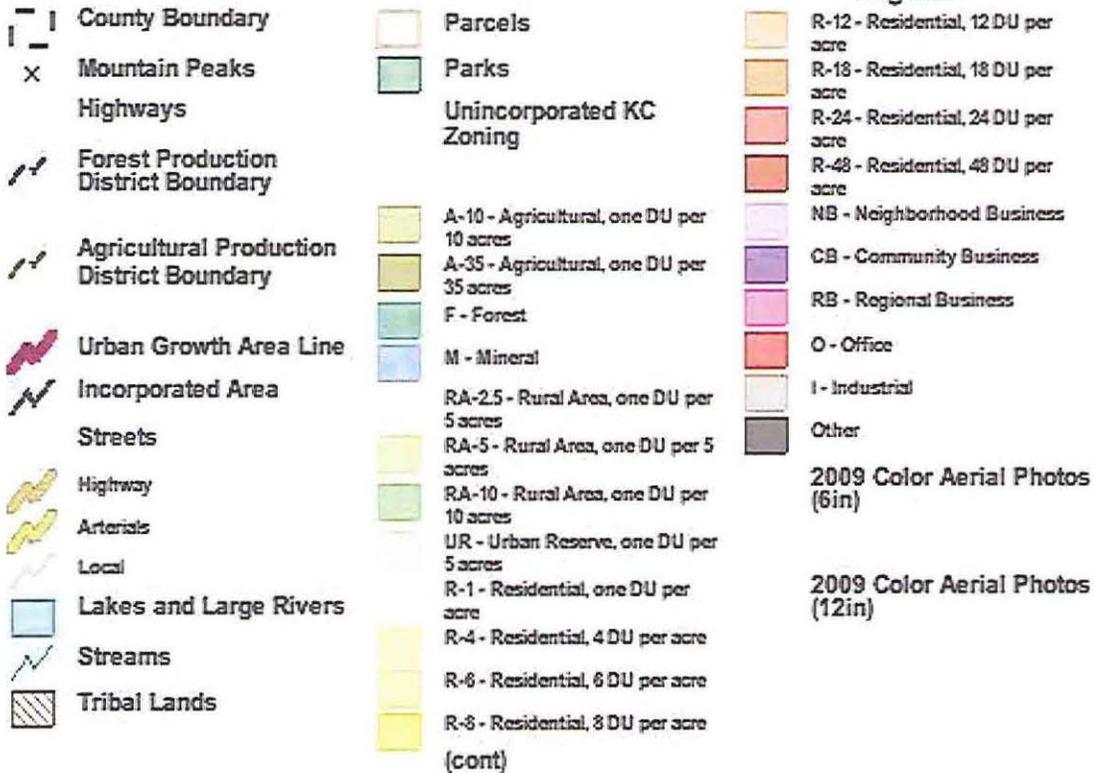
COMMENTS: Attachment to letter to STB supporting reactivation of Woodinville Subdivision from Woodinville to Bellevue

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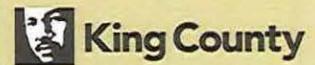
Date: 6/13/2013 Source: King County iMAP - Property Information (<http://www.metrokc.gov/GIS/iMAP>)



RJB Wholesale site



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TAB 4



August 16, 2013

Mr. Douglas Engle
Managing Director
Eastside Community Rail

Dear Mr. Engle,

The opportunity to utilize Eastside Community Rail as a viable option for the movement of construction aggregate materials is a very advantageous option for this region of the Puget Sound. We look forward to a strong future for the economic growth in the Bellevue, Kirkland, Redmond and Snohomish County areas. The ability to help lower traffic congestion while still servicing the market with the necessary construction material needs by allowing rail to be an option will allow both CalPortland and Eastside Community Rail to service the community in the most efficient business methods possible for the Snohomish and east King County region. CalPortland utilizes the movement of construction materials throughout the Puget Sound via barge to various sites in Everett, Kenmore and Seattle which reduces Truck and trailer traffic on the regions roads by eliminating 167 truck and trailers per barge load. The addition of Rail in this ability to service the Eastside corridor would continue this responsible reduction in fuel emissions and wear to the regions roads.

Sincerely,

Michael Skrivan

Michael Skrivan
Aggregate Sales Manager
Materials Group – Northwest Division
CalPortland

TAB 5

EB5 Capital Partners.us, LLC

3145 Cherry Lane • Northbrook, IL 60062 • Tel: 847-951-7245 • dtb@eb5capitalpartners.us • 224-422-0772 dco@eb5capitalpartners.us

August 21, 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20423-0001

REF: STB FINANCE DOCKET NO. 35731

BALLARD TERMINAL RAILROAD COMPANY, LLC.

ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown,

In connection with evaluating the investment opportunity of the Eastside Rail Corridor, I discovered that there is substantial potential for a viable transload business, construction materials and spoils hauling, as well as incubating additional carload freight traffic, as a result of emerging demand in the area.

Assets, in the form of a three track yard, located behind Lowe's and the International Paper facilities exist to support substantial transload operations in Bellevue, augmented by the ease of the adding an access and maintenance of way road along most of this rail corridor, further facilitating existing and new rail traffic.

This area has substantial in-place rail infrastructure, in the form of switches and rail sidings into buildings, offering the option of rail to shippers that would no longer exist, if the line were severed.

In addition, due to the demographic and market attributes of the area, the line offers substantial opportunity to re-establish a previously proven and commercially successful excursion train, further increasing the line's economic viability and value to both its existing and future rail shippers.



EB5 Capital Partners.us, LLC

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I would like to impress upon the Board the importance of restoring rail service between Woodinville and Bellevue, Washington, which is currently "rail-banked". After conducting two onsite inspections of the line and learning of the existing and emerging rail traffic opportunities, EB5 Capital Partners.us is prepared to become engaged by the principals, in a business advisory capacity, to advise them on securing finance to help make the Ballard Terminal Railroad Company line to Bellevue a success. As part of the business case, we would work with the principals on determining their capital needs to acquire Kirkland's 5.75-mile portion of the corridor, should that option be necessary. Ensuring that this portion of the line is preserved and operable is crucial to and further enhances the business case for an economically viable and important rail asset to the area.

Very truly yours,



Daniel T. Behr
Principal – EB5 Capital Partners.us, LLC.

