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December 6, 2013

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ENTERED
Office of Proceedings
December 6, 2013
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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

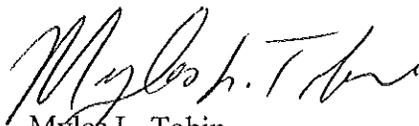
Re: **Finance Docket No. 35731**
Ballard Terminal Railroad Company, L.L.C. -- Acquisition
and Operation Exemption -- Woodinville Subdivision

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

Dear Ms. Brown:

Enclosed please find Ballard Terminal Railroad Company's Reply Statement in the above referenced proceedings.

Very truly yours,



Myles L. Tobin
Attorney for Ballard Terminal
Railroad Company, L.L.C.

MLT/ekf

Enclosures

cc: All Parties of Record (via electronic and First Class Mail)

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of December, 2013, a copy of the foregoing

Ballard Terminal Railroad Company's Reply Statement was served by electronic and First

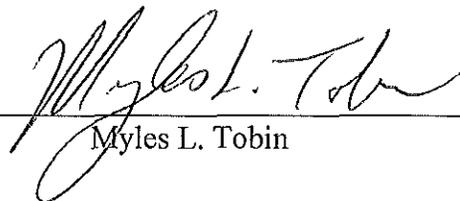
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Myles L. Tobin

BEFORE THE
SURFACE TRANSPORTATION BOARD

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

**BALLARD TERMINAL RAILROAD COMPANY, L.L.C.'S REPLY TO KING
COUNTY, WASHINGTON, CITY OF KIRKLAND, WASHINGTON, AND PUGET
SOUND REGIONAL TRANSIT AUTHORITY'S OPPOSITION COMMENTS**

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**ATTORNEYS FOR BALLARD TERMINAL
RAILROAD COMPANY, L.L.C.**

Dated: December 6, 2013

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35731

BALLARD TERMINAL RAILROAD COMPANY, L.L.C.
-- ACQUISITION AND OPERATION EXEMPTION --
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COUNTY, WASHINGTON, CITY OF KIRKLAND, WASHINGTON, AND PUGET
SOUND REGIONAL TRANSIT AUTHORITY'S OPPOSITION COMMENTS**

Ballard Terminal Railroad Company, LLC ("Ballard"), by and through counsel, hereby files its Reply to the Opposition Comments filed by King County, Washington ("King County"), City of Kirkland, Washington ("Kirkland"), and Puget Sound Regional Transit Authority ("Sound Transit"). As will be discussed in greater detail below, Ballard's Petitions are supported by over thirty (30) railroads, railroad unions, shippers, municipal corporations, state legislators, banks, and investment houses. Financial support for Ballard's petitions comes from Watco Companies, LLC, one of the largest shortline railroad conglomerates in North America, Salmon Bay Sand and Gravel, a leading supplier of sand, gravel and concrete products in the Northwest United States, American West Bank and Coastal Community Bank, two of the largest banks in the Northwest United States, and EB5 Partners, a leading U.S. investment house.

A multiplicity of shippers have requested service on the line, including General Mills, RJB Wholesale, CT Sales, Aggregates West, Wolford Trucking and Demolition and CalPortland. Numerous state legislators are urging the STB to reactivate rail service on this line.

Indeed, even the two leading railroad employee unions are supporting Ballard's Petitions, specifically, the United Transportation Union and the Brotherhood of Locomotive Engineers and Trainmen. In the face of this overwhelming support for Ballard's petitions, only three obstructionists, none of whom have any interest in resumption of rail transportation service, stand in the way – King County, Kirkland, and Sound Transit. The vociferous support for reactivation of rail service is broad based and virtually deafening in its volume. Three self-interested obstructionists should not be permitted to stand in the way of that reactivation.

STANDARDS FOR REVIEW

Certainly, the Surface Transportation Board ("STB") is familiar with the dictates of the rail transportation policy set forth in ICCTA. Nonetheless, it is worth repeating the central focus of that policy as it relates to this case. 49 U.S.C. 10101 states, *inter alia*, that,

In regulating the railroad industry, it is the policy of the United States Government –

(4) to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, to meet the needs of the public and the national defense;

(7) to reduce regulatory barriers to entry into and exit from the industry;

(49 U.S.C. § 10101)

Nowhere in the rail transportation policy will one find the promotion or preservation of trails usage. Indeed, in standard rails-to-trails rail banking scenarios, reactivation

of rail service by the underlying rail carrier is virtually automatic *regardless* of the size of the railroad desiring that reactivation. The STB has repeatedly stated,

It is also well settled that the Board's role in rail banking/interim trail use is essentially ministerial. That is, the Board only looks to see if the trail sponsor meets the statutory and regulatory requirements to be a trail sponsor, that the railroad agrees to trail use, and that nothing occurs that would preclude a railroad's right to reassert control over the ROW at some future time to revive rail service.

King County, WA – Acquisition Exemption – BNSF Railway Company, STB Finance Docket No. 35148 (STB served September 18, 2009) at 3. See also Georgia Great Southern – Abandonment and Discontinuance of Service, 6 S.T.B. 902, 907 (2003), Idaho Northern et al. – Abandonment & Discon. Exemption, 3 S.T.B. 50, 59 (1998); Iowa Southern Railroad Company – Exemption – Abandonment, 5 I.C.C.2d 496 (1989), aff'd Goos v. ICC, 911 F.2d 1283 (8th Cir. 1990); Citizens Against Rails-to-Trails v. STB, 267 F.3d 1144 (D.C. Cir. 2001).

In Georgia Great Southern, the Board stated that interim trail use is subject to being cut off at any time by the reinstatement of rail service. If and when the railroad wishes to restore rail service on all or part of the property, it has the right to do so, and the trail user must step aside. 6 S.T.B. at 907. And, King County has expressly acknowledged that it is obliged to allow the resumption of rail service.

Moreover, the STB's review in this proceeding does not entail determination of whether a third party should be entitled to reactivate rail service on the subject line. That precedential decision has already been made by this Board.

In its decision granting King County's request, as the trail sponsor, to acquire BNSF's common carrier right to reactivate freight service on the subject rail line, the Board left no doubt that service could be reactivated by any *bona fide* party:

...neither King County nor the Port have plans (or are likely) to restart rail service. But as previously noted, the right to reactivate a railbanked line is not an exclusive right. [citation omitted]. While the parties' agreement would transfer to King County BNSF's opportunity to provide rail service, it would not preclude any other service provider from seeking Board authorization to restore active rail service on all or parts of the railbanked segments in the future if King County does not exercise its right to reinstate rail service. [citation omitted]. Accordingly, regardless of the parties' intentions, a bona fide petitioner, under appropriate circumstances, may request the NITU to be vacated to permit reactivation of the line for continued rail service. [citations omitted].

King County, WA – Acquisition Exemption – BNSF Railway Company, STB Finance Docket No. 35148 (STB served September 18, 2009) at 3-4.

Ballard is a bona fide party, and seeks vacation of the NITU on the subject rail line in accordance with the Board's express directive in King County.

STATEMENT OF FACTS AND ARGUMENT

I. Ballard is a bona fide Petitioner

As stated in earlier correspondence and documents submitted in this proceeding, Ballard is a financially stable shortline railroad which operates three separate shortlines. It has little debt and pays its bills. Ballard's majority owner is Paul Nerdrum who, in turn, is owner of Salmon Bay Sand and Gravel Company, a multi-million dollar company, which is one of the preeminent and largest sand and gravel companies in the northwest United States. Mr. Nerdrum has thrown his full financial support behind Ballard and this project, as detailed in the letter which he previously submitted in this proceeding, and which is also again attached hereto. A brief description of Salmon Bay Sand and Gravel Company is also attached to that letter.

In this project, Ballard is also supported by Watco Companies, LLC ("Watco") which is one of the largest shortline railroad conglomerates in the United States. Watco operates twenty-one (21) shortlines in thirty (30) states, and also has operations in Australia. As stated in

the attached correspondence of Mark Blazer, Watco's Senior Vice President – Strategic Development, Watco fully supports this project, has urged the STB to reactivate the rail line, and is ready, willing and able to work with Ballard for the movement of unit trains from the reactivated rail line to interchanges with the BNSF. As has been well documented in numerous STB proceedings over the course of the last several years, Watco most certainly has extensive resources and capability to financially participate in this project.¹

Also attached hereto is correspondence from Coastal Community Bank and American West Bank, the bankers for Ballard and Eastside Community Rail LLC, a significant project supporter. Each of those banks stands ready, willing and able to financially participate in the restoration associated with the reactivation the subject rail line.

Finally, Ballard has engaged the services of EB5 Capital Partners, an investment house which sees the opportunities associated with this rail line reactivation, and can locate additional financial support for the project, if necessary.

As discussed above, if Ballard had previously been the underlying owner of the subject rail line, no financial analysis would be appropriate in connection with reactivation of rail line service. Ballard, or any other shortline carrier which previously owned the line, would have an automatic right to reinstitute rail service and supplant the trail holder, see eg., Georgia Great Southern.

In the case at bar, Ballard has gone well above and beyond what should be required for establishment of its bona fides. It has the financial backing of various multi-million

¹ Significantly, Watco has already received positive feedback from BNSF Railway Company on the merits of its participation in this project. See attached Ballard correspondence.

dollar companies and financial institutions, and has all of the support necessary to resurrect and reactivate this rail line.²

II. Extensive Shipper Demand Compels Reactivation.

Extensive correspondence from a multiplicity of shippers establishes that reactivation of this rail line is absolutely necessary. Much of that correspondence was attached to Ballard's October 24, 2013 filing, and is reattached hereto.

General Mills, an internationally known company, is desirous of re-establishing rail service to the Safeway Foods Facility at Bellevue, which has a siding on the line. The same is true of RJB Wholesale and CT Sales, both of whom have direct access to the line.

CalPortland, one of the largest aggregates shippers in the United States, Aggregates West, a similarly large aggregates shipper, and Wolford Trucking and Demolition, a local construction company heavily involved in construction projects throughout the area, have all expressed a clear desire to utilize the rail line for the inbound shipment of aggregates projects and the outbound shipment of spoils from road construction removal. Some have suggested that the absence of sidings connecting these companies to the line is somehow relevant. It is not. As Ballard has indicated in its attached correspondence, transloading operations for these companies can initially be handled on the main line, and sidings will be built if necessary. Sites have already been identified for use by these three shippers. All that remains is reactivation of the rail line. To the extent some have also suggested that no contracts are in place for shipment of these aggregates, the fact is that the ability to obtain these contracts with corresponding rail

² Kirkland attempts a classic red herring suggestion that Ballard somehow is financially unsound because a crossing signal at Maltby has not been replaced. This is nonsense. As explained in the attached correspondence of Ballard's General Manager, because the signal mast at issue has been severely damaged on multiple occasions by truck traffic, Ballard and the local county have been engaged in discussions as to the best way to protect the signal mast prior to reinstallation. That plan has now been completed, and the project is proceeding.

transportation usage is, of course, dependent on the existence of a rail line to use for these movements.

Attached to Ballard correspondence herein is a chart listing the correspondence previously filed, as well as additional correspondence in support of the rail line reactivation. In that chart, the STB will see annual car counts, which encompass initial and long term estimates for carloads moving to and from this line. These estimates, which total approximately 3,500 carloads initially and approximately 6,000 carloads long term (each on an annual basis) are based on the estimates provided by the shippers themselves, as well as conversations with those shippers. Clearly, demand exists for rail service on this line.

III. Governmental Support for Reactivation is Extensive.

Ballard has already submitted correspondence from the City of Snohomish, the City of Woodinville, Snohomish County and several Washington State legislators who actively support rail line reactivation. Additional Washington Legislature support is attached hereto. Numerous non-governmental organizations who are critically interested in the economic development of this region have also submitted correspondence in support of the proposal.

IV. Railroad Employee Unions Support This Proposal.

Ballard's reactivation petition is supported by the United Transportation Union and the Brotherhood of Locomotive Engineers and Trainmen. While those unions, which are the two largest railroad employee unions in the United States, recognize that Ballard's employees are not likely to be unionized, they also recognize that Ballard's proposal will bring significant employment opportunities to the region. These opportunities will, in turn, enhance opportunities for railroad employees in the region. The correspondence of those two unions in support of this petition is attached hereto.

V. Broad Based Extensive Support Exists for Rail Line Reactivation; Opposition is Minimal.

Ballard has submitted over thirty (30) letters from shippers, railroads, banks, legislators, counties and municipalities, rail labor unions, economic development agencies, and a host of others, underscoring the vital need of reactivation of rail service on this line, and the financial ability of Ballard to effectuate that reactivation. In contrast, King County, Sound Transit and City of Kirkland stand in the way, and not a single party has joined them.

Although King County was granted the rail reactivation rights for this rail line, its opposition and pleadings thus far clearly establish that it has no desire whatsoever for a reactivation of rail service on this rail line. Indeed, in combination with the City of Kirkland, the hasty removal of a portion of the trackage on the subject rail line was the primary reason that Ballard was forced to file its petitions earlier than it would have preferred – indeed, too early to gather all of the support for reactivation which Ballard knew existed.

Well, time has marched on. The extensive support for this reactivation is now before the STB. Again, opposition is minimal. Moreover, Ballard has extensive financial support from Watco, Salmon Bay Sand and Gravel, and banks, to reactivate the rail line and reconstruct the missing trackage.

As Ballard has previously committed, it does not oppose the construction of a trail on this rail corridor adjacent to the rail line. Thus, the few opponents lose nothing other than the ability to stand in the way of rail line reactivation.

Whether or not King County (or Kirkland for that matter) agrees to the rail reactivation is irrelevant. Any suggestion by rail reactivation opponents to the contrary is nonsense. All parties have been aware, since the trail rights were granted, that any trail use

established along the rail line would be subject to the reactivation of rail service. Indeed, that is the fundamental bargain created by the Trails Act:

[On a railbanked line,] the railroad (or any other approved rail service provider) may reassert control to restore service on the line in the future. In short, an interim trail use arrangement is subject to being cut off at any time by the reinstatement of rail service. If and when the railroad wishes to restore rail service on all or part of the property, it has the right to do so, and the trail user must step aside.

Georgia Great Southern – Abandon. & Discontin. Of Service – GA, 6 S.T.B. 902, 906 (2003)

(citations omitted).

The parties, of course, are well aware of this. The “Public Multipurpose Easement” entered into by King County and the Port of Seattle (Kirkland’s predecessor) and previously submitted to the Board in the King County proceeding³ specifically recognized and provided for the circumstance now presented by Ballard’s petition:

4.1.1 Grantor [the Port, now Kirkland] and Grantee [King County] understand, acknowledge and agree that if the STB receives a request to use all or any portion of the Property for federally regulated interstate freight rail service, then Grantor and Grantee may each be required to, and will if so required, make available some or all of their respective interests in the Property to accommodate reactivated freight rail service.

Any claim by Kirkland that reactivation of rail service would harm it by interfering with its plans to convert its portion of the Line to a trail simply ignores the fundamental regulatory premise that governs the rail line in its current railbanked state. Kirkland cannot be substantially harmed by what the Trails Act directly contemplates.

³ Finance Docket No. 35148, King County Petition for Exemption, Exhibit C, filed September 22, 2008. The 5.75-mile portion of the Line now owned by Kirkland was acquired from the Port of Seattle, and Ballard presumes that the Easement now governs as between King County and Kirkland with respect to that segment.

Further, to the extent the few opponents to this reactivation argue that the line cannot be reactivated because Ballard does not own the underlying real estate and King County or Kirkland is entitled to compensation, the STB has previously dealt with this issue and has squarely rejected it as a predicate to rail line reactivation. In Georgia Great Southern, 6 S.T.B. at 906-908, the Board concluded that,

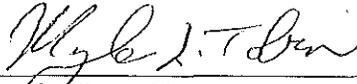
“it would be inappropriate for us to determine whether they [the trail sponsors] might be entitled to any recompense in this situation . . . a satisfactory resolution of such compensation issues cannot be a precondition to restoration of rail service . . . Under the statute, the trail sponsor can acquire only the right to use the rail corridor on an interim basis for trail use, and trail use may continue only until the carrier (*or another approved rail service provider*) restores rail service on all or part of the line. (Emphasis added.)

Ballard has established that it is a bona fide petitioner, and that there is substantial shipper support for reactivation of this rail line. For the Board to deny Ballard the opportunity to reactivate the rail line, on the basis of the opposition filed by King County, City of Kirkland and Sound Transit would quite literally “stand on their head” the provisions of the National Trails Act regarding reactivation, as well as the Board’s prior decisions with respect to this rail line.

CONCLUSION

For the above stated reasons and based upon the above cited authority, Ballard hereby requests that the Board (1) issue an exemption from the provisions of 49 U.S.C. 10902 to enable Ballard to acquire the residual common carrier rights and obligations, including the right to reinstitute rail service, and the remaining physical trackage assets and right of way on the subject line of railroad, and (2) partially vacate the NITU covering the portion of the Woodinville Subdivision, between MP 23.8 at Woodinville, Washington and MP 12.6 at Bellevue, Washington.

Respectfully submitted,

By: 

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**ATTORNEYS FOR BALLARD TERMINAL
RAILROAD COMPANY, L.L.C.**

Dated: December 6, 2013

BALLARD TERMINAL RAILROAD
STATEMENT

**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

December 5, 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
ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown,

Ballard Terminal Railroad Company, LLC's (Ballard) primary owner and Salmon Bay Sand and Gravel owner, Paul Nerdrum owns several acres of property and facilities along Seattle's ship canal, home of the Alaskan fishing fleet and supporting facilities. His seven-figure resources have made Ballard a success to date, and his pledge to continue this support should not be taken lightly by the Board. Further, our bank of 16-years, AmericanWest Bank, is capable and willing to support our reactivation effort given a favorable Board decision.

We are excited to work with WATCO Companies. This arrangement allows Ballard to do what we do best and brings in a much larger partner to handle the vastly larger car traffic in and out of Bellevue. They have the resources and knowhow to make this a success, while we know the local lay of the land. Before completing their letter to the Board, importantly, WATCO conferred with BNSF regarding the shipping options available to and from this segment of the line.

While we would have preferred that the 5.75 miles of trackage in Kirkland stay in place, our financial partnerships with WATCO, Salmon Bay Sand and Gravel, and our bank enable us to replace that segment of the trackage and other necessary reconstruction.

In the "Support Letters Log," we have submitted carload estimates based on the information provided by the supporting freight shippers. The "Initial" column represents what we expect to achieve within the first full year of operation after all freight customers and the excursion service have come online – 3,535. These are broken out by customer and project as to what these parties believe their long-term annual carloads will be – 6,022. None of our group want or expect these figures to be "pie in the sky." It will take a detailed plan, hard work and coordination to achieve them. We are committed to this.

In Bellevue, we will be delivering cars for General Mills on the same pre-existing spur that was used six years ago. The spoils, aggregates and potential ready-mix plant will also utilize three existing sidings and spurs along with an existing concrete building used specifically for rail service back in the day and initially have the option of loading on the ex-BNSF small rail yard with little work. RJB will need a standard short siding inside the right of way. CT Sales will also need a short siding primarily inside the right of way with about 100 yards of track inside their property. Woldford Trucking is also requesting a new spur, and we are likely to add a siding for car handling and storage. We plan to construct these spurs and sidings as soon as possible after reactivation approval. There is a drywall distributor that has recently doubled its size in Kirkland with an existing spur that we plan on talking to next.

Much of the required track will be reclaimed from the existing line when it is rehabilitated for the excursion train as described by RailWorks in their estimate. Required ballast will be purchased from our partners. The ground work will be done by Woldford. However, until this work is completed, we can temporarily use the existing track and right of way to load and unload, again with little interim work. The important matter is to get service started, which benefits everyone.

As with our other two shortlines, businesses generally are not willing to sign contracts for service until that service is actually available – whether it is trans-loading, a new spur, siding or other facility. New service first, contracts second is the norm. Unfortunately, we can't establish service agreements without the Board's decision to reactivate the line.

The crossing situation in Maltby, which was raised by Kirkland is a red herring. This is about properly fixing a crossing gate arm assembly that has twice been destroyed by trucks that veered off the main roadway and ran completely over the gates and lights signal assembly. This past week, Snohomish County took the first step by putting 70' of barricades up that we mutually deemed safe in case of a head-on automobile collision with the barricades. Our signals contractor is now going to mount a new signal. This was not a financial matter, and the work underway is to be completed by year end.

The Board needs to understand that reactivation must be the first step in reviving rail service to Bellevue. Freight customer's have continued surfacing these past months with news of our efforts. The financing is simply waiting for the Board's decision to reactivate this line. We look forward to swiftly returning all rail services on this segment of the Eastside Rail Corridor.

Thank you for your thoughtful consideration.

Regards,

Byron D Cole

Byron Cole
General Manager

Ballard Terminal Railroad Co.
STB Reactivation Letters Filed
As of 2013 November 30

PARTY	Reactivation	rail & trail	*Opposition transit & trail	Excursion Support	Annual Car Count	
					Initial	long-term
Government						
Washington State Legislature (2 Board letters)	state	X		Yes		
Port of Seattle (dropped its opposition)	county	?	-	?		
Puget Sound Engery (no opposition)	regional	?	-	?		
Sound Transit*	regional		X	?		
King County*	county		X	?		
Snohomish County	county	X		Yes		
City of Kirkland*	city		X	?		
City of Snohomish	city	X		Yes		
City of Woodinville	city	X		Yes		
Non-Governmental Organizations						
Brotherhood of Locomotive Engineers and Trainmen	regional	X		Yes		
United Transportation Union	regional	X		Yes		
Cascadia Center (West Coast transportation)	regional	X		Yes		
Economic Alliance of Snohomish County	county	X		Yes		
All Aboard Washington (rail advocacy)	state	X		Yes		
Taste of Washington (petition)	state	-		Yes		
Master Builders Association	regional	X		Yes		
Eastside Rail Now! (rail advocacy)	local	X		Yes		
Excursion Businesses						
Ste Michelle Wineries	global	X		Yes		
Gallo Wines (dba Columbia Winery)	national	X		Yes		
Bounty of Washington Tasting Train	local	X		Yes	1,520	2,112
Financial Support for Reactivation						
WATCO - Railroad	national	X	-	?		
American West Bank	regional	X	-	Yes		
Coastal Community Bank (S.B.A. Preferred Lender)	national	X	-	Yes		
EB5 Capital Partners.us	niche	X		Yes		
Paul Nerdrum	local	X		Yes		
Reactivation Freight Customers						
General Mills (flour)	national	X		Yes	225	250
RJB Wholesale (piping)	local	X		Yes	30	40
CT Sales (rebar fabrication)	local	X		Yes	120	155
Wolford Trucking and Demolition	local	X		Yes	750	2,000
CalPortland (aggregates)	regional	X		Yes	350	600
Aggregates West	regional	X		Yes	300	550
Ready-Mix Concrete Plant (letter pending)	regional	-		-		
					1,775	3,595
Operating Line Freight Customers						
Boise Cascade	national	X		Yes	95	120
Spectrum Glass	regional	X		Yes	95	120
Matheus Lumber	national	X		Yes	50	75
					240	315
Total Railcar Traffic		28	3	28	3,535	6,022

FINANCIAL SUPPORT



Strategic Development
1980 N. Main, Suite 10
Helena, MT 59601
P 406-495-1096
www.watcocompanies.com

Watco Companies, L.L.C.

November 25, 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

Dear Ms. Brown:

We support the reactivation of freight service between Woodinville and Bellevue, Washington. WATCO would like to impress upon the Board that the reactivation process requires an incremental approach to reestablish sustainable rail service on the line. Committed customers have provided written support for this reactivation to the Board.

WATCO has been mindful of this opportunity since our participation in the 2008 BNSF and Port of Seattle bid to provide rail service on this line. Earlier this year we expressed our requirements to participate in operating the line. With additional shippers requesting service on the railbanked portion of the line, and their stated willingness to participate financially to secure rail service, we determined that is an opportunity worth pursuing and participating in.

We believe the next steps in reestablishing rail service are to (i) gage customer commitment by requiring take or pay agreements associated with car volumes (ii) establish the customers' level of financial participation associated with the upfront cost of reactivating this line and (iii) negotiate operating and use agreements following the Board's reactivation of the line.

WATCO is prepared to work with Ballard to assume freight operations for the unit trains between Bellevue and the BNSF mainline in Snohomish, provided a supportive Board decision to reactivate the line is obtained. We expect no material issues in establishing shipping agreements and rates with the freight parties in this matter.

We understand that an excursion train business will operate also on the line. The expectation is that our crews will schedule and operate these trains to meet the needs of our shippers and help the excursion business meet their objectives. Incremental insurance requirements for passenger operations will be the sole responsibility of the excursion train and will be paid through the income generated from passenger tickets. Additionally, we support rails and trails inside this right of way provided adequate safety precautions, insurance



Strategic Development West Region
1900 N. Main, Suite 10
Helena, MT 59601
P 406-495-1096
www.watcocompanies.com

Watco Companies, L.L.C.

and use agreements with appropriate rail to trails groups taking full financial responsibility for all costs and liability incurred in building and maintaining these trails.

Because of the substantial effort and time required to complete this work along with the risk of not knowing the reactivation outcome, the necessary arrangements for financing, operating and use details cannot be fully established until a favorable Board reactivation decision is made.

We understand and appreciate the complexity and effort required to reestablish service on a rail banked line and such capital investment and agreements cannot be developed without the Board's decision. Once a favorable decision from the board is received, WATCO is prepared to apply its resources to assist in reactivating the line and to provide the customer base with the best rail service possible.

Thank you for your consideration.

Very truly yours,

Mark Blazer
Senior Vice President - Strategic Development West Region



November 22, 2013

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

RE: STB FINANCE DOCKET NO 35731
BALLARD TERMINAL RAILROAD COMPANY LLC
ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown,

AmericanWest Bank has provided financial services to Ballard Terminal Railroad Company, LLC(BTRC) since 1996. The Bank has provided BTRC capital loans for equipment and other works in the past which have always been paid as agreed. We want to continue to help BTRC grow.

Our bank has \$4 billion in assets hand and have been rapidly expanding for the past 3 years with additional capital to deploy to reach our goal of being a \$7-\$8 Billion bank within the next few years. We are fully capable of participating in a financing package for the reactivation of the Eastside Rail Corridor. However, it would be nearly impossible to know what the full scope of the financing package would look like until the Board makes a decision on whether to reactive the corridor and what limitations or requirements it asks for. Therefore before AmericanWest Bank can make definitive commitments, the Board would need to act to preserve rail service on this line.

We urge you to consider BTRC's proposal for reactivation of freight rail service over the "Kirkland" segment of the former BNSF Woodinville Subdivision. Reactivation of this line segment would also open opportunities for establishing commuter rail service & excursion train service over the 25 mile Snohomish-Woodinville-Bellevue line.

Sincerely,

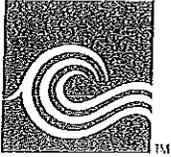


Nathan Engman

VP & Community Bank Manager

Ballard Branch
2237 NW 57th St.
Seattle, WA 98107

(206) 784-2200
(206) 784-6650 fax
AmericanWest Bank



November 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:

Coastal Community Bank is a preferred lender for the Small Business Administration. The bank has been in discussions with Eastside Community Rail, LLC working with Ballard Terminal Railroad Company since January this year, to provide capital loans for equipment and other works on the Eastside Rail Corridor. The railroad has broad community support as described in the many letters previously submitted to the Surface Transportation Board, which we have reviewed.

Our bank has \$370 million in assets and has been steadily growing for the past 3 years. We are fully capable of participating in a multi-million dollar financing package for the reactivation of the Eastside Rail Corridor. However, until the Board makes a reactivation decision, it is nearly impossible to know what that financing package and entity structure should actually be as there are many options to consider.

Given the line currently starts in Snohomish, a Woodinville terminus versus Bellevue is very significant. This also impacts the three rail use alternatives of freight, excursion and commuter. Understanding the freight customer mix and land requirements for aggregates, spoils removal and concrete production add further complexity. Additionally, transit oriented development has material financial impacts. The Board's action to preserve rail service on this line must be in place before Coastal Community Bank can make any definitive commitments.

Once we have sufficient information, a large part of which will be heavily impacted by the Board's decision on this matter, we are ready, willing and able to determine specifically what assistance we can offer to help make the Eastside line to Bellevue a success with these railroad companies.

Thank you for your understanding.

Sincerely,

Greg Starup
Vice President,
Manager of SBA Lending
425-258-5299

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

Ms. Cynthia T. Brown
June 14, 2013
Page 2

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,



Paul Nerdrum

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



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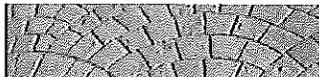


SERVICE *is our*
TRADITION
Quality Is Our Foundation

Located in Seattle, Salmon Bay is a leading supplier of Sand, Gravel and Ready Mixed Concrete. We are the Northwest's largest supplier of tools and products used in the concrete, plaster, stucco and masonry trades. At Salmon Bay, 100 years of experience has lead us to believe that...*quality products, top-notch service and honest dealings will keep customers coming back for generations.*

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Main Yard & Store | 5228 Shilshole Ave NW, Seattle, WA 98107

www.SBSG.com : 206-784-1234 : 800-774-8999

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CONTACT US TO ORDER

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COMPANY

OVERVIEW

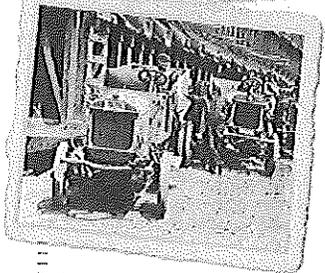
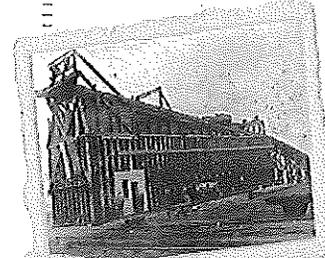
When a company can proudly lay claim to having been in business since 1907, it immediately distinguishes itself among businesses everywhere. Salmon Bay Sand and Gravel Company is just such a company.

When Samuel Nerdrum founded the company, the Ballard area of Seattle was still the City of Ballard. Cedar trees and three-masted schooners dotted the skyline, the Space Needle was unimaginable, and William Boeing had yet to build his first airplane. It was a good time to start a business in the prosperous Scandinavian logging and fishing community located on the shores of Salmon Bay.

The new company's first major project was the 1907 Alaska Yukon Exposition. At that time, there were no Ballard Locks or ship canal (they would not open until 1917), so barge loads of sand and gravel were brought into Salmon Bay at high tide and hand loaded onto horse-drawn wagons for the trip to the exposition site. These original buildings now stand as a historic part of the University of Washington campus. Over 90 years later, and still operating at its original location, this fourth-generation family-owned business has played a major role in the development of Seattle and its northern neighborhoods. Today, a fleet of modern delivery trucks transport materials throughout the Puget Sound area, over many of the same routes their early Teamster predecessors guided loaded wagons of sand, gravel and cement.

Present-day Salmon Bay Sand & Gravel has evolved into one of the Northwest's largest suppliers of construction materials. The company specializes in plaster, stucco, EIFS systems, waterproofing and restoration products, sealants, grouts, and many other construction related chemicals and products. The "Bay" is also known throughout the region for its assortment of tools and accessories for use in the trowel related trades.

Just as the assortment of products and materials has expanded over the past eleven decades, so has Salmon Bay's sales horizons. Sales of products to customers throughout the Western United States and Pacific Rim are a common occurrence, while government and military sales efforts result in materials and equipment finding their way into the far corners of the world. Whether its the Craftsman-style house in Ballard, the U.S. Embassy in Prague, or the Navy base on Diego Garcia, Salmon Bay and its employees are proud to be a part of all variety, shape, and sizes of projects, regardless if they are next door or in another hemisphere.



1920

Drivers sit proudly in their trucks, which were "chain driven" and featured "hard rubber tires".



TODAY

Today's modern Concrete Mixer Truck can carry up to 10yds of Concrete. The truck has 6 axles, which properly distributed the gross weight of 70,000 lb. to meet the weight requirements of Seattle city streets.

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www.SBSG.com : 206-784-1234 : 800-774-8999

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Home : Concrete : Sand & Gravel : Plaster & Stucco Products : Construction Products : Resources : Company : Contact

EB5 Capital Partners.us, LLC

3145 Cherry Lane • Northbrook, IL 60062 • Tel: 847-961-7245 • dlb@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.

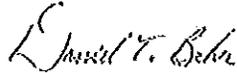
In addition, due to the demographic and market attributes of the area, the line offers substantial opportunity to re-establish a previously proven and commercially successful excursion train, further increasing the line's economic viability and value to both its existing and future rail shippers.

EB5 Capital Partners.us, LLC

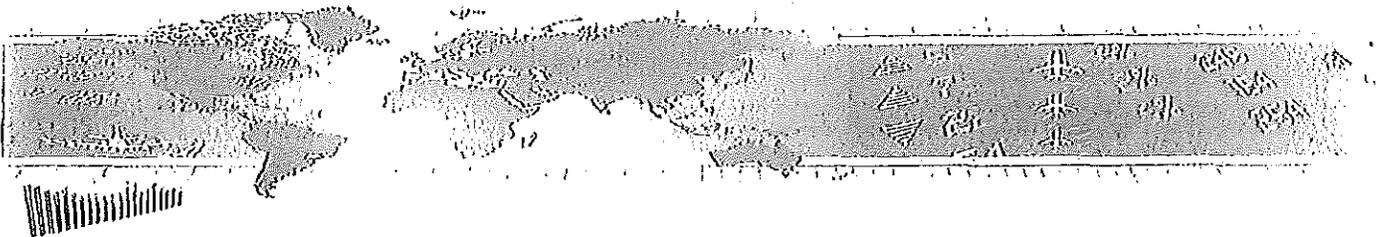
3145 Cherry Lane • Northbrook, IL 60062 • Tel: 847-961-7246 • dlh@eb5capitalpartners.us • 224-422-0772 dco@eb5capitalpartners.us

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.



SHIPPER SERVICE REQUESTS



.....
GENERAL MILLS

September 26, 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:

I am writing in support of requests to restore rail service direct to Bellevue, Washington. We currently deliver bulk truckloads of flour to a large customer there, and delivering by rail would be a large environmental and competitive benefit.

Thank you for your consideration.

Very truly yours,

Brenda Mengelkoch

Bakery Flour Sales Supervisor
General Mills

C Sales Inc

7227 W BOSTIAN RD

T WOODINVILLE WA 98072-6008
Ph (425) 483-0101 Fx (425) 485-9131

October 1, 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

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

Dear Ms. Brown,

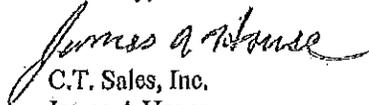
Our company, CT Sales, Inc. has offices and a fab shop located alongside the tracks of the former BNSF Woodinville Subdivision, currently served by Ballard Terminal Railroad (BTR). We are writing to urge the Board to preserve and enhance the freight rail service along this line by granting BTR's pending petition to extend their operations south of Woodinville by reactivating that rail-banked line to Bellevue.

CT Sales has existed in its present form since 1981. We fabricate steel reinforcing bars (rebar) from straight mill stock, cutting and bending the bar to meet the specifications of various concrete construction projects in the region. Last year we processed and shipped about 8,300 tons of finished re-bar, but this is still down from our high of about 14,000 tons in 2007. This year we will do about \$10M in business. We employ roughly 20 people in family-wage jobs.

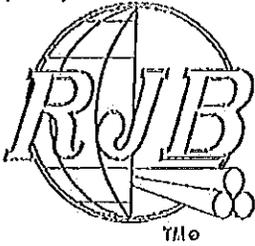
Much of our bar stock is purchased directly from Cascade Steel Rolling Mills in McMinnville, Oregon. That mill is served by the Union Pacific Railroad. It is our understanding that they could ship product to us directly by rail via UP, BNSF & BTR, with a savings in freight charges as compared with trucking. We estimate that each rail car of re-bar would replace about 2.5 truckloads. Receiving rebar via rail will allow us to more easily handle longer lengths for construction projects. It is conceivable that we could also ship finished fabrications out to Bellevue and more distant customers by rail, although more research is needed. In any event, we are actively pursuing receiving rebar by rail, which would help us bolster the revenue picture for BTR, while lowering our cost of goods sold. The fact that we would also be helping to reduce air pollution and truck congestion on I-5 between Oregon and Washington is a plus.

We hope that the STB will see fit to grant Ballard's petition to reactivate freight rail service into Bellevue. Meantime, please contact me with any question you may have about our operations, or about how we believe our business economics would be improved by adding the ability to receive raw materials and ship product by rail.

Sincerely,



C.T. Sales, Inc.
James A House
President



17 June 2013

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 B 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,

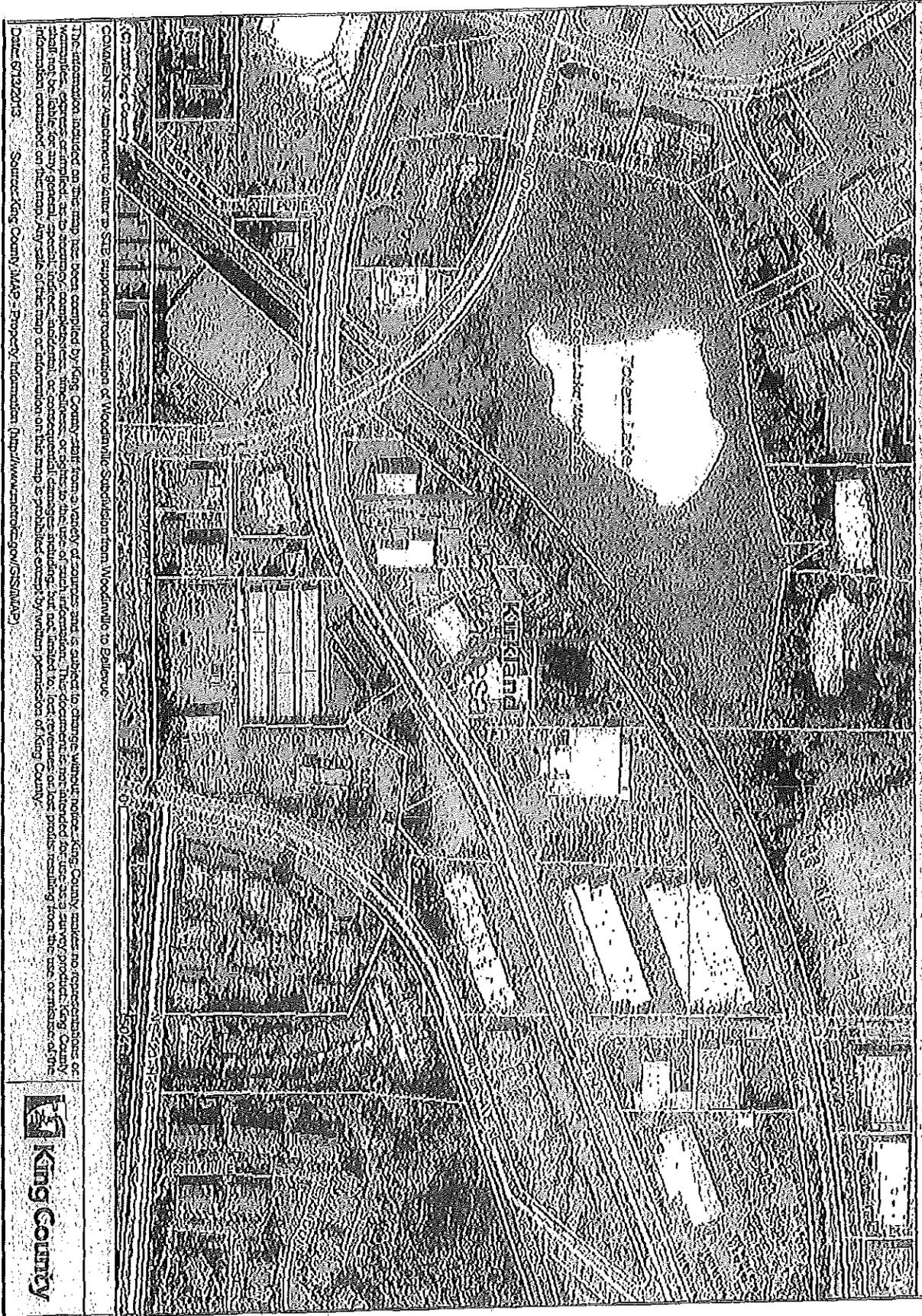
Nick Beek
by: *[Signature]*
Nick Beek
President
Enclosure: Site Map, RJB Wholesale

PIPE

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

P. O. BOX 2849
12410 N.E. 124TH ST.
KIRKLAND, WASHINGTON 98003

RJB Wholesale site



COMMENTS: Amendment to later to SUE supporting rezoning of Woodinville Subdivision from Woodinville to Ballou.

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Date: 6/12/2015 Source: King County MAPS - Property Information (<http://www.metrokc.gov/GIS/MAPS>)



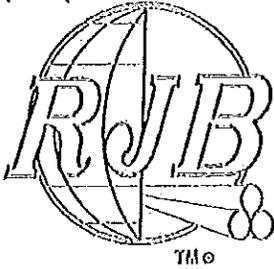
RJB Wholesale site

Legend	
	County Boundary
	Mountain Peaks
	Highways
	Forest Production District Boundary
	Rgricultural Production District Boundary
	Urban Growth Area Line
	Incorporated Area
	Streets
	Highway
	Arterial
	Local
	Lakes and Large Rivers
	Streams
	Tribal Lands
	Parcels
	Parks
	Unincorporated KC Zoning
	A-10 - Agricultural one DU per 10 acres
	A-35 - Agricultural one DU per 35 acres
	F - Forest
	M - Mixed
	R4-25 - Residential one DU per 5 acres
	R4-5 - Residential one DU per 5 acres
	R4-10 - Residential one DU per 10 acres
	IR - Urban Reserve one DU per 5 acres
	R-1 - Residential one DU per 5 acres
	R-2 - Residential 4 DU per acre
	R-3 - Residential 8 DU per acre
	R-3 - Residential 8 DU per acre (county)
	R-12 - Residential 12 DU per acre
	R-18 - Residential 18 DU per acre
	R-22 - Residential 22 DU per acre
	R-28 - Residential 28 DU per acre
	R-35 - Neighborhood Business
	CS - Community Services
	RS - Regional Services
	O - Other
	I - Industrial
	Other
	2009 Color Aerial Photos (city)
	2009 Color Aerial Photos (12in)

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Date: 8/13/2009 Source: King County MAPS - Property Information (<http://www.kingcounty.gov/ISSMAB>)





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

RJB Petition to Reconsider
STB Dockets FD 35731 & AB 6 (Sub-No., 465X)
P. 2

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 compelling 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



October 8, 2013

Ms. Cynthia Brown, Chief
Surface Transportation Board
395 E. Street SW, Room 1034
Washington, DC 20423-0001

Re: STB Docket No. 35731
Ballard Terminal RR Company, LLC
Acquisition & Exemption, Woodinville Subdivision

Dear Ms. Brown:

On behalf of our company, I wish to request from you favorable consideration to a request from Ballard Terminal Railroad Company, LLC to the Surface Transportation Board to reactivate rail service between the cities of Woodinville and Bellevue, Washington.

Aggregates West, Inc., a major supplier of aggregate and trucking services in the referenced region, would like you to consider the economic benefits associated with reactivation by utilizing a rail corridor for the transport of aggregate and other valuable commodities in an already heavily-congested area when rendering your decision. Further, we support and request that consideration be given to utilizing a reactivated corridor for rails with trails.

Should you have any questions or require additional information, please contact me at 360-966-3641 or the address written below. Thanks you for your consideration of our request.

Sincerely,

Scott Day
Sales Manager

Copies: C. Hatch
Honorable Senator Patty Murray
Honorable Senator Maria Cantwell



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



March 25, 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:

I would like to stress the importance of restoring rail service to the rail line segment between Woodinville and Bellevue, Washington via a rail line that is currently railbanked.

CalPortland is a major building materials and construction/services provider to the Western United States and Canada. We provide construction services and materials to a multitude of projects in the State of Washington generally, and in the area of Seattle, Washington, specifically.

There are several major highway and secondary roadway projects scheduled in the area of Bellevue, Washington over the course of the next several years which will necessitate the import of hundreds of thousands of cubic yards of construction aggregate materials to produce buildings, developments and roadways that are in strict accordance with all specifications for engineering parameters. We are currently targeting projects on I-405 and SR520 for the 2013 and 2014 construction seasons. Additionally, we anticipate ongoing projects in the future, on a regular basis.

In view of the proximity of these various projects to Bellevue, Washington, restoration of rail service to Bellevue is critical. Restoration of rail service from Woodinville to Bellevue is critical to the efficient transportation of these various construction materials. Use of an already overburdened highway system via truck transportation is neither efficient or very cost-effective.

The opportunity to utilize Eastside Community Rail as a viable option for the movement of these 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 utilized will allow



Ms. Cynthia T. Brown
March 26, 2013
Page 2

CalPortland, Ballard Terminal Railroad and Eastside Community Rail to service the community in the most efficient business methods possible for the Snohomish and east King County region. The addition of rail access would also promote the responsible reduction in truck fuel emissions and wear to the regions roads.

Very truly yours,

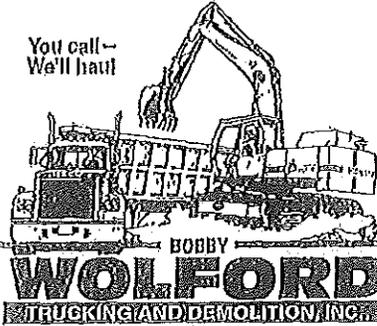
A handwritten signature in black ink, appearing to read 'Michael Skryvan', written over a horizontal line.

Michael Skryvan

Aggregate Sales Manager
Materials Group -- Northwest Division
CalPortland

22014 West Boston Rd.
Woodinville, WA 98072
(425) 827-7530/401-1800
FAX # (425) 486-6013

You call--
We'll haul



- 40 / 60 yard Debris Trailers
- Lowboys
- Belly Dumps
- Track Hoes, Loaders & Dozers

March 27, 2013 -

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

Dear Ms. Brown:

Bobby Wolford Trucking (BWT) was founded in 1972 to provide general demolition and trucking services, primarily to the real estate development industry. Since then we have added full recycling service for construction debris (such as concrete), land clearing debris, and the like. We are a Snohomish County certified "Intermediate Solid Waste Handling Facility" and processor of these materials. Our processing yard is located in Malby (Snohomish County), alongside the BNSF railroad's former Woodinville line, now known locally as the Eastside Rail Corridor (ERC).

I am writing to stress the importance of restoring rail service to the next segment of the ERC, between Woodinville and Bellevue, Washington, a rail line that is currently inactive and rail-banked. We very much support continued freight use and enhancement of the entire ERC. In fact, we have started planning with the current railroad operator, Ballard Terminal Railroad (BTR), to construct a spur track from the main rail line directly into our recycling yard. This would allow us to both receive material to be recycled from up and down the corridor, as well as to economically ship out sorted and processed materials by rail to their final disposal point, e.g., land fills in southern Washington.

Ms. Cynthia T. Brown
March 26, 2013
Page 2

There are several major highway and secondary roadway projects scheduled in the area of Bellevue, Washington over the course of the next several years. These projects, plus multiple new high-rise buildings, will necessitate the export of hundreds of thousands of cubic yards of excavated materials, building demolition waste, and roadway grading spoils. We are currently targeting projects on I-405 and SR520 for the 2013 and 2014 construction seasons. A future light rail system with a tunnel and "cuts" are within one mile of the railroad, and will also require substantial movement of spoils and raw materials. Additionally, we anticipate ongoing construction projects in the future, on a regular basis. We estimate the volume of these projects at over three million cubic yards of construction spoils over the next several years.

We need to have the rail line intact to provide this service and to be able to bid on these important projects. We have already estimated that our bid would be at least 15% less expensive to our clients than the trucking option. For us to provide competitive and viable bids, we need the rail intact and active.

We have consulted with Eastside Community Rail (ECRR), the owner of the rail freight easement in the corridor, about the logistics of moving large quantities of excavated material from construction projects in King County by rail for direct placement as road or trail base alongside their existing railroad embankment, mainly in Snohomish County. BWT has extensive experience hauling for excavation contractors. We agree with ECRR that using rail to replace thousands of long truck hauls to dump sites would greatly reduce traffic congestion and wear on the region's highways, and would obviously reduce air pollution from diesel exhaust, too. Since the BRC runs right through areas of King County where there will be many large construction projects, it makes sense to use rail cars to move excavated material out of and some bulk construction materials in to those project areas. In view of the proximity of these various projects to Bellevue, Washington, restoration of rail service from Woodinville to Bellevue is critical to the efficient transportation of construction materials. Sole use of an already overburdened highway system, which is one of the worst in the country, via truck transportation is neither efficient, cost-effective nor particularly safe.

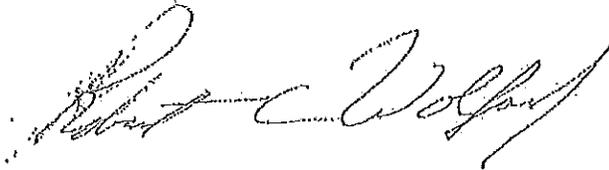
Ms. Cynthia T. Brown
March 26, 2013
Page 3

In conclusion, even though we are a trucking company, we see the benefit to all of us of maintaining a functioning, thriving railroad through the east side of both King and Snohomish Counties, and keeping our communities connected by rail to the rest of the country. We also support the multiple uses of this public corridor, like trails, or some form of passenger rail services, that so many other agencies are planning. The opportunity to utilize the Eastside Rail Corridor as a viable option for the movement of construction materials is very advantageous for this region of the Puget Sound. We look forward to a strong future for 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 utilized will help CalPortland, Ballard Terminal Railroad, Eastside Community Rail and others provide service to the community in the most efficient manner possible. The resumption of rail service to Bellevue would also promote the responsible reduction of truck exhaust emissions and wear to the region's roads.

Thank you for considering our position to reactivate the rail corridor for our business and for the community.

Very truly yours,

Bobby Wolford



Owner
Wolford Trucking and Demolition

RECENT UNION AND
LEGISLATURE
CORRESPONDENCE



Brotherhood of Locomotive Engineers and Trainmen

A Division of the Rail Conference — International Brotherhood of Teamsters

Washington State Legislative Board

Workplace Safety, Health, and Education

Shahraim Allen, Chairman

December 3, 2013

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

RE: STB Finance Docket No. 35731 – Acquisition and Exemption, Woodinville
Subdivision

Dear Ms. Brown:

The Brotherhood of Locomotive Engineers & Trainmen – Washington State Legislative Board (BLET-WSLB), representing over 700 railroad employees on two Class I railroads (BNSF, UP), one municipal railroad (Tacoma Rail), one passenger railroad (AMTRAK), and one commuter operation (Sound Transit), submits these comments on behalf of our membership.

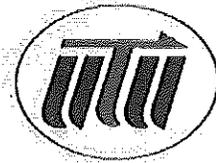
The Woodinville Subdivision has a rich historical and robust economic significance to western Washington State and the Pacific Northwest. The first rail operations on this subdivision date back 125 years to an era where passenger rail was the primary means of intrastate and interstate travel. During that golden age of railroading and continuing to present day, the Woodinville Subdivision has afforded our members many family-wage railroad jobs in passenger, local freight service, and excursion train (Washington Central Dinner Train). Unfortunately, key infrastructure (i.e. bridge) and maintenance did not keep up with the times. This led to a recent land swap that has left the future of the line in doubt.

With proper re-investment, the Woodinville Subdivision could rise from the ashes and once again be a viable multi-transportation corridor employing union crafts in rail, construction, and maintenance. That is the BLET-WSLB vision. When considering the current projected potential for rail growth in the region, and immediate rail capacity concerns related to proposed bulk commodity export facilities, the prudent course is to allow the Woodinville Subdivision to continue current rail service operations while protecting the potential for future rail options in all the categories listed above. Thank you for your careful consideration of this important matter.

Sincerely,

Mike Elliott
Brotherhood of Locomotive Engineers & Trainmen
Washington State Legislative Board

Legislative Representatives:
Local # 117 – Jourdan Marshall
Local # 161 – Brian Donald
Local # 324 – Paul McGill
Local # 426 – Darren Volland
Local # 556 – Kirk Sides
Local # 845 – Ryan Hlghsmith
Local # 855 – Steve Mazulo



Legislative Representatives:
Local # 977 – Gary Howell
Local # 1238 – Shane Sadler
Local # 1348 – Herb Krohn
Local # 1505 – Scott Larsen
Local # 1637 – Clyde Rosa
Local # 1713 – Dwayne Hawkins
Local # 1977 – Travis Anderson

united transportation union

SMART TRANSPORTATION DIVISION

International Association of Sheet Metal, Air, Rail and Transportation Workers

Washington State Legislative Board

Representing Railroad Train & Bus Service Employees of Washington State

11225 Roosevelt Way N.E., Seattle, WA. 98125

Washington State Legislative Board Executive Committee:

Herb Krohn – Wash. State Legislative Director – 206-713-5442 – email: hskrohn55@hotmail.com

Steve Mazulo – Assistant Legislative Director

Gary Howell – Board Chair and Alternate Legislative Director

Jourdan Marshall – Secretary-Treasurer; Clyde Rosa – Vice Chairman

December 2, 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 - ACQUISITION AND EXEMPTION,
WOODINVILLE SUBDIVISION**

Dear Ms. Brown:

The reactivation of this segment of the Eastside Rail Corridor has significant long-term benefits to our Union membership. We represent approximately 2,000 members in Washington State.

We understand that many short line railroads such as Ballard Terminal Railroad Company may not provide the benefits of union membership. However, we firmly believe that there will be rail service on this line in the foreseeable future, and maintaining rail traffic will make growth easier and more acceptable to the public.

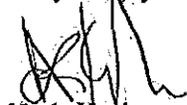
There are environmental benefits in using rail for freight service over trucks. Reestablishing the excursion train improves the quality of life in our region and facilitates greater tourism. Importantly, over 100 living wage jobs will be created with many more construction workers participating. This organization opposed closure, and fully supports local efforts and state action towards completely reopening this rail line.

Further, given the arduous traffic in the Puget Sound region, Boeing may benefit from direct transportation between their Renton 737 plant and their Everett facility. The state is keenly interested in maintaining Boeing jobs and growing them in this specific region. In 2008, the last Boeing 737 fuselage was delivered down this line. If the Board allows reactivation of this segment, there is just a single bridge, which must be replaced over I-405 to enable such service again.

We would like to impress upon the Board the importance of restoring rail service between Woodinville and Bellevue, Washington. The northern portion of the Eastside Rail Corridor can be a vital transportation link in the Puget Sound region as witness by the broad public support and freight demand, primarily in Bellevue.

Thank you very much for your consideration.

Very truly yours,



Herb Krohn
UTU/SMART Transportation Division
Washington State Legislative Director

State of
Washington
House of
Representatives



Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

December 5th, 2013

Re: Finance Docket No. 35731
Ballard Terminal Railroad Company, LLC-Acquisition and Operation Exemption—Woodinville
Subdivision

Docket No. AB-6 (Sub-No. 465C)
BNSF Railway Company—Abandonment Exemption—in King County, WA

Dear Ms. Brown,

We are writing to you as members of the Washington State Legislature concerned about preservation of Washington's rail infrastructure. As convening members of Washington's Legislative Rail Caucus, our interest in the issue before you stems from the mission of the Caucus to promote public awareness and legislative action in support of rail infrastructure as a public transportation asset.

The Eastside Rail Corridor represents a section of a regional rail network situated within a rapidly growing region. This corridor has potential capacity to accommodate opportunities for economic development, recreation, and road traffic mitigation in the corridor's communities. With this in mind, we remind you of the legislative support for rail as an often overlooked keystone of our trade-dependent state's aggregate transportation and freight mobility infrastructure, of which short line railroads are an important component.

We encourage you to fully consider the case for reactivating the Eastside Rail Corridor.

Sincerely,

Handwritten signatures of Luis Moscoso and Matt Manweller.

Rep. Luis Moscoso

Rep. Matt Manweller

EASTSIDE COMMUNITY RAIL
STATEMENT



EASTSIDE COMMUNITY RAIL BRIDGING THE GAP

November 27, 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
ACQUISITION AND EXEMPTION, WOODINVILLE SUBDIVISION

Dear Ms. Brown,

I am the owner of the reserved freight easement for the operating line on the Eastside Rail Corridor between Woodinville and Snohomish, Washington. We support and have helped finance the reactivation effort by Ballard Terminal Railroad Company, LLC. I have an MBA with over 30-years of business experience, and I am a Certified Business Intermediary (broker) where objectively determining the value of business is everything. I have been working on the Eastside Rail Corridor for six full years now, first working to save the rail infrastructure before the Port of Seattle acquired the corridor from BNSF, then to maximize the corridor potential for all stakeholders – not just the railroad. I have my life savings and tremendous opportunity cost invested in this effort.

There is a unique opportunity for communities, businesses and railroads to come together to and get what they want and provide a significant service to all the stakeholders' party to this reactivation effort. All stakeholders, including those who oppose reactivation.

1. Sound Transit will save money during construction of their East Link light rail project with favorable environmental benefits, while the railroad has pledged to work cooperatively with them to “not get in their way” during construction. Additionally, the potential of a north-south rail commuter line outside their taxing district in a public-private partnership will increase their ridership significantly.
2. King County will have a partner in constructing the long desired trail safely alongside the rail 90+% inside the rail corridor. The misguided interests who believe the only way forward is to remove the track for a trail-only solution today, substantially underestimate the future cost of adding rail back for regionally desired commuter rail transit and rebuilding the trail. Re-establishing the 15-year operating excursion train service will provide jobs and increase tax revenues while synergistically supporting tourism, the state's fourth largest industry.

3. Kirkland says they want rail transit and a trail, which they estimate to cost \$110 million for 5.75 miles. We have solid estimates that the cost to re-construct the track, replace crossings signals, and construct a maintenance of way road as a trail in the immediate future is but 1/3 this figure, a huge savings to the tax-payers, which can be done in years, not decades.

Eastside Community Rail, Ballard Terminal Railroad, WATCO and other supports need the Board's decision to reactivate this corridor to move forward. No business, financial institution or railroad can move any further forward without first getting this approval. All of the elements for success are here – now. We implore the Board to reactivate this segment of a preserved interstate rail corridor for use today.

SUMMARY

Support continues to grow...

The "Support Letter Log" clearly demonstrates that there has been a steady and increasing support for the railroad's reactivation effort. Most important is WATCO, a Class 2 railroad who sought out BNSF approval before submitting their letter. Ballard will continue to provide smaller car service, and WATCO will assume unit train freight operations.

One clear question the Board should be asking is why no other party has joined the three opposing reactivation? Not one. Not the bicycle clubs, nor the trail-only groups, nor the neighborhood groups, not even a single citizen. Why? Simply, because there is a very small group of local politicians that want their way, and they are not open to honest transparent public discussion.

Three government organizations take issue with freight reactivation. Publically they support it while their actions with the Board are otherwise. However, their actions have only galvanized the majority of citizens and stakeholders that understand the value of this rail corridor. Please note that the state is now taking up the issue in support of reactivation and financial support to rehabilitate the line along with other three local governments, two labor unions, and six other non-governmental organizations. There are now 30 parties supporting reactivation and only three opposing it.

Beyond WATCO resources, financial support has continued forward from the owner of Ballard and Salmon Bay Sand and Gravel, to two banks and one railroad specific capital group. We are also in discussions with private equity groups with an emphasis on infrastructure development with collateral focus. However, until the Board reactivates the line no commitments are possible from any financial institution.

Six potential customers are looking for rail service and have submitted letters of support. Additionally, we are in active dialogue to have a ready-mix plant to establish in Bellevue in an existing facility previously served by rail. The rail infrastructure still exists. Since plant, property and equipment are involved, no formal support will be made until the Board's reactivation decision.

The excursion train business is a broadly supported business, proven over 15-years, and a readily financeable opportunity that helps to reduce the maintenance overhead of freight operations. Please review the prior submission from Kathy Cox of Marketing Philharmonics.

The Money is there, waiting...

Waiting for a Board decision is the unanimous position. Is it "the chicken or the egg?" In the financial world, there is understandably substantial uncertainty regarding the STB reactivation process. Further, there is significant effort required to develop a financing package, let alone three; freight, excursion and real estate development, all of which stand on their own, but require reactivation to start and realize the synergies to grow based on the freight railroad business.

The extensive and detailed freight and excursion businesses are based on a financial model and plan that has been reviewed and verified by two third parties to this matter. The best strategy and plans mean nothing without execution. Strong financial partners will make this possible.

The Small Business Administration, state, WATCO, private equity group, local bank (working capital) will all be involved in the financing package, which adds more dimensions. Such a financing package is not uncommon. It simply has to be worked through the process a step at a time matching interests, deliverables and expected outcomes. Finally, a FRA RRIF loan will be used to consolidate debt and acquisitions with a long-term 35-year low interest loan, which will provide on-going stability and predictability for the railroad.

The first step after reactivation is determining the state's financial commitment, if any, and putting the freight operations package together with a mind toward the excursion service, which lowers maintenance of way overhead. Simultaneously, the excursion business will be completing their business and financial plan. Meanwhile the real estate development team will initiate their long-term planning, although two sizeable sites have been preliminarily evaluated. A broad group of stakeholders are ready, willing and able to execute their portion of the business opportunity based on freight rail reactivation to Bellevue.

The state may provide a \$10 million grant to rehabilitate the track since it is on public property. A \$10M SBA loan is expected for the excursion service and some freight facilities. WATCO and private equity will complete the package, but the amount is impossible to determine today. The consensus first step for financing any of this is the Board's reactivation decision.

Freight Rail Business Plan: Construction Supply Chain Via Rail

The essence of the freight business plan is simple. The railroad will facilitate the development of a supply chain system utilizing the railroad to avoid the heavily congested roadways. A newly released "TomTom Traffic Index" shows Seattle has the 4th worst traffic in the country. Spoils removal, aggregates, cement, rebar, lumber, drywall can all be delivered more cost effectively while reducing

air pollution, reducing traffic congestion and utilizing less diesel fuel. A Bellevue rail yard site has been identified with three spurs serving this rail ready facility. (see EXHIBIT)

Bellevue construction projects in the previously submitted "Spoils Hauling Analysis" clearly demonstrate the savings and environmental benefits. There is a major project across the street from the Bellevue rail yard. The RAC Final Report states; "North of the East Link Hospital Station, the City of Bellevue is planning for an increase of 10,000 jobs and 5,000 housing units over the next 15 years in the BelRed area, which includes the 36-acre Spring District." According to the Bellevue city manager and Ray LaHood, the Eastside is the largest urban redevelopment area in the country.

Please note that this immediate area is home to Microsoft, Nintendo, Expedia, AT&T Wireless, T-Mobile and Google is on the line with Boeing having multiple facilities on or near the line. Sound Transit and Bellevue have identified TOD opportunities along the rail corridor (see EXHIBIT). Note that East Link "Temporary Construction Staging" is outside the rail corridor (see EXHIBIT). This region is a high-growth area that will continue long into the future. Construction logistics are critical, and the railroad can readily help with a free flow of goods and relatively small footprint in Bellevue by stakeholders executing this plan.

Environmental Benefits are Clear

Our calculations from the "Spoils Hauling Analysis" (see EXHIBIT) have not been disputed, and there is a desire to generate actual data as a benchmark. By utilizing rail to remove three million cubic yards of spoils the equivalent size of the Sear Tower in Chicago with a footprint the size of a football field, there are:

- cost advantages versus truck alone
- fuel savings
- air quality improvements
- reductions in traffic congestion
- reductions in road wear

This is well articulated in the Cascadia Letter to the City of Bellevue (see EXHIBIT). Please note that Bellevue has not opposed reactivation.

TomTom Traffic Index Shows the Worst, Best Cities for Traffic in the U.S. and Around the World

TomTom today released the sixth edition of its TomTom Traffic Index, the world's most accurate barometer of traffic congestion in 169 cities across six continents. The full report and country/city data can be viewed today at www.tomtom.com/TrafficIndex.

In the U.S., the report examines traffic in 53 metropolitan areas with a population of more than 800,000, and found that Los Angeles continues to be the most congested city in the U.S., with traffic at an all-time high since the study's inception. TomTom estimates that 8 work days (64 hours) are lost worldwide to traffic congestion. U.S. cities have a max. average loss (based on Los Angeles) of 92 hours, or 11.5 days.

The TomTom Traffic Index compares travel times during non-congested hours (free flow) with

travel times in peak hours. Based on these comparisons, TomTom Traffic Index reports that the top ten most congested U.S. cities, ranked by overall Traffic Level, in Q2 2013 were:

1. Los Angeles: Traffic increased two percent to its highest levels seen in last six years 2. San Francisco: Moved up from third place in Q1 3. Honolulu: Moved down from second place in Q1 4. **Seattle: Ranking remained the same.** 5. San Jose: Ranking remained the same 6. Washington, DC: Ranking remained the same 7. New York: New to the Top 10 in 2013; up from #11 8. Portland: New to the Top 10 in 2013; up from #12 9. Boston: New to the Top 10 in 2013; up from #21. 10. Chicago

The Board must consider the environmental impacts and benefits of utilizing freight rail via this corridor versus trucks on heavily congested roadways.

Railbanking

Publically, the region fully acknowledges their railbanking responsibilities, although their personal statements of “freight is a non-starter” and “we will never allow you south of Woodinville” reveal the politicians from three government agencies true intentions. However, 30 parties have stepped forward to support reactivation, while no others have stepped forward to oppose it.

Although acknowledging their railbanking and environmental responsibilities, these agencies failed to provide or allow any hearing of rail potential did not live up to railbanking responsibilities, is not providing stewardship of an interstate asset, and these governmental entities should be held to account by the Board by allowing freight reactivation.

There is interstate commerce to be realized with reactivation; lumber from Canada and other states, aggregates from Canada and local quarries, cement from the Far East, sand and soda ash from the Rocky Mountain states, drywall from the southwest, and rebar from Oregon.

A bona fide shortline railroad with 16-years of experience on three lines has brought in WATCO a Class 2 railroad with resources to operate the expected unit trains required with reactivation.

Financiers, banks and individuals have stated their ability and intention to support the railroad with reactivation – once that Board decision has been made. All of the elements are here today for success, but all first require a favorable Board decision. There is no other way forward.

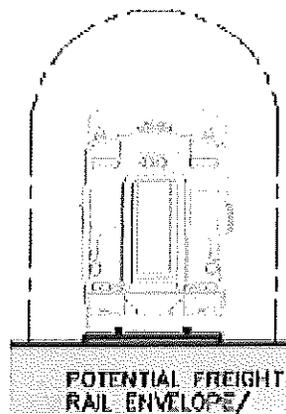
BOARD OPTION

1. STB grants reactivation to begin freight operations on the railbanked segment within 24-months.
2. King Co, Sound Transit, Kirkland and other parties shall cooperate fully with the RR in its reactivation efforts. Any lack of cooperation or delays by the opposing parties shall be grounds to restart the 24-month period.

REBUTTAL

Sound Transit

First, there is far less than a mile of overlap with Sound Transit where East Link primarily is elevated. Sound Transit has planned to allow freight rail in its short East Link overlap within the rail corridor. The railroad plans to occasionally use this overlap for tail end movements. From Sound Transit's "Hospital Station Memo Draft.pdf" a picture is worth a thousand words (see EXHIBIT).



As demonstrated in Sound Transit's discovery response, although the agency owns a "high capacity easement" there is no plan, approval or funding to utilize this rail corridor in the future. And even when these are obtained, it is a regional consensus that it will take decades before any construction might occur. The routing in discussion is for a new right of way east of I-405 through Kirkland, which will cross this rail corridor once and skips Woodinville.

Sound Transit's Link system is double tracked everywhere. Sound Transit exposed their true intention to not use the corridor in a memo to Woodinville by declaring there is no need to double track an existing railroad bridge needed to access the downtown area (see EXHIBIT). Despite repeated requests for discussion on this matter, Sound Transit refused to return calls or answer emails earlier this year before litigation on this matter began.

Kirkland

Kirkland's city manager and former interim King County Executive, where he assumed responsibilities from Ron Simms, has led this "pet project" to remove the rail as quickly as possible with the help of others he brought from King Co. This was accomplished without open public dialogue. Rail interests were never allowed to discuss ideas with the city's economic development

committee or transportation commission even before litigation. See the email (EXHIBIT) as an example, which came shortly after Kirkland's city manager presented to the regional TRailways Alliance.

Kirkland's failed to respond to the discovery requests other than their Urban Land Institute Study that can be publically obtained in higher quality resolution as a single document.

Kirkland has failed to substantiate any of their figures and estimates provided to the Board.

Officially agreeing to plan for freight rail use of the rail corridor, yet excluding railroads with interest in using the corridor from those discussions or plans is hypocrisy at its finest.

King County

First, King County has not even paid the Port of Seattle for its portion of the corridor, has no funded trail plans let alone construction funds, yet curiously holds the freight reactivation rights.

As sworn by Pam Bissonnette, former King County representative for the acquisition of the corridor, now working for the City of Kirkland, at the signing of the BNSF sale to the Port of Seattle; "we will never allow you south of Woodinville." Please do not forget that Jane Hague, King County Councilmember and lead of the Regional Advisory Council, declared, "freight is a non-starter." These statements from King County leadership should provide the Board clear insight as to their intentions to never allow freight on the corridor, despite their commitment to the railbanking provisions.

KC ERC RAC

King County Eastside Rail Corridor Regional Advisory Council

A select group of "owners", including Puget Sound Energy with a utility easement, but excludes Ballard and Eastside Community Rail who owns the reserved freight easement, the Port of Seattle who is divesting itself completely of the Eastside Rail Corridor, Snohomish County where 14 miles of the corridor exist and is purchasing this segment from the Port, and the City of Snohomish where the final segment exists, which they own.

The select group of owners is King County (leading entity), Kirkland, Sound Transit, Redmond, and Puget Sound Energy (PSE). Notice that Redmond, PSE and the Port of Seattle have not joined in objecting to the reactivation request by Ballard. Those other interested agencies where the corridor runs through their boundaries and support rail and trails have been excluded.

Fundamentally, the reactivation opposition have all publically agreed and planned for potential reactivation of this railbanked rail corridor for freight use. Their drawings, statements and report bear witness to this fact.

Creating Connections

Recommendations on Eastside Rail Corridor from Regional Advisory Council

“The goal for the ERC is that it will be a multiuse corridor that would be able to accommodate trail, high-capacity transit, and utility use, as well as freight use if the railbanked portion of the corridor is ever reactivated for freight.

“The ERC’s southern portion was “railbanked” for possible resumption of interstate freight service under the federal National Trails Act, and is subject to the legal obligations imposed by it.

“Just north of NE 8th Street, Sound Transit is designing a segment of the East Link light rail line and the Hospital Station. Due to a pinch point on the corridor in this area, Sound Transit will be purchasing additional property to provide space for the station and light rail tracks. Coordinating multiple uses in the station area will be challenging.

“To address a 30-foot pinch point in the station area, Sound Transit plans to purchase additional property for the station.” King County or Bellevue will also have to acquire land to facilitate a trail. Reactivation of the rail corridor has little to do the ability to have light rail above, utilize the existing freight railroad, and develop a trail.”

Comparative Regional Trails

As identified in the “*RAC Recommendations Appendix*” the national comparison trails have primarily freight rail with trails (see below). The important consideration here is that for some reason, even knowing the success of rails and trails throughout the world, having representatives from the select group of regional trails present their stories to the RAC and “technical group”, these local politicians want a trail-only corridor and oppose reactivation, even though they publically say otherwise.

SMART

“The **Sonoma Marin Area Rail Transit (SMART)** corridor will be a 70-mile, multiuse freight, passenger rail and trail connection along Highway 101 north of San Francisco.”

Santa Cruz

“The 31-mile long **Coastal Rail Trail** in Santa Cruz, California, is being planned as a multiuse corridor with freight and future passenger rail service alongside a bike and pedestrian pathway on the Pacific Coast.”

Portland’s Springwater Corridor

“Where a trail and freight rail share the corridor RAC members learned that other multiuse trails around the country generate heavy use throughout the year. For example, in Portland’s Springwater Corridor, where a trail and freight rail share the corridor, it is estimated that 1 million people per year use the trail.”

Minneapolis St. Paul
Hiawatha LRT (Blue Line) & SW LRT (Green Line) – Minneapolis, MN
Light rail, recreational trail, and freight

West Rail Line, Denver
Light rail trains, bike/pedestrian trail, and utilities

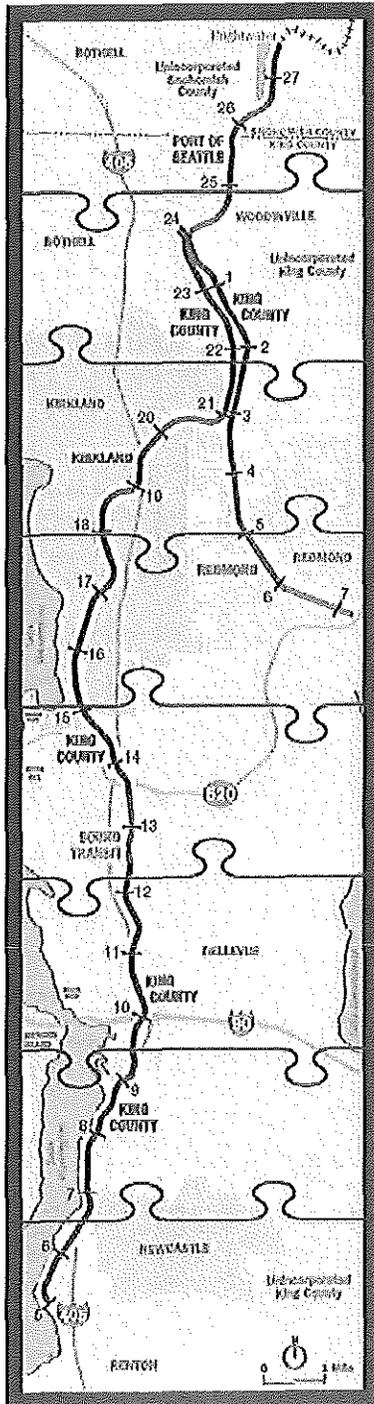
In conclusion, there is a viable railroad opportunity here, today, that allows the interests of all the parties involved to be realized. A regional trail that will connect over 170 miles of existing trails, an excursion train expanding state tourism, and real estate development will all be based on re-establishing freight on this rail corridor. Even WAITCO recognizes that the next step forward is a Board decision to reactivate this corridor.

Thank you kindly for your careful consideration of this fundamentally sound opportunity.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Douglas Engle".

Douglas Engle
Managing Director
Eastside Community Rail, LLC



Creating Connections

Recommendations on
the Eastside Rail Corridor
From the Regional Advisory Council



October 2013

PURPOSE OF THIS REPORT

The legislation that established the Regional Advisory Council (RAC) described several expectations for the group's work, including

- Coordinate planning and development activities to the extent possible to ensure effective use of the southern portion of the Eastside Rail Corridor (ERC) and the Redmond Spur.
- Oversee the partner planning process including implementing and coordinating the trail, high-capacity transit, and utility uses in the ERC.
- Coordinating with affected cities around local planning and development.
- Address both near-term and long-term recommendations.
- Recommend any needed changes to the county's countywide planning policies.
- Reach out to a broad spectrum of stakeholders.

This report provides a summary of the RAC's work to accomplish those objectives, and identifies actions necessary to continue this collaborative approach among the owners. The report begins by describing the RAC's vision for the corridor, the history of the ERC, and the process used by the RAC to develop these recommendations.

In the subsequent chapters the report

- Details the **current conditions** in the corridor, broken into five planning segments. It describes current uses adjacent to the corridor, the major constraints that will need to be resolved (pinch points, steep slopes, narrow trestles, etc.), opportunities for connections (trails, high-capacity transit, parks, utility corridors, etc.), and any significant plans of neighboring communities that could impact the corridor.
- Presents several **Principles** developed by the RAC to guide more detailed recommendations.
- Makes recommendations divided into several sections:
 - Creation of a **regional legacy** for future generations, outlining plans to promote the corridor as a regional spine for mobility and economic development, be developed to capture local culture, history, and scenic values, and reflect the values of public health, public safety, equity and social justice, and sustainability.
 - Suggested **regional policy framework** for future decision making about the corridor.
 - Proposed **transportation and high-capacity transit solutions**.
 - Potential **shared corridor guidelines**, which provide guidance on possible planning and development standards that the owners may want to create and use in common.
 - **Approaches to constraints and opportunities** offering guidance to address some of the challenges and possibilities in the corridor.
 - **Creating community support**, which will be essential for planning and developing the ERC. Plans created for the corridor must reflect community values.

In conclusion, the report describes the RAC's suggested **next steps** to continue this important work.

October 2013

Dear Friend:

Our region was built around connections.

From the trading paths of Native American tribes to the sea routes, from Puget Sound to Asia, from the railroad lines that stitched the Pacific Northwest to other parts of our continent to the utility lines that brought power from the region's rivers to cities and factories, we have long relied on connections to obtain what we need and to market what we produce, whether that be salmon or timber, airplanes or software.

In the 21st century, those connections are more important than ever. King County is thriving and growing, and our continued success depends on our ability to help people and goods move quickly and easily around the region.

That's why the Eastside Rail Corridor is so important. This former rail line stretches from Renton to Woodinville and Redmond, connecting communities up and down the east side of Lake Washington, and offering opportunities to connect to trails and transportation systems from Vancouver to Vancouver, and beyond.

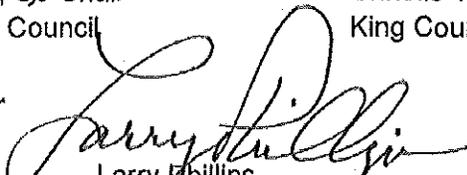
On behalf of the owners of the Eastside Rail Corridor, we are delighted to present these recommendations from the first phase of a regional planning effort for what will become a multiuse corridor offering connections for trails, high-capacity transit, rails and utilities for generations to come. We hope you will work with us as we continue the work of developing this corridor to create vital connection for our region.

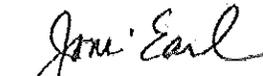
Sincerely,


Jane Hague, Co-Chair
King County Council


Christie True, Co-Chair
King County Executive's Designee


Kathy Lambert
King County Council


Larry Phillips
King County Council

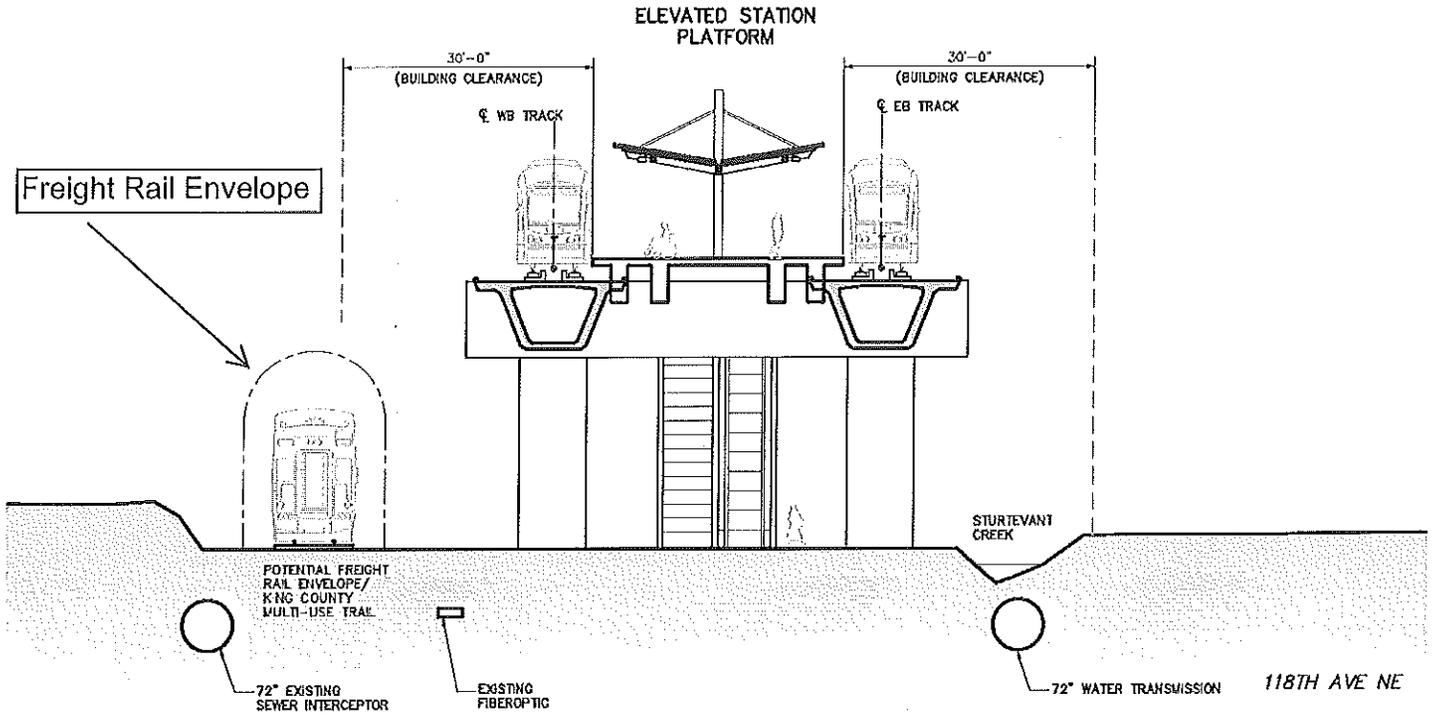

Joni Earl
Sound Transit


John Marchione
City of Redmond

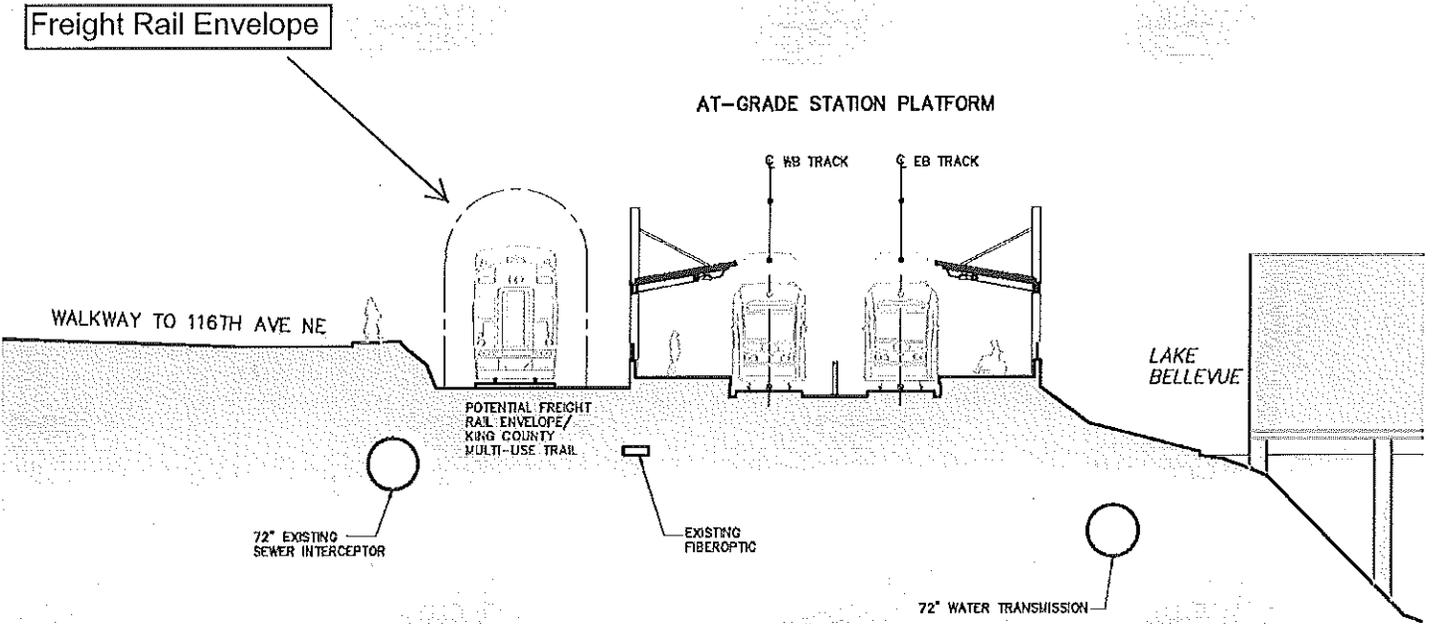

Joan McBride
City of Kirkland


David Namura
Puget Sound Energy



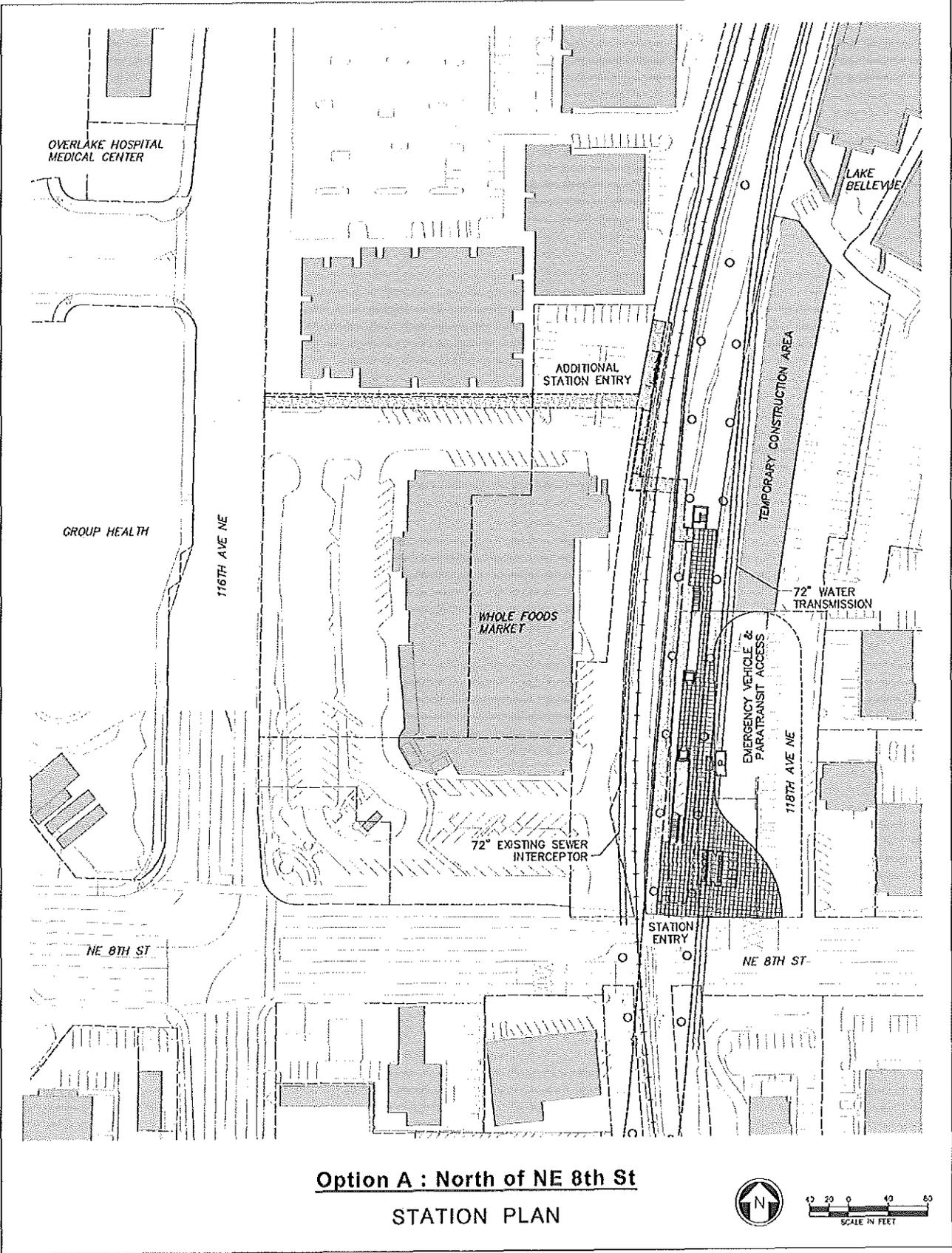


Elevated Station

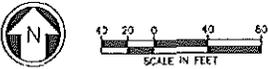


At-Grade Station

Typical Corridor Cross Section



Option A : North of NE 8th St
STATION PLAN



As previously discussed, measures would be developed to protect Sturtevant Creek during construction. After construction, the creek would remain in an open channel, consistent with City of Bellevue regulations.

Construction Risk and Effects

Sound Transit has developed a qualitative assessment of the disruption to residents, businesses, and street-level activity associated with each option. This measure is intended to highlight the differences between the most intense construction phases for each option during the time that those who live, work, or do business in the surrounding environs would most likely be affected by construction activities.

Construction duration is determined by construction type and typical production rates for each type. The reported qualitative comparison is based on assessment of a typical project comprising the different types. The actual construction schedule will depend on the type of construction, timing of the start of construction, and other factors that will not be known until final design. The size and location of property designated for construction staging relative to the station site will have a bearing on the temporary impacts to adjacent properties and ease and duration of construction.

4 TRANSIT-ORIENTED DEVELOPMENT

The City of Bellevue has identified six specific areas in the vicinity of the hospital Station options that have the potential to support existing and future transit-oriented development (TOD) (*see TOD Areas Map on p. 12*). The current forecast is for approximately 10,300 total jobs in these six areas by 2030 along with roughly 1,425 residents. High, Medium and Low rankings have been used to assess each of the areas by station location options (*see TOD Assessment on p. 13*).

Area 1: Medical Institution District and Medical Office area north of NE 12th Street, including Children's Hospital.

Area 2: Medical Institution District west of 116th Avenue south of NE 12th Street, including Group Health and Overlake Hospital Medical Center.

Area 3: Medical Office east of 116th Avenue NE south of NE 12th Street, primarily zoned for high-rise medical office.

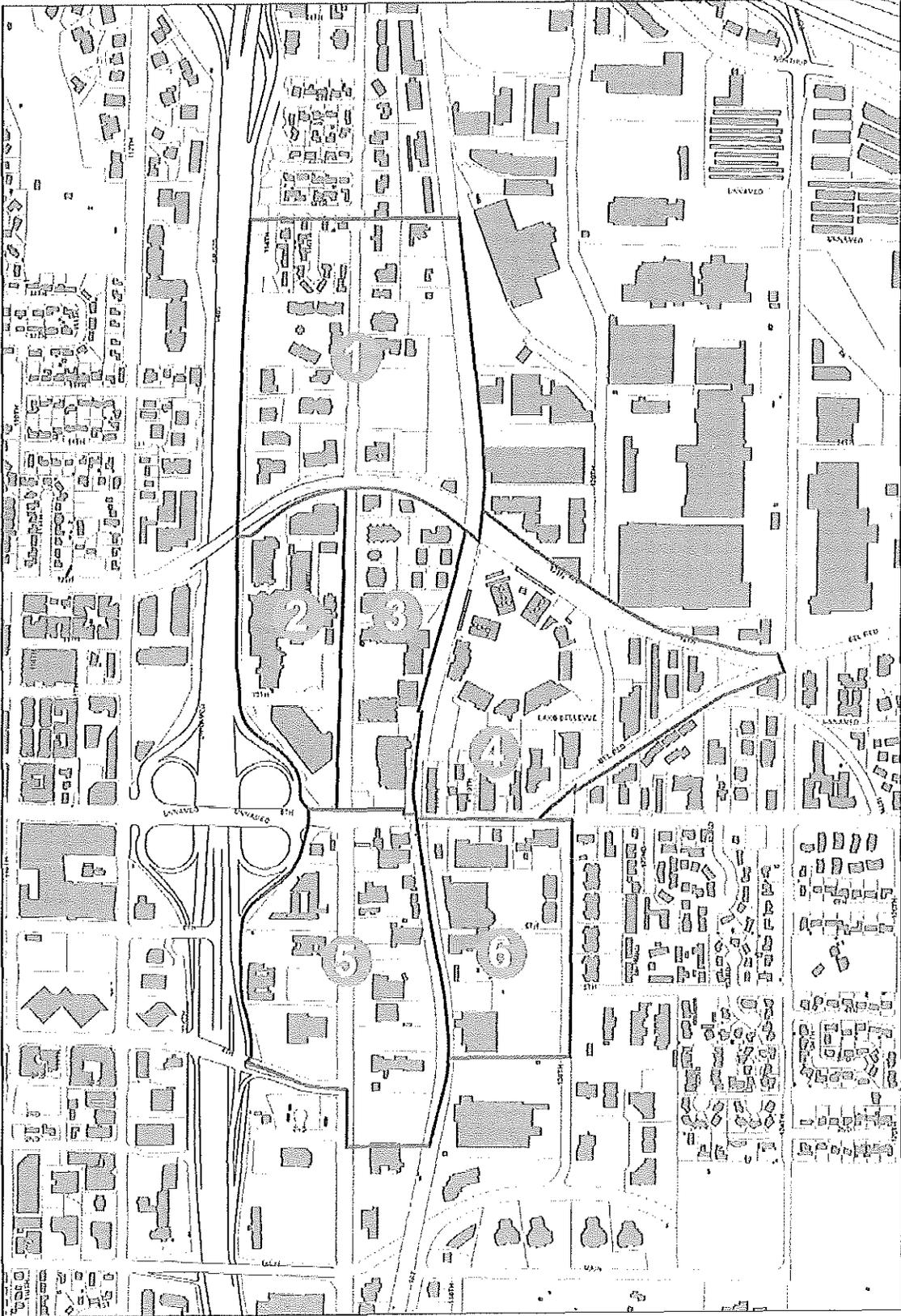
Area 4: Lake Bellevue/Brierwood Center, zoned for low-rise commercial and mid-rise mixed use development.

Area 5: Wilburton Opportunity Area west of BNSF; the City's Comprehensive Plan anticipates transit supportive land uses.

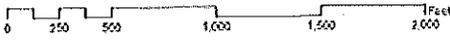
Area 6: Wilburton Village east of BNSF; the City's Comprehensive Plan supports mid-rise, mixed use redevelopment.

5. SUMMARY OF STATION OPTIONS

The *Summary Matrix on page 15* presents the measures and qualitative ratings for each option according to the evaluation criteria. The following is a discussion of the key differentiating features for each station location. (*see Station Plans on pages. 18-21*).



TOD Areas



TOD Assessment					
Criteria	Measure	Option A: North of NE 8th St	Option B: Span NE 8th St	Option C: South of NE 10th St	Option D: At-Grade, North of 10th
Transit-Oriented Development (TOD) Ability of station location to support existing or potential TOD in specific areas (see map)	AREA 1: Medical Institution District and Medical Office area north of NE 12th St; includes Children’s Hospital.	Low	Low: similar to Option A	Low: similar to Option A	Medium
	AREA 2: Medical Institution District west of 116th Ave south of NE 12th St; includes Group Health and Overlake Hospital Medical Center.	High	High: similar to Option A	High: similar to Option A	Medium
	AREA 3: Medical Office east of 116th Ave south of NE 12th St; primarily zoned for high-rise medical office.	High	High: similar to Option A.	High: similar to Option A.	High
	AREA 4: Lake Bellevue / Brierwood Center; zoned for low-rise commercial and mid-rise mixed use development.	Medium	Medium: similar to Option A.	Medium: similar to Option A.	Low to Medium
	AREA 5: Wilburton Opportunity Area west of BNSF; City’s Comprehensive Plan anticipates transit supportive land uses.	Medium to High	High	Medium to High	Low
	AREA 6: Wilburton Village east of BNSF; City’s Comprehensive Plan supports mid-rise, mixed use redevelopment.	Medium to High	High	Medium to High	Low



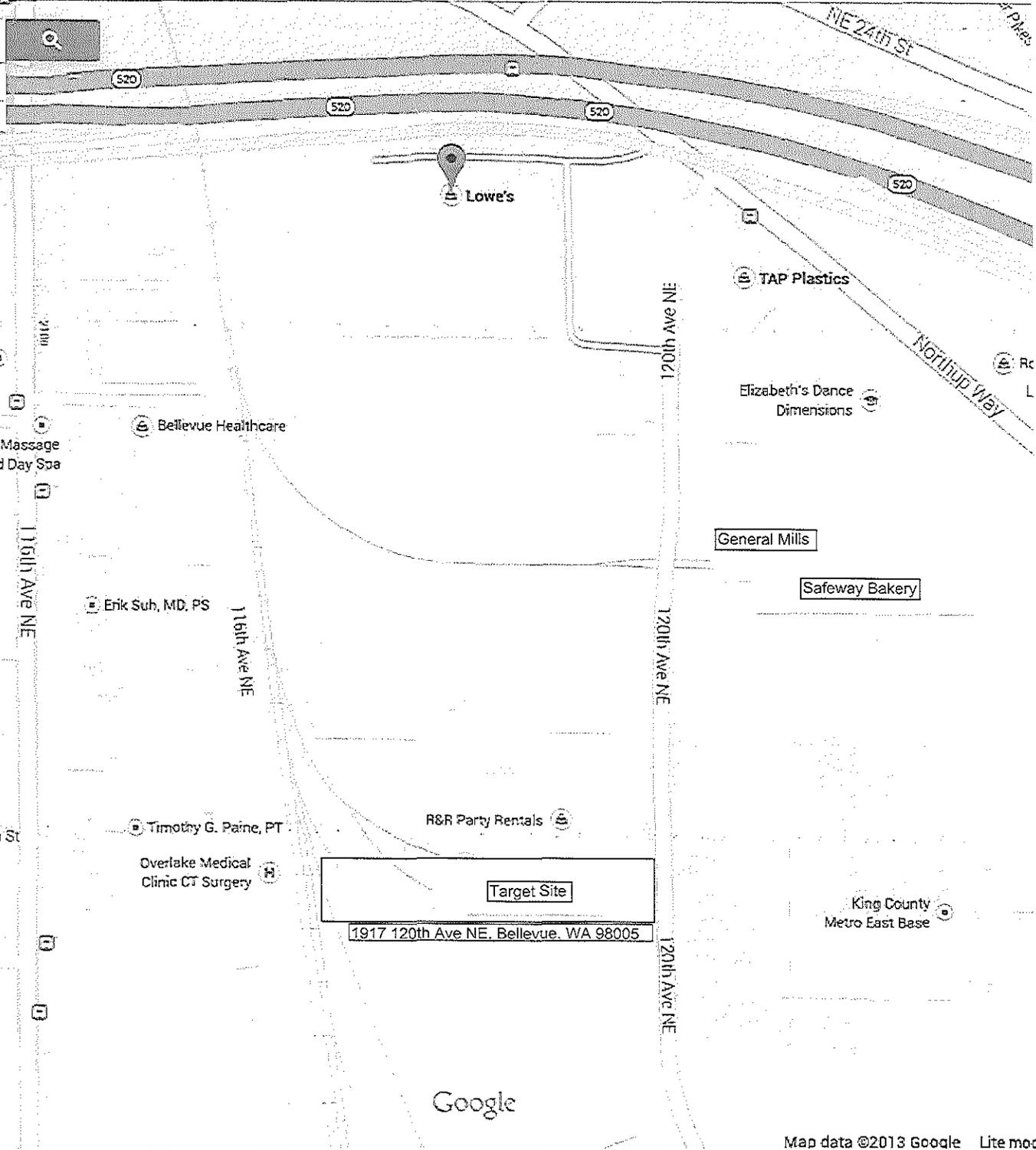
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Associates



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December 7, 2012

The Honorable Conrad Lee
Bellevue City Council
PO Box 90012
Bellevue, WA 98009-9012

Dear Mayor Conrad and Councilmembers,

The Cascadia Center for Regional Development and All Aboard Washington urge the City of Bellevue to initiate a multi-stakeholder regional study of the feasibility for the temporary use of the Eastside Rail corridor to bring construction equipment and material in and out of proposed major public and private development projects in Bellevue slated for the next few years.

The severance of the Eastside Rail line at the Wilburton Tunnel as part of the WSDOT widening of I-405 and the lack of rail connection between the southern terminus of the line at Gene Coulon Park and the BNSF north south mainline in Tukwila dictates the exploration of this transportation option north from Bellevue to Woodinville and the Snohomish intersection with the BNSF Stevens Pass line. Any further track removal of the Eastside line would be held in abeyance pending the results of the study.

Funds could be secured through applications to the state freight rail assistance program or requests in the state capital budget. Freight is currently being hauled on the Snohomish to Woodinville section of the Eastside Rail corridor. In addition, Congestion Management Air Quality (CMAQ) funds through the Puget Sound Regional Council could be sought for the study. The study would be proposed in partnership with other corridor stakeholders.

Alternatively, or in concert funds from the federal Department of Energy, Environmental Protection Agency, and Federal Railroad Administration could be sought to explore the use of natural gas powered locomotives as a pilot project. Railroads are increasingly exploring natural gas as a more fuel efficient and emission reducing environmental option to traditional diesel powered locomotives. Canadian National Railway estimates that retrofitting diesel-electric locomotives with natural gas produces 30 percent less carbon dioxide and 70 percent less nitrous oxide emissions.

The former owner of the line, Burlington Northern Santa Fe Railway, is also conducting tests of natural gas powered locomotion. Westport Innovations and Caterpillar formed a partnership this year to apply Westport's high pressure direct injection (hdpi) technology on Caterpillar's Electro-Motive Diesel locomotives and should be invited to participate in the project.

The alternative is the use of hundreds of thousands of double dump trucks for major projects such as Sound Transit's East Link tunnel, Bel-Red Corridor development and expansion of Lincoln Square among others. The cumulative impacts of diesel truck emissions, traffic

congestion and wear and tear on local roads and state highways – on top of the current SR520 and I-405 projects – is daunting. The Final EIS for North Link documents hundreds of trucks per day in use in the 16 months of tunnel construction for removal of spoils and many more daily truck trips for periods of heavy concrete pouring. **We are lucky to have a rail option adjacent to the Bellevue projects and should take advantage of a greener transportation alternative consistent with the Puget Sound Regional Council and Port of Seattle policies on transportation and climate change.**

In addition to potentially reducing costs to taxpayers and consumers from the use of rail, public health is a major consideration. According to the Puget Sound Clean Air Agency, *"diesel exhaust is a significant source of fine particle pollution, as well as a combination of more than 40 substances that are listed as hazardous pollutants. Because of their microscopic size, these fine particles can become trapped in the small airways of the lungs when they are inhaled...particulate matter from diesel exhaust overwhelmingly presents the highest health risk in the Puget Sound area, making up an estimated 78 percent of the potential cancer risk from exposure to outdoor air toxics. Diesel particulate matter is also linked with health effects including heart problems, aggravated asthma, chronic bronchitis and premature death."*

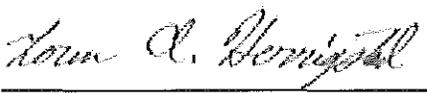
The Cascadia Center and All Aboard Washington have many other reasons (as documented in our attachments) to retain and rehabilitate the existing rail track (as a more cost effective option to tearing out and rebuilding new tracks in the future) while jointly developing an adjacent trail. The hundreds of rail *and* trail projects in the country today illustrate how one depends on the other.

These are issues that can be addressed in the regional planning process proposed by King County. Exploration of the environmental benefits of interim use of the Eastside Rail line would also require modification of the 2013 timeline for removal of rail tracks by the City of Kirkland.

The costs of a potentially temporary realignment of a local trail do not outweigh the potential benefits to the central Puget Sound region from construction savings in tax dollars, enhancements to public health, air and water quality and reductions in impacts to roadways from hundreds of thousands of double dump trucks in and out of construction sites.

We trust you agree.

Sincerely,

	
Bruce Agnew Director, Cascadia Center for Regional Development	All Aboard Washington

CC: Steve Sarkozy, Bellevue City Manager
 Dennis McLerran, EPA Region 10 Administrator



July 2, 2012

Thomas Hansen
Public Works Director
City of Woodinville
17301 133rd Avenue NE
Woodinville, WA 98072-8534

Dear Mr. Hansen:

This is in regard to your June 5, 2012, letter about Woodinville's Sammamish Bridge Replacement project (No. 202/35) adjacent to the Woodinville subdivision rail line, for which Sound Transit has a high capacity transit easement.

Thank you for coming to meet with Sound Transit planning and engineering staff and management on May 29, 2012, to discuss your project. Staff has reviewed your project plans and determined that they accommodate and will not have a detrimental effect on Sound Transit's high capacity transit easement for the corridor.

In answer to the questions you raised in your letter, we have the following responses:

- 1) The City's planned project to widen the Sammamish River Bridge does not impact Sound Transit's ability to fully utilize the agency's high capacity easement along this section of the rail corridor.
- 2) The City does not need to make any revisions and/or accommodations to its planned project as identified in the 60% submittal plans attached with your June 5, 2012 letter, so as not to preclude Sound Transit's ability to utilize its easement in the future.

If you make any changes to your final plans that encroach on the Sound Transit high capacity transit easement, please contact me at 206-398-5124 to discuss. In addition, please send me a copy of your certified right of way plans and final plan documents and as-builts when your project is complete.

Sincerely,

David Beal
Director, Planning and Development

Cc Jennifer Belk, Deputy General Counsel
Eric Beckman, Project Director, Design Construction and Construction Management
Andrea Tull, Senior Transportation Planner
Nancy Bennett, Property Management Manager

Central Puget Sound Regional Transit Authority • Union Station
401 S. Jackson St., Seattle WA 98104-2826 • 206-398-5000 • 1-800-201-4900 • www.soundtransit.org

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Tacoma Mayor

Peter von Reichbauer
King County Councilmember

CHIEF EXECUTIVE OFFICER

Joni Earl

From: Kathy Cox kathy@marketingphilharmonic.com

Subject: FW: TRailways Alliance

Date: 21 June 2013 at 10:06 AM

To: Karen Guzak Karen@KarenGuzak.com, Les Rubstello psakayk@gmail.com, Bruce Agnew bagnew@discovery.org

Cc: Doug Engle dengle76@comcast.net, Ernest F. Wilson ewilson@spiretech.com



FYI....

From: David Godfrey [mailto:DGodfrey@kirklandwa.gov]

Sent: Friday, June 21, 2013 10:02 AM

To: 'kathy@marketingphilharmonic.com'

Cc: 'TomNeir@gmail.com'; Oskar Rey

Subject: TRailways Alliance

Hi Kathy:

I'm following up on your email to Tom Neir with an offer to present information about the TRailways Alliance to the Kirkland Transportation Commission. The City must respectfully decline your offer. As you know, the City is involved in contested proceedings before the Surface Transportation Board with Ballard Terminal Railway Company and Eastside Community Rail over freight service reactivation of the Eastside Rail Corridor. Due to pending dispute between Ballard, ECR and the City, the City considers it inadvisable to have such a presentation.

David Godfrey, P.E.
Transportation Engineering Manager
City of Kirkland Public Works Department
(425) 587-3865

Caring for your infrastructure to keep Kirkland healthy, safe and vibrant.

NOTES FROM:

Recommendations on Eastside Rail Corridor from Regional Advisory Council

CONDITIONS, CONSTRAINTS, OPPORTUNITIES PLANNING SEGMENTS

D. Develop the Corridor Consistent with Federal Railbanking Requirements

The acquisition of the ERC by the five owners is subject to the federal Rails-to-Trails Act (See Appendix 5 for a description). The Act allows divested rail corridors to be “railbanked.” This means that the corridors can be used for trails and other compatible uses for an indefinite, but “interim,” period of time. The property may in appropriate circumstances be restored to active freight service by a bona fide interstate freight rail operator. The requirements of the Act are implemented by the federal Surface Transportation Board (STB), the agency responsible for regulating interstate freight rail service. The Act requires that owners of a railbanked corridor continue to maintain sufficient real property interests to allow for potential future reactivation and to not sever a railbanked corridor from the interstate freight rail system.

Recommendation 4D: The RAC recommends that the owners conduct all planning for the corridor consistent with the requirements of the federal Rails-to-Trails Act.

APPENDIX 5: Description of Railbanking

Railbanking and the ERC

The ERC is part of a 42-mile rail corridor called the Woodinville Subdivision that was owned by Burlington Northern Santa Fe (BNSF) Railway Company and that extends from Renton to Snohomish, passing through Newcastle, Bellevue, Kirkland, Woodinville, and portions of unincorporated King County, with a spur that extends 7-plus miles from Woodinville to Redmond.

In 2003, BNSF announced its intent to divest itself of the Corridor. In 2009, the Port of Seattle purchased BNSF’s interests in the ERC from milepost 5.0 on the Main Line in Renton to milepost 38.4 in Snohomish County, as well as the Redmond Spur from milepost 0.0 in Woodinville to milepost 7.3 in Redmond.

As part of that transaction, the area of the ERC south of Woodinville (south of the “wye” at milepost 23.8) was “railbanked” under the federal National Trails Act.¹ King County became the Interim Trail User for railbanking purposes, and acquired BNSF’s right to reactivate freight rail over the railbanked portions of the Corridor.² During 2012, through Ordinance 17502, King County approved the relinquishment of its Interim Trail User status to the City of Redmond in the area owned by Redmond (the Redmond Spur from mileposts 3.4 to 7.3).

Under the federal Rails-to-Trails Act, 16 U.S.C. 1247(d), “railbanking” preserves disused portions of interstate rail lines by allowing them to be used for trails and other compatible uses for an indefinite but interim period. The basic premise of the Act is that railbanked property may be restored to active service (“reactivated”) in appropriate circumstances by a bona fide

interstate freight rail operator.

The Act is implemented by the STB, the federal agency charged with regulating interstate freight rail service. While reactivation appears to be relatively rare, the STB's regulations are quite specific that the designated Interim Trail User (here, King County and the City of Redmond) must acknowledge at the outset that "interim trail use is subject to possible future reconstruction and reactivation of the right-of-way for rail service." 49 C.F.R. §1152.29(a)(3).

A core duty of an interim trail user is to ensure that sufficient real property interest remains in a railbanked corridor to allow the restoration of freight rail service, and that the corridor not be severed from the interstate freight rail system. In this case, the various additional uses contemplated for the railbanked segments of the Woodinville Subdivision—trail use, local mass transit, utilities, excursion trains, etc.—all of which are compatible with preserving the corridor for future freight use.

All uses of a railbanked right of way are "interim" in nature and subject to being foreclosed by restoration of interstate freight rail service. An STB-approved rail service provider seeking to restore rail service would need to petition the STB to vacate the trail use notice or certificate (NITU or CITU), and would need to acquire the necessary property interests.

In the initial Port-County-BNSF transaction, the County acquired BNSF's "reactivation right." The reactivation right is the abandoning railroad's right to unilaterally reinstitute federally regulated rail service over a railbanked line, at such time as the railroad may choose. Reactivation rights came into being with the Act, which created the "railbanking" framework and made it possible for a rail line to be preserved for future reactivation.

While the reactivation rights of an abandoning railroad are superior to those of any other railroad that may wish to operate over the line in the future, the abandoning railroad's reactivation right is not an exclusive one: other bona fide entities may petition the STB for permission to operate over (and thus reactivate) a railbanked line.

If a bona fide third party requests authority to reactivate all or a portion of the corridor, and if the STB authorizes the reactivation, then subject to receiving appropriate compensation for any property interests that King County (and others) may relinquish, the County and other interest holders would need to accommodate the reactivation.