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June 24, 2016

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

Re: *Finance Docket No. 34797, Sub Docket 1: New England Transrail, LLC Updated
Petition for Exemption*

Dear Ms. Brown:

Enclosed for filing are the original and ten copies of New England Transrail, LLC's updated Petition for Exemption, per the Board direction in its May 17, 2016 Decision.

If you have any questions concerning this submission, please let me know.

Sincerely,



Steven L. Leifer
Counsel for New England Transrail, LLC

Enclosures

cc: Robert W. Jones, New England Transrail, LLC
Ronald A. Klempner, New England Transrail, LLC
All Parties of Record

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 34797, Sub Docket 1

**New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition
For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail
Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts**

Expedited Consideration Requested

Per the direction of the Board in its May 17, 2016 Decision, New England Transrail, LLC (“NET”) hereby submits an update to its petition for an exemption NET previously filed pursuant to 49 U.S.C. § 10502. In its petition, which was docketed at Finance Docket No. 34391, NET sought an exemption from the prior approval requirements set forth in 49 U.S.C. § 10901 that would otherwise apply to NET’s acquisition, construction and operation of specified rail lines and terminal facilities in the Towns of Wilmington and Woburn in the Commonwealth of Massachusetts (collectively referred to hereafter as the “NET Facility”).

I. PROCEDURAL BACKGROUND

NET submitted its original petition in December of 2003. By decision dated March 2, 2004, the Board found that NET met the standards for an exemption under Section 10502. New England Transrail, LLC, STB Finance Docket No. 34391 (STB served March 2, 2004) (“March 2 decision”). Therefore, the Board conditionally approved NET’s petition for an exemption, subject to completion of an environmental review by the Board’s Section of Environmental Analysis (“SEA”) (now known as the Office of Environmental Analysis or “OEA”). An

Environmental Assessment (“EA”) was prepared by SEA and issued on August 4, 2004, and a follow up Post-Environmental Assessment was issued on December 22, 2004. In the Post-EA, SEA concluded that the NET Facility would create no significant environmental impacts if the Board imposed and NET complied with certain environmental mitigation measures.

Because SEA concluded that the scope of the project had changed since the original petition was submitted, the Board decided on May 3, 2005 to dismiss NET’s petition, without prejudice. New England Transrail, LLC, STB Finance Docket No. 34391 (STB served May 3, 2005) (“May 3 decision”). In its opinion, the Board indicated that in any re-submitted petition, NET should provide specific instructions regarding such issues as trackage and structures to be constructed, the locations where transloading would take place, the materials to be handled at the transloading facility, and the extent to which the construction would disturb contaminated soils.

NET resubmitted its petition on December 5, 2005. Soon after, on April 18, 2006, the property upon which the NET Facility was to be built as part of a larger site was listed on the Superfund National Priorities List (“NPL”), causing a delay in the project’s progress. After the NPL listing, there followed several years of proceedings, all described in the Board’s May 12, 2016 decision, confirming that the project was subject to Board jurisdiction and evaluating whether to proceed with the environmental review of the project given that investigatory work was ongoing at the Superfund site. The Board twice deferred initiating the environmental review while the U.S. Environmental Protection Agency (“EPA”) and Olin Corporation (“Olin”), the owner of the land constituting the Superfund site, continued its investigatory activities.

On May 13, 2015, EPA wrote to NET and, after describing the extensive site characterization and remediation that had taken place at the Olin property, concluded that, based on the current project design, “it does not appear that NET’s proposed development will

significantly impact future investigatory or response activities at the Property” (Exhibit A at p. 5-6). On November 16, 2015, EPA wrote to the Board (in response to a Supplemental Letter from NET to the Board requesting a clarification of a previous Board order regarding the NEPA process) and stated that development of the Property would not create unacceptable risks and that there was no longer any reason to defer the environmental review (see Exhibit B).

As noted above, on May 17, 2016, the Board lifted the deferral. The Board directed NET to file an updated petition within 90 days that fully describes the nature and configuration of the project and its relationship to the transportation goals set forth in 49 U.S.C. § 10101. The Board also stated that NET should not rely on prior submissions regarding any transportation or environmental issues, but rather provide a self-sufficient and complete updated petition. This petition is designed to comply with the Board’s directive.

II. DESCRIPTION OF THE PROJECT

A. Description of Petitioner.

NET is a limited liability company organized under the laws of the State of New Jersey and authorized to do business in Massachusetts. It has been formed for the purpose of acquiring, constructing and operating the NET Facility as described in this updated petition. NET is minority owned. None of NET’s owners control any other common carrier.¹ (See Verified Statement of Robert W. Jones, appended as Exhibit C, at ¶ 6.)

Petitioner is not now a common carrier but hereby seeks authority to operate as a common carrier by rail utilizing the rail lines and terminal facilities that are described below. Doing business under the trade name of the Wilmington & Woburn Terminal Railway (“W&WTR”), NET will own and operate all of the rail lines and the rail-related facilities that are

¹ The four owners of NET are Robert W. Jones, III, Ronald A. Klempner, Jack Lyon and Carl Jones. Each owns a 25% interest in NET. (*Id.*)

described. It is anticipated that NET's annual revenues will be less than \$5 million.² (Exhibit C, ¶ 7.)

B. Description of the Site.

NET has an option to purchase a parcel of industrial land in Wilmington, Massachusetts owned by the Olin Corporation ("Olin") located at 51 Eames Street, and consisting of approximately 32 acres³ of land (referred to hereafter as the "Olin Property"). In addition, the project will include approximately 2 1/2 acres of adjoining land (together with the Olin Property herein referred to collectively as the "Property") leased from Pan Am Railways ("Pan Am"), a regional railroad, for conversion into a rail interchange yard, including rehabilitation of existing track and switches and construction of additional tracks and switches. The Project will be able to receive service from Pan Am and Pan Am Southern ("PAS"), a joint venture between Pan Am and Norfolk Southern Railroad ("NS"). (Exhibit C, ¶ 8.)

As the aerial view of the Property can be seen in Attachment A to Exhibit C. The Property is abutted by light industrial and commercial businesses. (Exhibit C, ¶ 9.)

A portion of the Olin Property was formerly used for the manufacture of a variety of chemicals, and received rail service from the Boston & Maine Railroad (now part of Pan Am) through a switch and two spurs leading from the West side of the Property. Under the direction of first the MADEP and subsequently EPA, Olin has conducted extensive environmental investigation, analysis, and remediation of the areas which were affected by contamination from those operations. The portion of the Property where the former manufacturing activities occurred is generally referred to as the "Developed Portion" of the Property. NET intends to

² If NET's estimate of projected revenues is anticipated to exceed this amount, NET will promptly comply with the Board's notice requirements at 49 C.F.R. § 1150.32(e). (Id.)

³ The actual size of the parcel to be acquired by NET is 53 acres, but 21 acres are subject to a deed restriction/conservation easement and are not considered part of the project.

construct the transloading facility on this Developed Portion of the Property. (Verified Statement of Nicholas D'Agostino, appended as Exhibit D, at ¶ 9.)

C. Description of Petitioner's Construction and Operational Activities.

Petitioner's construction activities will consist of (1) demolition and removal of all existing buildings, (2) excavation and re-grading (3) rehabilitation and relocation of existing and former tracks and switches within the Property, and (4) installation of new facilities. (Exhibit D, ¶ 5.)

The Project will consist of three basic areas:

(1) The Northeast corner of the facility, which will contain tracks to unload center-beam and bulkhead flat cars to be transloaded onto trucks within a covered warehouse structure;

(2) The Center of the facility, which will contain interchange and transloading tracks allowing the unloading of tank and hopper cars; and

(3) The West side of the facility, which will contain interchange tracks and transloading tracks allowing the unloading of box cars into a cross-dock warehouse.

Here is a complete list of the construction activities that will take place at the contemplated Facility:

- 10,838' of new and rehabilitated track, adding to the 5727' of existing track to be acquired
- 1 mainline #10 MBTA turnout;
- 23 Industry #8 turnouts;
- 12 Bumping posts;
- 6 HB Derails;
- Repair to the paving at the existing railroad crossings at Eames Street in the vicinity of the site;
- 65,000 square feet of at-grade warehouse with an enclosed truck loading area;
- 240,000 square feet of building (built in phases) as a cross-dock/warehouse transloading facility (60,000 of which would be temperature controlled) for palletted and bagged products transloading from railcars to trucks;
- 1,135,000 square feet of paving for driveways for trucks to access the transloading buildings;

- Two truck scales and a rail scale to weigh trucks and railcars for purposes of billing and determine railcar loadings so as not to exceed rail load limitations;
- Site work, storm water control and utilities related to the foregoing;
- Transload racks, pumps and piping for transloading liquid materials;
- Storage tanks for liquid materials; and
- Water tanks for fire, safety and cleaning requirements

In addition, NET will acquire and operate several switch engine locomotives and track mobiles, and miscellaneous rail maintenance equipment and transloading equipment (such as fork lifts, container loaders, portable pumps and conveyored hoppers). (Id., ¶¶ 5-6.)

Exhibit E consists of a comprehensive Site Plan showing track and building locations. The area labeled “Phase II Proposed Warehouse” will be part of the cross-dock warehouse but will be built only after the main part of the warehouse (see area labeled “Proposed Warehouse”) is constructed, EPA has determined the final remediation measures for the so-called Containment Area, and following EPA approval of NET’s plans.

Rail cars for the East side and Center of the Facility will enter directly from the MBTA tracks to the East of the Facility, and rail cars for the West side of the Facility will enter from the rehabilitated and relocated Boston & Maine tracks and switch on the West side of the Facility.

NET plans to demolish all building structures currently at the Olin Property, including the so-called West Warehouse, East Warehouse and Office Building that were formerly part of the chemical manufacturing facilities on the Olin Property. The existing railroad tracks will also be replaced and realigned. Existing asphalt and concrete roadbeds on the Olin Property will be removed or used as the base for new roadways. (Exhibit D, ¶ 7.)

Excavation in connection with the installation of new underground utilities will involve up to 1,500 cubic yards of material. Excavation in connection with the construction of new rail lines (involving excavation to a depth of approximately 2 feet below the current surface grade) will involve up to 8,000 cubic yards of material for placement of ballast and ties. The excavated

material, if suitable, will be reused on the Property for backfill material where a raise in grade is proposed. Excavation in connection with the construction of the foundation of the cross dock/warehouse transloading structure will involve up to 1,500 cubic yards of material and will mostly involve footing excavation to a depth of 4 feet below proposed finished grade for frost protection. Excavation in connection with the construction of the storm water management system and the re-grading of the NET Development Area will involve up to 2,000 cubic yards of material. Stormwater runoff will be directed to oil-water separator treatment manholes prior to discharge to the east ditch and/or existing south stormwater basin. (Exhibit D, ¶ 8.)

Based on NET's consultants' review of the extensive groundwater monitoring data accumulated at the Olin Site, NET's excavations are expected to avoid encountering groundwater, which has been determined to be located at a depth of approximately 6 to 9 feet below the current surface grade across the NET Development Area. (Id.) Excavations are not expected to be greater than 4 feet in depth for building foundation installation, stormwater drainage pipelines, or underground utility installations. (Exhibit D, ¶ 9.)

In addition, NET will reinstall underground utilities, construct a storm water management system, re-grade the NET Development Area and install new roadways, general pavement, and any gravel ground cover. (Exhibit D, ¶ 10.)

Fill material will be brought to the Developed Portion to an average elevation (El) of El 90 such that the Developed Portion will range from El \pm 92 on the north side of the Property to El 90 \pm on the south side. (Exhibit D, ¶ 11.)

Finally, NET will construct buildings and impervious surfaces on the "cap" area, as approved by EPA, to cover the area of the Olin Site known as the Containment Area. (This is essentially the area shown on Exhibit E as the Phase II Building Footprint.) (Exhibit D, ¶ 12.)

All tracks which comprise the Project will either be interchange tracks or team tracks. The interchange tracks on the West side of the Project will consist of three parallel tracks with interconnecting switches. NET will switch its outbound cars from team tracks serving the cross-dock warehouse onto these tracks. Pan Am will drop off inbound cars on these tracks and pick up the outbound cars. NET will then switch the inbound cars from the interchange tracks onto the team tracks adjacent to the cross-dock warehouse. (Verified Statement of Ronald A. Klempner, appended as Exhibit F, at ¶ 4.)

The interchange tracks on the East side of the Project will consist of the two most Easterly tracks. NET will switch its outbound cars from the team tracks serving the Northeast Corner Area and Center Area of the Project onto these interchange tracks. Pan Am will drop off inbound cars on these tracks and pick up the outbound cars. NET will then switch the inbound cars from these interchange tracks onto the team tracks serving the Northeast Corner Area and the Center Area of the Project, accordingly. (Exhibit F, ¶ 5.)

D. Description of Petitioner's Transloading Operations.

The materials expected to be transloaded at the Facility include the following,

- In the cross-dock warehouse, brick, newsprint, paper products, recycled paper, steel, and any products transported on pallets or bags that are customarily carried in box cars (i.e., from canned goods, refrigerated goods, and bagged foodstuffs to hardware, car parts and electronics).
- In the Northeast Corner Area, lumber, scrap steel, wallboard, wood products and intermodal containers.

- In the Center area, corn syrup, glycols (de-icers) vegetable oils, plastics, biofuels, and natural gas liquids customarily transported in tank cars, and sand and gravel, salt, plastic pellets and woodchips customarily transported in hopper cars.

The aforementioned materials basically constitute the great majority of the materials referred to in the previous version of this Petition.⁴ However, unlike as stated in the previous version of the Petition, NET will not operate a municipal solid waste transfer station at the facility. (Exhibit F, ¶¶ 6-7.)

Goods and materials transported by rail will be unloaded directly onto trucks, into holding tanks, or into a warehouse for temporary storage incidental to rail transportation and transloading, while awaiting loading onto trucks for local delivery for efficient rail transportation. Unloading from rail cars into holding tanks and warehouses is part of standard railroad transloading practices so as to increase rail efficiency by minimizing rail car dwell time in the rail yard and allow disaggregation of goods from a railcar (i.e., one rail car can carry up to 5 truckloads of goods with 10 to 20 rail cars of one commodity received at a time). For tank cars, pumping into holding tanks increases efficiency and safety by avoiding multiple hook ups from the rail car, and also minimizes the chances of spills and increases safety by having a fixed discharge point from a rail car. (Exhibit F, ¶ 8.)

There will be no manufacturing conducted at the Facility, nor will any of the commodities handled by NET be processed or changed in character or nature via any biological, chemical or thermal activity at the Facility. All activities to be conducted will be essential to the rail transportation process, at one end of the rail network distribution chain. (Exhibit F, ¶¶ 10-11.)

⁴ See Dec. 5, 2005 Petition for Exemption, note 15.

NET also may provide services to repair and maintain railcars related to its receipt of rail cars for transloading purposes at the Facility. (Exhibit F, ¶ 12.)

The precise mix and types of commodities transloaded at the facility may change over the years based on customer demand and the dynamic economy in the Northeastern United States. However, NET does not intend to handle commodities that are significantly different in character than the categories of materials outlined above. (Exhibit F, ¶ 13.)

A major benefit of a transloading facility such as the one contemplated by NET is its ability to accommodate “manifest trains” made up of multiple types of rail cars containing different commodities. Manifest trains increase the efficiency and operations of the national freight system by eliminating rail car dwell time, and switching time and costs encountered in switch yards along those portions of the national rail network traversed by the manifest trains. (Exhibit F, ¶ 14.)

E. Environmental Information and Environmental Review.

In conformity with the EPA’s recommendations for the site, the Facility will be covered with buildings and paving to the greatest extent practical to minimize infiltration of precipitation into the soils and subsequently into groundwater. (Exhibit C, ¶ 10.)

Buildings will have vapor intrusion barriers and/or ventilation in those areas where EPA designates that such measures are required. Vapor mitigation measures will be installed only after EPA has reviewed their design and configuration. (Exhibit C, ¶ 11.)

Tank cars containing liquid materials will be unloaded within a bermed area with spill control mechanisms. The surface of this bermed area will be impervious to such liquids, and there will be no generation, treatment, storage or disposal of any hazardous bulk liquids within

the Groundwater Protection District (“GWPD”).⁵ To the extent storage is required, above ground tanks will be used and they will be located outside the GWPD. (Exhibit C, ¶ 12.)

The proposed NET Facility constitutes Brownfields redevelopment and the Facility possesses design elements that offer supplemental environmental benefits which can be shown to augment site cleanup efforts in furtherance of EPA’s site remediation goals. NET has coordinated and will continue to coordinate with EPA the location of its building and its pavement such that they provide for impervious barriers which prevent precipitation from travelling through impacted soils and reaching the groundwater, thereby facilitating EPA’s stated goal of “management of migration” (Exhibit A at p. 3). NET also has agreed to provide access to EPA and Olin for any remaining investigatory or remedial work that remains to be done at the Olin site. (Exhibit C, ¶ 13.)

Moreover, NET will commit to perform each and every additional task EPA identified in its May 13 letter to NET, in which EPA indicated the steps NET should take to preserve its status as a bona fide prospective purchaser of the property (see Exhibit A at p. 4-5). (Exhibit C, ¶ 14.) For all of these reasons, EPA was able to conclude in its May 13 letter that “[i]t does not appear that NET’s proposed development and use of the Property will interfere with potential response actions for OU1 or OU2....[I]t appears that NET’s proposed development is compatible with the conclusions of the OU1 and OU2 baseline risk assessment and anticipated institutional controls and will not impede the completion of the OU3 investigation or potential response actions relating to groundwater at the Site.” (Exhibit A, p. 6.)

On a macro environmental basis, the project should reduce almost 5 million long-haul trucking miles within New England, leading to reductions in:

⁵ A Groundwater Protection District (“GWPD”) is essentially an area that either recharges to a public drinking water well or consists of an aquifer containing a significant amount of recoverable water. A GWPD overlays local zoning districts.

- Air pollution
- Community noise
- Congestion
- Traffic accidents
- Roadway wear and tear

(Exhibit F, ¶ 15.)

NET notes that because there is a longstanding Superfund site at the location where NET proposes to construct the Project, a great deal of environmental information already has been assembled. As EPA points out in its November 6, 2015 letter to the Board's OEA, field work has been completed to determine the nature and extent of contamination, human health and ecological risk assessments have been performed, and a formal Remedial Investigation Report for Operable Units 1 and 2 has been prepared, leading to EPA's conclusion that , NET's planned "commercial/industrial use . . . will not pose unacceptable chemical exposure risks to construction or on-site workers, or visitors, on the Property" (p. 3).⁶

Moreover, there is a long history of public input into the STB process involving this Petition as well as the EPA's NPL process for the Olin Property. Given the length of time this project has been on the drawing board, NET asks that the consideration of this petition and the environmental review process proceed expeditiously, consistent with the mandate of 49 U.S.C. § 10502(b), and that both processes proceed simultaneously as directed by 23 CFR § 139(d)(7) and the FAST Act, Pub. L. No. 114-94.

⁶ NET has agreed not to develop the 'Containment Area' until EPA has reached a resolution as to the final remediation of that area, and then its plans must be approved by EPA before construction can commence.

F. Transportation-related Benefits of the Project.

Because of pressure from commercial, institutional and residential development in and near the center of the Boston metropolitan area, freight rail yards serving the region have been displaced and replaced by freight rail yards located considerable distances further from the center of the Boston metro area--particularly the Near-North and "Down east" (i.e. Northeast) sections of the Boston metro area. Pan Am closed its Somerville Yard directly opposite downtown Boston, and moved much of its operations almost 45 road miles away to Ayer, Massachusetts and CSXT closed its Beacon Yard in Boston and moved much of their operations about 45 road miles to the West in Worcester, Massachusetts. (Verified Statement of Frank S. DeMasi, appended as Exhibit G, ¶ 7.) The maps included as Attachment A to Exhibit F shows the location and distances (as the crow flies) to the center of the Boston metropolitan area of the abandoned freight yards, the relocated freight yards and the Project.

Existing freight rail lines serve older buildings that are not suited for modern efficient logistics operations or locations that lack the configuration or space to efficiently serve tank car transloading operations. The few existing buildings that are suitable for rail service have rapidly filled to capacity. (Exhibit G, ¶ 7.)

At the same time, there have been considerable improvements and upgrades to rail infrastructure and service running into the region. For example, PAS with the support of NS has invested over \$100 Million to upgrade rail lines, bridges and tunnels leading from Mechanicsville, NY to Ayer, Massachusetts, and Pan Am has invested tens of millions in new equipment and personnel to improve service. (Id.)

As a result of these trends, there has been a considerable increase in demand for rail service in the region following a counterproductive decrease in rail transloading capacity closer

to the center of the Boston metropolitan area. In fact, there is no active cross-dock refrigerated terminal along the entire PAS line, and despite having invested considerable sums through PAS to improve rail freight service along northern Massachusetts, NS lacks a designated cross-dock transloading terminal in the Boston metropolitan area. (Exhibit F, ¶ 18.)

Currently, the longer local dray costs adds a considerable burden for those desiring to utilize rail transportation and adds to burden on federal and state highway systems. (Exhibit F, ¶ 19.)

The NET Facility will add rail transloading capacity close to the center of the Boston metropolitan area (14 road miles) and a short distance (2 road miles) to entrances/exits of two intersecting interstate highways (I-93, the north/south interstate leading into downtown Boston; and I-95 the inner beltway around Boston). This will greatly lower freight delivery costs to local businesses and distributors. (Exhibit F, ¶ 20; Exhibit G, generally.)

In addition, by being able to accept over 60 cars at a time, the NET Facility will serve as a transloading terminal close to the center of the Boston metropolitan area for “manifest” or express train services which require delivery of a large block of cars at one time. Consequently, the Facility will allow for lower rail rates and improved service scheduling, for those customers which can utilize such service, into the Boston metropolitan area. (Exhibit F, ¶ 21.)

Furthermore, by lowering the costs of both rail transportation and local dray, the Facility will encourage shippers who would otherwise use long-haul trucking to deliver goods to a significant portion of the Boston metropolitan area to switch to rail transportation. (Exhibit F, ¶ 22.)

As noted above, the Facility’s ability to eliminate over 5 million truck miles annually will enhance economic development and US competitiveness by:

- Reducing the burden on infrastructure
- Reducing congestion
- Reducing reliance on imported fuel
- Reducing repair impacts on other vehicles

Because of its topography and density, highways in Eastern Massachusetts have a far higher percentage of bridges, overpasses and elevated structures. Because of the deflection stresses which increase logarithmically based on weight and speed, the impact of heavy duty trucks is multiple times greater than that of automobiles. Consequently, roadway maintenance and repair costs incurred by local, state and federal government will be reduced. (Exhibit G, ¶ 8; Exhibit F, ¶ 23.)

In a study for the Freight Committee of the Regional Transportation Advisory Council, the former Chairman of the Committee advocated reducing air pollution and highway congestion by shifting freight traffic from long haul trucks to rail. To this end, he urged the Boston Metropolitan Planning Organization (MPO), the Metropolitan Area Planning Council, Massachusetts Department of Transportation, and the Massachusetts Office of Economic Development and Housing to encourage and assist in the development of a series of “freight villages” in Eastern Massachusetts. He has specifically recommended that the NET Facility be included in the future State Rail and Freight Plan. (Exhibit F, ¶ 24; Exhibit G, ¶ 9.)

III. NET’S PETITION SHOULD BE GRANTED

The NET project meets the criteria specified in 49 U.S.C. § 10502 for the granting of an exemption from the prior approval requirements set forth in 49 U.S.C. § 10901.

Regulation of the project under Section 10901 is not necessary: The Board does not need to apply Section 10901 to the NET project to implement the federal rail transportation policy as

set forth in Section 10101. On the contrary, exempting this project will further the goals of the policy by promoting competition and the demand for services. NET will operate as a common carrier and thereby provide access to the national railway system for customers in metropolitan Boston who presently have no economically viable access to any form of transportation other than trucks. (Exhibit C, ¶ 19.)

The project is limited in scope: In addition, the project meets the criterion set forth in § 10502(a)(1)(A). Most of the project consists of a transloading facility with trackage only as necessary to service the facility. The total length of the track to be operated by W&WTR is only approximately 16,565 feet.

No action is needed to protect shippers from the abuse of market power: Even if the Board found that the project did not meet § (a)(1)(A), the project satisfies § (a)(1)(B). The project will serve the interest of shippers by giving them a viable alternative to shipping by trucks and for Boston area customers, by providing them with a rail outlet in close proximity to their facilities.

In its March 2, 2004 conditional approval decision, the Board granted NET's request to exempt its project from the application requirements of 49 U.S.C. § 10901. The Board explained why the exemption was granted in the following language:

Based on the information provided, the Board concludes that, from a transportation perspective, detailed scrutiny of the proposed construction, acquisition, and operation under 49 U.S.C. 10901 is not necessary to carry out the rail transportation policy. The requested exemption would promote that policy by providing a rail service option to shippers, ensuring the development of a sound rail transportation system with effective competition among rail carriers and with other modes, fostering sound economic conditions in transportation, and reducing regulatory barriers to entry [49 U.S.C. 10101(4), (5), and (7)]. Nothing in the current record indicates that other aspects of the rail transportation policy would be adversely affected.

There is no need to protect shippers from the abuse of market power. Rather, the proposed transaction would enhance competition by providing shippers in the greater Boston area with a new intermodal transportation option. Given the Board's finding regarding the probable effect of the transaction on market power, the Board need not determine whether the transaction is limited in scope.⁷

In all material respects relevant to the criteria for granting the exemption, the Project described in this updated petition is the same as NET's project that the Board previously found was exempt. The same property is involved; the same operator is involved; much the same commodities and materials are involved; the same owners of the Petitioner are involved; and the same connecting lines are involved. The Board's March 2 decision remains an accurate analysis of the material facts relevant to this project.⁸

⁷ March 2 decision at 3.

⁸ The only aspect of this petition that differs from those previously approved by the Board is that NET, in addition to acquiring existing track, will be adding track and is providing greater detail as to the construction and operations of its transloading facilities, as requested by the Board. Referring to the exemption provisions of the Staggers Act of 1980 as they applied to petitions for new construction, Pub. L. No. 96-446, 94 Stat. 1897 (1980) the Interstate Commerce Commission stated: "It is our aim to eliminate the barriers to entry through new construction to the greatest extent possible to facilitate investment initiatives and expanded rail service." Class Exemption for Rail Construction Under 49 U.S.C. 10901, Ex Parte No. 392 (Sub-No. 3), Slip Op. (I.C.C. served May 29, 1987). The Board has stated that "[t]he creation of additional rail service and additional competition via rail line construction benefits the public": Class Exemption for the Construction of Connecting Tracks under 49 U.S.C. 10901, 1 S.T.B. 75, 79, Ex Parte No. 392 (Sub-No. 2) (S.T.B. served June 13, 1996). Therefore, there is a presumption that a project such as that proposed by NET is in the public interest.

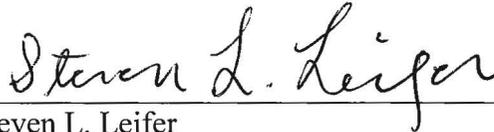
NET also notes that the freight village that accompanies the planned new and rehabbed track is an integral part, and inseparable from, the overall Project. The Interstate Commerce Commission Termination Act, in defining the ambit of the STB's jurisdiction, states that "the construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks, or facilities" are part and parcel of railroad operations. In *Green Mountain R.R. Corp. v. Vermont*, 404 F.3d 638, 642 (2d Cir. 2005), the court held that a carrier's construction and operation of a transloading facility for the handling and storage of bulk materials were part of rail transportation and subject to federal preemption, even though some of the materials were destined for truck delivery. See also *New York Susquehanna and Western Railway Corp. v. Jackson*, 500 F.3d 238, 248 (3d Cir. 2007).

IV. CONCLUSION

NET is proposing to build a state-of-the-art facility. It has agreed to comply with all applicable state substantive health and safety regulations governing the construction and operation of that facility. None of the activities that NET will engage in constitute a business function separate from rail transportation. The NET facility will provide a competitive alternative for customers in metropolitan Boston who presently have no economically viable access to any form of transportation other than trucks.

For the foregoing reasons, NET respectfully requests the Board to grant this updated Petition for Exemption. NET further respectfully requests the Board to conduct its review and evaluation in an expedited manner.

Respectfully submitted,



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Attorneys for New England Transrail, LLC

Date: June 24, 2016

CERTIFICATE OF SERVICE

I hereby certify that on the 24th day of June, 2016, a copy of the foregoing Updated Petition was sent by U.S. Mail to the following Parties of Record:

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Steven L. Leifer

LIST OF EXHIBITS

- A May 13, 2015 Letter From EPA to NET
- B November 16, 2015 Letter From EPA to the Board
- C Verified Statement of Robert W. Jones
- D Verified Statement of Nicholas D'Agostino
- E Site Plan
- F Verified Statement of Ronald A. Klempner
- G Verified Statement of Frank S. DeMasi

EXHIBIT A



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Region 1

5 Post Office Square, Suite 100

Boston, MA 02109-3912

May 13, 2015

Robert W. Jones, III
Managing Principal
New England Transrail, LLC
46 Grand Cove, Edgewater, NJ 07020-7245

Re: Comfort/Status and Reasonable Steps Letter
51 Eames Street, Wilmington, Massachusetts
Olin Chemical Superfund Site

Dear Mr. Jones:

I am writing in response to your December 18, 2014 request for a Prospective Purchaser Agreement ("PPA") or Comfort/Status Letter ("CSL") regarding the property at 51 Eames Street Wilmington, Massachusetts (the "Property"). My response is based upon the facts presently known to the United States Environmental Protection Agency ("EPA").

Under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), commonly referred to as Superfund, EPA's primary mission is to protect human health and the environment from the exposure risks posed by contaminated or potentially contaminated lands. However, in doing so, EPA also recognizes the social and economic benefits of returning contaminated lands to productive use.

As you know, the Property is located within the current study area designated by EPA as the Olin Chemical Superfund Site (the "Site"), and subject to the requirements of an Administrative Settlement Agreement and Order on Consent ("AOC"), EPA Region 1 CERCLA Docket No. 01-2007-0102, with an effective date of July 3, 2007. The AOC requires that American Biltrite, Inc., Olin Corporation ("Olin"), and Stepan Company (collectively, the "Respondents") complete a Remedial Investigation and Feasibility Study ("RI/FS") at the Site consistent with CERCLA.

The AOC also requires that the Respondents shall provide continued access to property owned by Respondents at the Site at all reasonable times, and that Olin, as sole current owner of the Property, provide a Transfer Notice and execute a Transfer Agreement in the event that any change in the ownership interest in the Property is imminent. The Transfer Notice is to be provided to EPA at least 30 days prior to any transfer. The Transfer Agreement is to be executed between Olin and the intended transferee or option holder, which for the purposes of this CSL is New England Transrail, LLC ("NET") (see AOC, Paragraph XII).

EPA understands that NET plans to develop and use the Property as a commodities-based rail transloading terminal facility as shown in Attachment 1. EPA does not support or oppose NET's proposed development, and EPA is not opining as to whether NET's proposed development complies with local or state zoning or land use regulations.

History and Status of the Site

The Olin Chemical Superfund Site includes the 53-acre Property located at 51 Eames Street in Wilmington, Massachusetts. The Property was largely forested prior to the 1950s. From 1953 until 1986, numerous entities conducted chemical manufacturing operations at a facility located on the Property. Olin purchased the Property in 1980. Liquid wastes generated at the facility, which included sulfuric acid, sodium chloride, sodium sulfate, ammonium chloride, ammonium sulfate, chromium sulfate and other compounds, were disposed of in unlined pits (commonly referred to as lagoons) on the northern half of the Property, and wastes percolated into the soil or overflowed into natural and man-made drainage ways.

The liquid wastes disposed of at the Site had high concentrations of dissolved inorganic constituents with fluid densities greater than water. These dense liquids migrated vertically to the bedrock surface, forming a brine layer in bedrock depressions within the aquifer commonly referred to in Site study documents as dense aqueous phase liquid ("DAPL") pools. The DAPL pools contain elevated concentrations of several contaminants of interest, most notably n-nitrosodimethylamine ("NDMA"). NDMA is believed to have formed within the aquifer due to the presence of the liquid wastes disposed at the Site.

Numerous environmental investigations and response activities were conducted at the facility prior to inclusion of the Site in EPA's CERCLA program. These investigations and subsequent response actions resulted in the excavation and off-Site disposal of contaminated soil from two drum disposal areas, a buried debris area, and Lake Poly (a former lagoon); as well as impacted sediment from the West Ditch and associated wetland, the South Ditch, and Central Pond. All response actions were conducted in accordance with work plans approved by the Massachusetts Department of Environmental Protection ("MassDEP"). An area of trimethylpentenes in soil and shallow groundwater located near the Plant B groundwater recovery/treatment system were identified and remediated using an air sparge/soil vapor extraction system ("AS/SVE").

Since 1989 the Respondents have operated the Plant B groundwater recovery/treatment system. The system was installed in response to seepage of a light non-aqueous phase liquid ("LNAPL") into the East Ditch. The LNAPL is process oil that contains chemicals of interest including bis(2-ethylhexyl)phthalate, n-nitrosodi-n-propylamine, and trimethylpentenes. The system was designed to create a groundwater cone of depression to prevent migration and allow for mechanical removal of the LNAPL. Groundwater extracted during operation of the Plant B system is treated to remove iron and ammonia as well as dissolved organic compounds. The treated groundwater is discharged to surface water in the on-Property upper West Ditch under an EPA-issued Remediation General Permit.

In 2000 Olin constructed a slurry wall/cap containment structure around the on-Property portion of the upper DAPL pool. The intent of this source control action was to eliminate, to the extent

feasible, the on-Property DAPL material as a source of dissolved constituents to groundwater. A significant volume of DAPL remains outside the containment structure. The containment structure is comprised of a 3-foot thick perimeter slurry wall extended to the top of bedrock (about 40 feet below ground surface) and covered with a temporary 5-acre geo-synthetic cap to minimize infiltration of precipitation into the containment area.

The Site was finalized for inclusion on the National Priorities List (“NPL”) on April 18, 2006. The NPL is EPA’s list of CERCLA-eligible Sites. In June 2007, EPA and the Respondents entered into the AOC which required that the Respondents complete an RI/FS consistent with CERCLA. Due to the extent of previous investigations and recognition of the technically complex nature of cross-media impacts, the RI/FS was divided into three operable units (“OUs”) as follows:

- Operable Unit 1 (“OU1”): Defined as the 53-acre Property, including the former facility area, established conservation area, on-Property ditch system, calcium sulfate landfill, and slurry wall/capped area. OU1 was intended to address source control concerns and includes soil, sediment, surface water, and potential vapor issues.
- Operable Unit 2 (“OU2”): Defined as off-Property surface water and sediment areas including, at a minimum, the off-Property East Ditch, South Ditch and Landfill Ditch; Sawmill Brook and Maple Meadow Brook; and North Pond. OU2 was intended to address source control and management of migration concerns, and includes surface water and sediment issues.
- Operable Unit 3 (“OU3”): Defined as all on- and off-Property groundwater areas including the Maple Meadow Brook aquifer, groundwater beneath the Property, and groundwater contamination located south and east of the Property. OU3 was intended to address management of migration concerns and includes groundwater and potential vapor issues.

Field work for OU1 and OU2 was completed from 2009 to 2012. Results were combined into a single Draft Remedial Investigation Report submitted to EPA in April 2013. Following review and comment by EPA, MassDEP, the Town of Wilmington and the Wilmington Environmental Restoration Committee (“WERC”), a Draft Final Remedial Investigation Report was submitted to EPA in April 2014 and is expected to be finalized soon. Field work for OU3 began in 2010 and is expected to be complete in 2015.

On April 14, 2015, EPA issued a letter documenting the decision to combine the operable units into a single proposed plan and Record of Decision.

CERCLA’s Bona Fide Prospective Purchaser Liability Protection

In January 2002, Congress amended CERCLA to include liability limitations for landowners that acquire contaminated property after the effective date of the amendments (January 11, 2002) if those landowners qualify as “bona fide prospective purchasers” (“BFPP”). To meet the statutory criteria for a BFPP, a landowner must satisfy certain threshold criteria and continuing obligations. Among other threshold criteria, which are not included in full herein, a BFPP must establish that (i) all disposal of hazardous substances at the facility occurred before the purchaser

acquired the facility; (ii) the purchaser performed "all appropriate inquiry" into the previous ownership and uses of the property before acquisition; and (iii) the purchaser is not potentially liable or affiliated with any other person who is potentially liable for response costs at the facility.

In addition to the threshold criteria, a landowner must meet certain continuing obligations in order to qualify as a BFPP. One continuing obligation requires a landowner to provide full cooperation, assistance, and access to persons that are authorized to conduct response actions at the Site. In addition, a BFPP must establish, among other things, that (i) it is in compliance with any land use restrictions established or relied on in connection with the cleanup; and (ii) it does not impede the effectiveness or integrity of any institutional control employed in connection with the cleanup. As provided in EPA's Interim Guidance Regarding Criteria Landowners Must Meet in Order to Qualify for Bona Fide Prospective Purchaser, Continuous Property Owner, or Innocent Landowner Limitations on CERCLA Liability, dated March 6, 2003, landowners must "comply with land use restrictions and implement institutional controls even if the restrictions or institutional controls were not in place at the time the person purchased the property."

Another continuing obligation required to qualify as a BFPP is taking "reasonable steps to stop any continuing release; prevent any threatened future release; and prevent or limit human, environmental, or natural resource exposure to any previously released hazardous substance." Section 101(40)(D) of CERCLA, 42 U.S.C. Section 9601(40). Based upon the information that EPA has evaluated to date, including the conceptual design provided by NET to EPA on December 18, 2014, EPA believes that, for an owner of the Property, the following would be appropriate reasonable steps with respect to the hazardous substance contamination found at the Property:

- Entering into the Transfer Agreement with Respondents (as referenced above);
- Complying with the applicable land transfer requirements of Paragraph XII of the AOC;
- Providing access to the Property at all reasonable times and cooperating with EPA for the purpose of conducting monitoring and response actions;
- Complying with any existing deed restrictions or institutional controls;
- Agreeing to record and comply with any additional deed restrictions or institutional controls as deemed necessary pursuant to a Record of Decision to implement or maintain response actions;
- Protecting and maintaining all aspects of the existing groundwater recovery and treatment system designated by Respondents as Plant B during and after redevelopment activities, including the permitted surface water discharge to the Upper West Ditch;
- Protecting and maintaining all aspects of the existing slurry wall containment area and temporary cap, and cooperating fully with the anticipated design and installation of a permanent cap on the containment area;
- Cooperating fully with any future response actions to be determined by EPA through anticipated decision documents such as Records of Decision or Action Memoranda;
- Notifying all contractors, subcontractors, lessees and any other parties operating at the Property of this letter, and ensuring that these parties satisfy the requirements set forth in this letter;

- Installing vapor barriers or incorporating other suitable vapor intrusion mitigation measures in future buildings on the Property as deemed necessary by EPA pursuant to anticipated decision documents such as Records of Decision or Action Memoranda;
- Providing EPA and Respondents with copies of any environmental data collected at the Property;
- Providing EPA and Respondents with weekly progress summaries during active re-development construction, including the identification of anticipated areas of intrusive activities, such as excavation, on the Property;
- Cooperating with EPA's field oversight activities during future response actions; and
- Refraining from using the Property in any manner that would interfere with or adversely affect the implementation, integrity or protectiveness of any past or future response actions performed at the Site.

This letter does not provide a release of CERCLA liability, but only provides information with respect to reasonable steps based on the information that EPA currently has available to it. The reasonable steps suggested by EPA in this letter are based on the nature and extent of contamination known to EPA at this time, and are provided solely for informational purposes. Site investigations are ongoing and final response actions have not yet been determined by EPA. If additional information regarding the nature and extent of hazardous substance contamination at the Site and/or Property becomes available, additional actions may be necessary to satisfy the reasonable steps criterion. You should ensure that you are aware of the condition of the Property so that you are able to take reasonable steps with respect to any hazardous substance contamination. In particular, if new areas of contamination are identified, you should ensure that reasonable steps are undertaken.

Please note that the BFPP provision has a number of conditions in addition to those requiring the property owner to take reasonable steps. Taking reasonable steps, and certain other BFPP conditions, are continuing obligations of a BFPP. You will need to assess whether you satisfy each of the statutory conditions for the BFPP status and will need to ensure that you continue to meet the applicable conditions.

Nature of this Comfort/Status and Reasonable Steps Letter

EPA generally issues comfort/status and reasonable steps letters to facilitate the cleanup and reuse of contaminated or formerly contaminated properties where there is no other mechanism available to adequately address a party's concern. This comfort/status and reasonable steps letter is intended to help NET and interested stakeholders make informed decisions by providing information that the EPA has about the Site and by identifying statutory protections, enforcement discretion guidance, resources and tools that may potentially be applicable.

It is important to note that EPA has not yet completed the investigation phase of CERCLA for the Site, issued a proposed cleanup plan for public comment, or selected a remedy for any portion of the Site. Accordingly, EPA's final remedy could affect the reasonable steps described above and the future use of the Site. However, as explained further below, based upon the conceptual design provided by NET to EPA on December 18, 2014 (See Attachment 1) and facts currently known to EPA, it does not appear that NET's proposed development will significantly

impact potential future investigatory or response activities at the Property. If NET's proposed conceptual design for the Property changes, the conclusions in this letter could also change.

Based on the conclusions of the baseline human health and ecological risk assessment, which are documented in the Draft Final RI Report for OU1 and OU2, there appear to be no existing or potential future unacceptable human health risks associated with residual contamination for OU1, which includes the Property, assuming that deed restrictions or other institutional controls as required by EPA are placed on the Property to limit development to commercial or industrial use. There also appear to be no unacceptable ecological risks from residual contamination in soil for OU1; however, (i) response actions may be required in the South Ditch to address acute toxicity measured in sediment and to mitigate the effects of the on-going discharge of contaminants in groundwater to surface water in the upper reach, and (ii) there are unacceptable risks which may require response actions associated with OU2 in an area located just east of the Property.

Based on the December 18, 2014 conceptual design provided by NET, the areas where OU1 and OU2 response actions may be required appear to be located outside of NET's proposed development. Additionally, it does not appear that NET's proposed development and use of the Property will interfere with potential response actions for OU1 or OU2. It is important to note that soil within the 5-acre containment area was not included in the remedial investigation process based on the assumption that a permanent cap will be installed. Therefore, the containment area will not be available for reuse until such time that an EPA-approved permanent cap is installed. Any future use of the containment area must be compatible with any permanent cap or other remedy required for the containment area.

OU3 field work is largely complete; however, a remedial investigation and baseline risk assessment are still pending. OU3 is relevant because OU3 includes groundwater beneath the Property, including areas of DAPL. Portions of groundwater or DAPL beneath the Property may require response actions. As such, it is premature for EPA to determine the need, scope or specific location of any response actions for OU3 on the Property, other than the presumption based on OU3 data generated to date that a potential vapor intrusion pathway exists and that vapor barriers or other mitigation methods should be incorporated into new building construction in most areas on the Property.

Based on EPA's understanding of NET's proposed development and use of the Property, as shown in NET's December 18, 2014 conceptual design, and subject to the other caveats described above in this letter, it appears that NET's proposed development is compatible with the conclusions of the OU1 and OU2 baseline risk assessment and anticipated institutional controls, and will not impede the completion of the OU3 investigation or potential response actions relating to groundwater at the Site.

This letter does not limit or affect EPA's authority under CERCLA, or any other law, or provide a release from CERCLA liability. EPA encourages you to consult with legal counsel and the appropriate state, tribal or local environmental protection agency before taking any action to acquire, clean up, or redevelop potentially contaminated property. It is your responsibility to ensure that the proposed redevelopment and use of the Property complies with any federal, state,

local, and/or tribal laws or requirements that may apply. EPA also recommends that you consult with your own environmental professional to obtain advice on the compatibility of the proposed reuse.

We hope this information is useful to you.

If you have any questions, or wish to discuss this letter, please feel free to call Jim DiLorenzo, Remedial Project Manager, at dilorenzo.jim@epa.gov or (617) 918-1247, or Kevin Pechulis, Senior Enforcement Counsel, at pechulis.kevin@epa.gov or (617) 918-1612.

Sincerely,



Nancy Barnakian, Acting Director
Office of Site Remediation and Restoration

Enclosure

cc: Bob Cianciarulo, EPA
Kevin Pechulis, EPA
Jim DiLorenzo, EPA
Joe Coyne, MassDEP
James Cashwell, Olin
Jeff Hull, Town of Wilmington
Martha Stevenson, WERC

EXHIBIT B



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region 1
5 Post Office Square, Suite 100
Boston, MA 02109-3912

Submitted by E-Filing

November 6, 2015

Victoria Rutson, Director
Office of Environmental Analysis
Surface Transportation Board
Washington, D.C. 20423-0001

Re: Environmental Comment regarding New England Transrail, LLC, FD-34797

Dear Ms. Rutson:

We write to the Surface Transportation Board ("Board") on behalf of Region 1 of the United States Environmental Protection Agency ("EPA"). EPA continues to oversee a study of the environmental conditions at the Olin Chemical Superfund Site located in Wilmington, Massachusetts (the "Site" or "Olin Site") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). The source of the release at the Site is the 53-acre property located at 51 Eames Street, which is currently owned by Olin Corporation (the "Property"). This environmental comment is a follow-up to EPA's October 7, 2015 meeting with the Board's Office of Environmental Analysis ("OEA") and to EPA's previous environmental comments regarding the petition submitted by New England Transrail, LLC ("NET") in the above-referenced proceeding (the "NET proceeding").

In its previous comment letters to the Board dated September 9, 2010 and September 12, 2011 regarding the NET proceeding, EPA requested that the Board defer its environmental review process until relevant Remedial Investigation/Feasibility Study ("RI/FS") reports for the Site were finalized to allow EPA an opportunity to determine if soil, sediment and surface water contamination posed unacceptable risks to human health or the environment. EPA also requested that OEA conduct an environmental impact statement ("EIS") rather than an environmental assessment ("EA") at such time that it initiates its environmental review process.

On August 18, 2015, NET submitted a Status Report and request for clarification to the Board (the "Status Report"). In the Status Report, NET requests that the Board lift the deferral referenced in the Board's June 19, 2012 decision regarding the NET proceeding and reopen the proceeding. At the October 7, 2015 meeting with EPA, OEA requested that EPA provide the Board with its current position regarding the status of the NET proceeding. In this environmental comment letter, EPA provides the Board with an update of the status of the RI/FS being conducted for the Site, and EPA's current position regarding redevelopment of the Property.

Progress of RI/FS Since 2011

At the time of EPA's 2010 and 2011 environmental comment letters to the Board, the CERCLA remedial investigation process on soil, sediment and surface water at the Site was still underway. The initial data available to EPA at that time confirmed that numerous residual chemicals were present, particularly in soil, throughout much of the former manufacturing area on the Property. However, an evaluation of the data, and completion of human health and ecological risk assessments had not yet been completed for soil, sediment or surface water. As a result, EPA was not in a position in 2011 to make an informed statement regarding whether reuse of the Property could result in unsafe exposure under CERCLA.

Since EPA's September 2011 letter, EPA's understanding of the Site conditions has progressed greatly with regard to potential chemical exposure risks. Specifically, field work has been completed on the Property to determine the nature and extent of contamination present in soil, sediment and surface water. In all, 488 soil samples, 84 surface water samples and 48 sediment samples were collected across the Property, and from nearby surface waters, and each sample was analyzed for up to 242 individual chemicals. While the data confirm the presence of residual chemicals across much of the former manufacturing area, no chemical hotspots were identified.

Human health and ecological risk assessments and conservative exposure analyses were performed on this data, and these analyses were subject to informal public review and comment and are incorporated into the Remedial Investigation Report for the Olin Chemical Superfund Site, dated July 24, 2015 (the "RI Report"). The human health risk assessment that was performed assumes that current and future anticipated use of the Property is, and will remain, commercial/industrial.

Data collected at the Site to date verifies that area groundwater, including groundwater located beneath the Property, is contaminated with chemicals released during former manufacturing activities. Based upon the data currently available to EPA, the most significant areas of groundwater contamination are located beneath the approximately 5-acre area labeled as the "Containment Area" on the attached Figure 1 and in groundwater that extends to the west of the Property. The groundwater beneath the Containment Area is enclosed by a slurry wall and temporary cap that are designed to eliminate, to the extent feasible, the groundwater in this area as a source of on-going contamination to area groundwater.

EPA Conclusions Based on Current RI/FS Data

Under CERCLA, after the RI/FS process is complete, EPA issues a Proposed Plan, which presents the proposed remedy for a site to the public for formal review and comment. Following review and written response to public comments, EPA documents the selected remedy for the site in a Record of Decision ("ROD"). Neither CERCLA, the regulations that implement CERCLA, nor EPA guidance prohibit redevelopment of a CERCLA site before the issuance of a ROD. *See e.g.*, August 25, 2015 Transmittal of Revised Policy on the Issuance of Superfund Comfort/Status Letters, attached as Exhibit A. However, any redevelopment that occurs at a CERCLA site prior to the issuance of a ROD is undertaken at the risk that the remedy selected in

the ROD may impact the development, including the possibility that the selected remedy will interrupt construction or operation of a commercial or industrial activity.

CERCLA and associated EPA guidance generally encourage redevelopment of CERCLA sites, provided such development is consistent with the risks posed by the site and the remedy selected for the site. *See e.g.*, Reusing Superfund Sites: Commercial Use Where Waste is Left on Site, February 2002, EPA 540-K-01-008, attached as Exhibit B. EPA does not, however, support or oppose any particular redevelopment plan for a CERCLA site. Also, EPA does not express any opinion regarding whether a proposed land use is, or is not, in compliance with local zoning or other municipal and state laws. Accordingly, EPA will not support or oppose NET's or any other developer's proposed redevelopment at the Site.

The results of the RI Report and risk assessments conducted on soil, sediment and surface water for the Site, described in the previous section, are preliminary and become final only at such time as EPA responds to formal public comment on a Proposed Plan and issues a ROD. Nonetheless, the RI Report and risk assessments provide EPA with sufficient information to find that commercial/industrial use of a majority of the Property will not pose unacceptable chemical exposure risks to construction or on-site workers, or visitors, on the Property.

Figure 1 of this letter shows the areas of the Property that are currently not suitable for redevelopment. These areas are labeled Containment Area, Plant B, and Additional Area. The field work and risk assessments conducted on the Property did not evaluate data from the Containment Area. As a result, EPA is not in a position to make any statement about potential chemical exposure risks in the Containment Area, and this area, plus an appropriate buffer zone around the Containment Area that will be determined in the future, is not suitable for redevelopment until further RI/FS work is completed. Plant B is an active groundwater remediation system at the Site that needs to continue operating for the foreseeable future. The Additional Area, which is located along the eastern boundary of the Property, was found in the RI Report to pose unacceptable risks under CERCLA, and is therefore not suitable for redevelopment at the present time. OEA should also be aware that the southern portion of the Property is subject to a conservation easement. *See* Figure 1.

Although the field work and risk assessments conducted as part of the current RI Report did not evaluate data from area groundwater, EPA has data confirming the presence of contamination in groundwater beneath and to the west of the Property. The presence of contaminated groundwater beneath the Property does not, however, preclude the redevelopment and reuse of the Property before a final remedy decision is made for the Site because any risks to on-Site workers, or visitors, to the Property from groundwater can be mitigated. Some of the chemicals present in area groundwater are volatile and may contribute to a potential vapor intrusion exposure pathway. The extent of any exposure risk from vapor intrusion will be assessed in the pending risk assessment for groundwater, as described below. As a result, any construction that occurs on the Property prior to completion of the groundwater risk assessment will be required to include, subject to EPA oversight, vapor barriers or other vapor intrusion mitigation methods. *See* page 5 of the Comfort/Status Letter. EPA has not made any assessment of risks associated with consumption of contaminated groundwater under and down gradient of the Site at this time.

Given these findings, along with the expectation that a ROD for the Site will not be issued until late 2017 at the earliest,¹ and consistent with the general goal of CERCLA to encourage redevelopment, the current facts no longer support EPA's previous requests that the Board continue to defer its environmental review process. Accordingly, provided NET's plan for redevelopment of the Property does not involve any use of the Containment Area, Plant B, or Additional Area, as shown on Figure 1, or groundwater, and would not use the Property for any purpose other than commercial/industrial, EPA would have no objection to the Board lifting its deferral, and re-opening, the NET proceeding. Should NET's proposal proceed to construction, EPA would need to review the actual construction details and be kept informed of construction progress to ensure consistency with EPA's investigation and cleanup.

The Board's Environmental Review Process

Prior to licensing the NET project, EPA understands that the OEA will conduct an environmental review under the National Environmental Policy Act ("NEPA"). As noted above, EPA's earlier letters to the Board recommended that an Environmental Impact Statement ("EIS") be developed for this project rather than an Environmental Assessment ("EA"). We continue to believe this is the right approach.

As you know, NEPA requires an agency undertaking a major federal action that significantly affects the human environment to provide a range of reasonable alternatives meeting the purpose and need of the project and an analysis of the short and long term direct, indirect and cumulative impacts of each. The potential effects on the "human environment" examined under a NEPA analysis include such factors as effects to existing natural resources such as wetlands; traffic; noise; air quality; public health; and safety. An EIS will provide a comprehensive review of these impacts.

One of the factors to be considered in deciding whether an EIS as opposed to an EA is appropriate for a federal action is the degree of public concern that surrounds a project. The Olin Site was first brought to the public's attention when the Wilmington drinking water wells were shut down in 2003 in response to elevated levels of n-nitrosodimethylamine ("NDMA") caused by releases from the Property. Since that time, the public has remained keenly interested in the future use of the Property. Once NET makes public the specifics for the construction and operation of a rail to truck transloading facility on the Site, public interest will no doubt intensify.

We understand that the project may involve the arrival and departure of trains on a daily basis, the potential daily movement of a number of trucks through local neighborhoods, and the transloading of liquid and solid commodities that are currently unknown. These activities may potentially degrade local air quality from emissions from construction equipment, trains and trucks; increase traffic congestion; increase local noise; create safety concerns from the handling and storage of unknown commodities; require the filling of wetlands; and increase storm water

¹ At the time of the 2011 EPA comment letter, an impending ROD for soil, sediment and surface water was anticipated, but EPA has since determined that a single ROD for all Site media is appropriate and will be issued following the conclusion of on-going groundwater investigations.

runoff. The full range of foreseeable impacts will only be known through close scrutiny of the project.

Among the core purposes of an EIS is to take a hard look at all reasonable alternatives that meet the project's purpose and need, and their reasonably foreseeable impacts, and to encourage public participation in the assessment process. A comprehensive, rigorous review provided by an EIS will inform the public of the full range of potential impacts that could occur and allow local residents to express their concerns in a way that contributes to public decision making. A more limited environmental review alone may not achieve these benefits.

Included below to provide additional information to the Board is a brief description of the Comfort/Status Letter that EPA issued to NET regarding the Site and the next steps in EPA's ongoing RI/FS process at the Site.

EPA's May 13, 2015 Comfort/Status Letter to NET

On May 13, 2015, EPA issued a Comfort/Status and Reasonable Steps letter (the "Comfort/Status Letter") to NET. *See Exhibit C.* Comfort letters are routinely issued by EPA to share information with interested parties about the status and environmental conditions of properties that may present realistic CERCLA cleanup and liability concerns. *See Exhibit A.* The Comfort/Status Letter issued to NET was solely for informational purposes to explain the environmental conditions at the Site, as known by EPA as of the date of the letter, and to suggest reasonable steps that NET should take at the Site to ensure protectiveness of human health and the environment and to achieve liability protections under the Bona Fide Prospective Purchaser ("BFPP") provision of CERCLA, 42 U.S.C. § 9601(40)(D), in the event that NET purchases and develops the Property. The Comfort/Status Letter clarifies areas of the Site and Property where CERCLA remedial actions may be required in a future ROD. *See Exhibit C, at page 6.* The Comfort/Status Letter also clarifies that it does not provide a release of CERCLA liability; rather, it only provides information with respect to reasonable steps based on the information that EPA had available to it at the time. *See Exhibit C, at page 5.* The Comfort/Status Letter does not make any representations that the Property is appropriate for any particular development or reuse.

EPA's Next Steps in the RI/FS Process at the Site

The RI/FS process is largely complete for soil, sediment and surface water at the Site, but the full nature and extent of contamination in groundwater still needs to be determined, as do potential exposure risks associated with groundwater. To this end, the potentially responsible parties ("PRPs") issued a work plan on July 3, 2015. This work plan identified certain data gaps and identified additional field work necessary to close these data gaps. Efforts are ongoing to implement this work plan. EPA anticipates that data collection activities will be completed this fall and next spring 2016. A draft RI Report and associated risk assessment for groundwater are anticipated later in 2016. Once the RI Report is reviewed by EPA and the stakeholders, the PRPs will prepare an FS Report for the entire Site which will provide a review of several remedial alternatives. EPA then anticipates selecting a proposed alternative for remediation of the Site in a Proposed Plan later in 2017. Following consideration of public review and

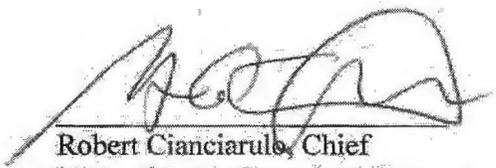
comment on the Proposed Plan, EPA anticipates selecting a final cleanup plan in a ROD in late 2017. EPA will continue to engage the public and local officials in informal public meetings during completion of the RI/FS process. EPA will also continue to coordinate with OEA throughout the RI/FS process and encourages OEA to similarly coordinate with EPA.

Conclusion

We appreciate your consideration of this letter, and hope that the submission is useful to the Board. Should the Board's OEA wish to discuss this matter, they should feel free to contact Jim DiLorenzo, EPA's Remedial Project Manager for the Olin Site (dilorenzo.jim@epa.gov or 617-918-1247); or with regard to NEPA issues, please contact Bill Walsh-Rogalski, Director of the Office of Environmental Review (walshrogalski.william@epa.gov or 617-918-1035).

Respectfully Submitted,


William Walsh-Rogalski, Director
Office of Environmental Review


Robert Cianciarulo, Chief
Massachusetts Superfund Program
Office of Site Remediation and Restoration

Attachments:

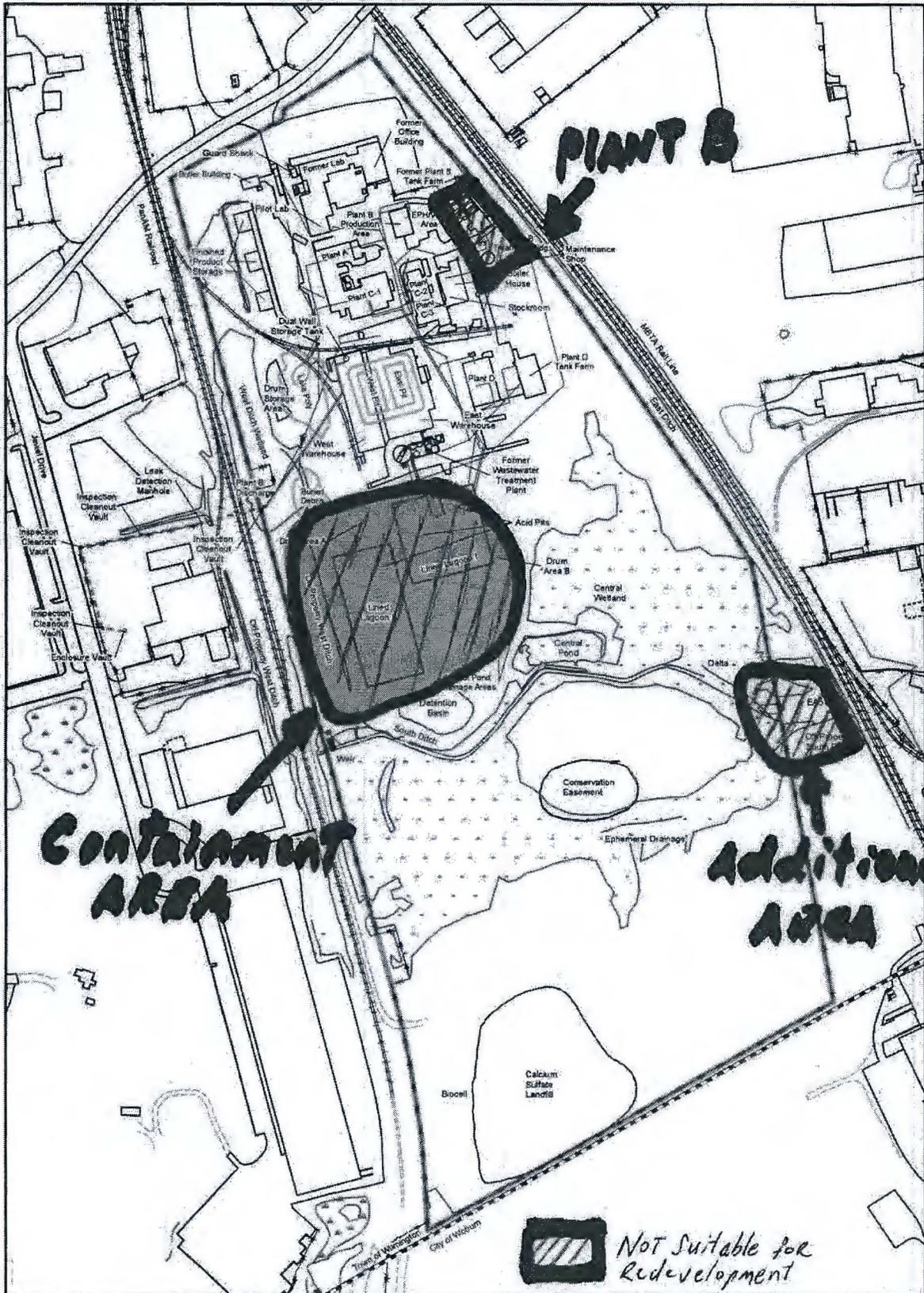
- Figure 1 - Areas On or In Close Proximity to the Property that Are Not Currently Suitable for Redevelopment
- Exhibit A - August 25, 2015 Transmittal of Revised Policy on the Issuance of Superfund Comfort/Status Letters
- Exhibit B - Reusing Superfund Sites: Commercial Use Where Waste is Left on Site, February 2002, EPA 540-K-01-008
- Exhibit C - May 13, 2015 Comfort/Status Letter

cc: Phyllis Johnson-Ball, Office of Environmental Analysis
Steven L. Leifer, Counsel for New England Transrail, LLC
Jim DiLorenzo, EPA
Kevin Pechulis, EPA
Joseph Coyne, Massachusetts Department of Environmental Protection
Nancy E. Harper, Massachusetts Attorney General's Office
James Cashwell, Olin Corporation
Rep. James R. Miceli
Jeff Hull, Town of Wilmington
Martha Stevenson, WERC

Figure 1

Areas On or In Close Proximity to the Property that Are Not Currently Suitable
for Redevelopment

FIGURE 1



<p>Legend</p> <ul style="list-style-type: none"> — Town Line — Drain/Sewer Line — Fence — Trail — Paved Road — Unpaved Road — Railroad — Structure — Surface Water — Wetland Boundary — SI Earnes St Property Boundary — Containment Structure — Aboveground Conveyance Piping — Underground Conveyance Piping 	<p>amec[®] AMEC Environment & Infrastructure 271 Mt Rd Chelmsford, MA 01824</p> <p>Figure ES-3 Site Features (Current and Historic) Remedial Investigation Report - OU1 and OU2 Olin Chemical Superfund Site Wilmington, Massachusetts</p> <p>Prepared/Date: BJR 03/17/14 Checked/Date: CTM 03/17/14</p>
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EXHIBIT C

Verified Statement of
Robert W. Jones

1. My name is Robert W. Jones. My office is located at 24 River Road, Suite 17, Clifton, NJ 07014. I am a principal and part owner of New England Transrail, LLC (“NET”).
2. I have an undergraduate degree in Petroleum Engineering from the University of Alabama and a Masters Degree in Business Administration from Rutgers University. I have had extensive experience in bulk transloading and transportation infrastructure development and operations. I was previously employed by Amerada Hess Corporation as Operations Manager in the Terminal Operations Division, which had responsibility for bulk shipments of refined petroleum products and intermediary chemicals via pipeline, barge, and rail. My Division was responsible for the oversight all aspects of the terminal operations.
3. I have also worked for Mr. Carl Jones, P.E. (also a principal of NET) at both Potomac Technologies and Prince George’s Contractors. In that capacity, I was responsible for business development in the areas of bulk organic materials composting. I was instrumental in assisting both companies to develop logistics plans for complex transload operations using rail transportation as the primary means of shipping products into and out of the New York/New Jersey metropolitan area. In 2001, I was a founding member of Hi Tech Trans, LLC. which was the transload operating company for Canadian Pacific Railroad located in the Oak Island Yard in Newark, New Jersey.
4. I have also provided consulting services to some of the country’s largest companies, including Vivendi/Companie Generale Des Eaux/PSG, Wheelabrator Clean Water, Legg

Mason Wood Walker, and Compost America, which was then the parent company of Environmental Protection and Improvement Company (EPIC).

5. As a principal of NET I have been actively involved in and familiar with all aspects of development of the planned rail freight village at 51 Eames Street in Wilmington, Massachusetts (hereinafter the “Project” or “Facility”).
6. NET is a limited liability company organized under the laws of the State of New Jersey and authorized to do business in Massachusetts. It has been formed for the purpose of acquiring, constructing and operating the NET Facility as described in this updated petition. NET is minority owned. None of NET’s owners control any other common carrier.¹
7. NET is not now a common carrier but hereby seeks authority to operate as a common carrier by rail utilizing the rail lines and terminal facilities that are described below. Doing business under the trade name of the Wilmington & Woburn Terminal Railway (“W&WTR”), NET will own and operate all of the rail lines and the rail-related facilities that are described in the updated Petition to which this Verified Statement is attached. It is anticipated that NET’s annual revenues will be less than \$5 million.²
8. NET has an option to purchase a parcel of industrial land in Wilmington, Massachusetts owned by the Olin Corporation at 51 Eames Street, and consisting of approximately 32 acres³ of land. In addition, the Project will include approximately 2 1/2 acres of adjoining land leased from Pan Am Railways (“Pan Am”), a regional railroad, for

¹ The four owners of NET are Robert W. Jones, III, Ronald A. Klempner, Jack Lyon and Carl Jones. Each owns a 25% interest in NET. Id.

² If NET’s estimate of projected revenues is anticipated to exceed this amount, NET will promptly comply with the Board’s notice requirements at 49 C.F.R. § 1150.32(e). Id.

³ The actual size of the parcel to be acquired by NET is 53 acres, but 21 acres are subject to a deed restriction/conservation easement and are not considered part of the project.

conversion into a rail interchange yard, including rehabilitation of existing track and switches and construction of additional tracks and switches. The Project will be able to receive service from Pan Am and Pan Am Southern, a joint venture between Pan Am and Norfolk Southern Railroad.

9. The Property is surrounded by light industrial and commercial businesses. A current Google Earth aerial photograph of the Property and its environs is included as Attachment A to this Verified Statement.
10. In conformity with the EPA's recommendations for the site, the Facility will be covered with buildings and paving to the greatest extent practical to minimize infiltration of precipitation into the previously impacted soils and subsequently into groundwater.
11. Buildings will have vapor intrusion barriers and/or ventilation in those areas where EPA designates that such measures are required. Vapor mitigation measures will be installed only after EPA has reviewed their design and configuration.
12. Tank cars containing liquid materials will be unloaded within a bermed area with spill control mechanisms. The surface of this bermed area will be impervious to such liquids, and there will be no generation, treatment, storage or disposal of any hazardous bulk liquids within the Groundwater Protection District. To the extent storage is required, above ground tanks will be used and they will be located outside the Groundwater Protection District.
13. The proposed NET Facility constitutes Brownfields redevelopment and the Facility possesses design elements that offer supplemental environmental benefits which can be shown to augment site cleanup efforts in furtherance of EPA's site remediation goals. NET has coordinated and will continue to coordinate with EPA the location of its

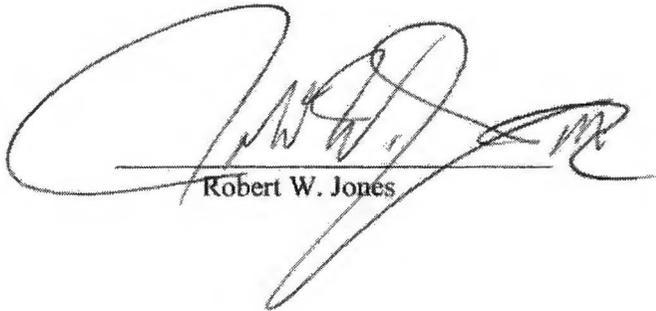
building and its pavement such that they provide for impervious barriers which prevent precipitation from travelling through impacted soils and reaching the groundwater, thereby facilitating EPA's stated goal of "management of migration." Exhibit A at p. 3.) NET also has agreed to provide access to EPA and Olin for any remaining investigatory or remedial work that remains to be done at the Olin site.

14. Moreover, NET will commit to perform each and every additional task EPA identified in its May 13 letter to NET, in which EPA indicated the steps NET should take to preserve its status as a bona fide prospective purchaser of the property (see Exhibit A at p. 4-5).

VERIFICATION

I, Robert W. Jones, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on 06-17, 2016.



Robert W. Jones



51 Eames Street, Wilmington, MA

Google

© 2007 Europa Technologies
Images: MassGIS, Commonwealth of Massachusetts, ESRI
© 2007 Navteq



EXHIBIT D

**Verified Statement of
Nicholas D'Agostino**

1. My name is Nicholas D'Agostino. I am a Senior Associate/Geotechnical Engineer with Stantec Consulting Services, Inc., located at 5 Burlington Woods Drive, Suite 210, Burlington Massachusetts, 01803-4542. I am a licensed Professional Engineer in Massachusetts.
2. My firm and I have been retained by New England Transrail LLC ("NET") to perform engineering services in connection with the transloading facility to be constructed at 51 Eames Street in Wilmington, MA following STB approval. The Eames Street location is currently owned by Olin Corporation.
3. As part of my retention, I am familiar with the Superfund site located at the Olin property, including the investigation and remediation activities undertaken at the site by Olin.
4. A portion of the Olin property was formerly used for the manufacture of a variety of chemicals, and received rail service from the Boston & Maine Railroad (now part of Pan Am) through a switch and two spurs leading from the West side of the Property. Under the direction of first the Massachusetts Department of Environmental Protection and subsequently by the U.S. Environmental Protection Agency, Olin has conducted extensive environmental investigation, analysis, and remediation of the areas which were affected by contamination from those operations. The portion of the Olin property where the former manufacturing activities occurred is generally

referred to as the "Developed Portion" of the Property. NET intends to construct the transloading facility on this Developed Portion of the Property.

5. NET's construction activities will consist of (1) demolition and removal of all existing buildings, (2) excavation and re-grading (3) rehabilitation and relocation of existing and former tracks and switches within the Property, and (4) installation of new facilities. The work will include:

- Repair to the paving at the existing railroad crossings at Eames Street in the vicinity of the site;
- 65,000 square feet of at-grade warehouse with an enclosed truck loading area;
- 240,000 square feet of building (built in phases) as a cross-dock/warehouse transloading facility (60,000 of which would be temperature controlled) for palletted and bagged products transloading from railcars to trucks;
- 1,135,000 square feet of paving for driveways for trucks to access the transloading buildings;
- Two truck scales and a rail scale to weigh trucks and railcars for purposes of billing and determine railcar loadings so as not to exceed rail load limitations;
- Site work, storm water control and utilities related to the foregoing;
- Transload racks, pumps and piping for transloading liquid materials;
- Storage tanks for liquid materials; and
- Water tanks for fire, safety and cleaning requirements

6. In addition, NET will acquire and operate several switch engine locomotives and track mobiles, and miscellaneous rail maintenance equipment and transloading equipment (such as fork lifts, container loaders, portable pumps and conveyed hoppers).

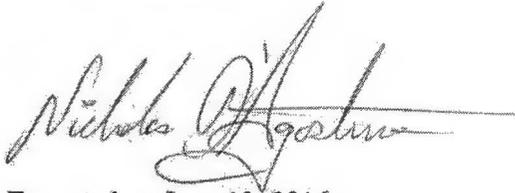
7. NET plans to demolish all building structures currently at the Olin Property, including the so-called West Warehouse, East Warehouse and Office Building that were formerly part of the chemical manufacturing facilities on the Olin Property. The concrete floor slabs of previously demolished buildings at Plant A/C1; Plant C2/C3; and Plant D will be removed. The existing railroad tracks will also be replaced and realigned. Existing asphalt and concrete roadbeds on the Olin Property will be removed or used as the base for new roadways.
8. Excavation in connection with the installation of new underground utilities will involve up to 1,500 cubic yards of material. Excavation in connection with the construction of new rail lines (involving excavation to a depth of approximately 2 feet below the current surface grade) will involve up to 8,000 cubic yards of material for placement of ballast and ties. The excavated material, if suitable, will be reused on the Property for backfill material where a raise in grade is proposed. Excavation in connection with the construction of the foundation of the cross dock/warehouse transloading structure will involve up to 1,500 cubic yards of material and will mostly involve footing excavation to a depth of 4 feet below proposed finished grade for frost protection. Excavation in connection with the construction of the storm water management system and the re-grading of the NET Development Area will involve up to 2,000 cubic yards of material. None of the excavation required for the development of the proposed facility will take place in the Deed-Restricted No Excavation Areas on the Property – not within the Containment Area nor on the Calcium Sulfate Landfill. Stormwater runoff will be directed to oil-water separator

treatment manholes prior to discharge to the east ditch and/or existing south stormwater basin.

9. NET's excavations are expected to avoid encountering groundwater, which has been determined to be located at a depth of approximately 6 to 9 feet below the current surface grade across the NET Development Area. Excavations are not expected to be greater than 4 feet in depth for building foundation installation, stormwater drainage pipelines, or underground utility installations.
10. NET also will reinstall underground utilities, construct a storm water management system, re-grade the NET Development Area and install new roadways, general pavement, and any gravel ground cover.
11. Fill material will be brought to the Developed Portion to an average elevation (El) of El 90 such that the Developed Portion will range from El \pm 92 on the North Side to El $90 \pm$ on the South Side.
12. NET will construct buildings and impervious surfaces on the "cap" area, as approved by EPA as a Final Cap, to cover the area of the Olin Site known as the Containment Area. (This is essentially the area shown on Exhibit E to NET's updated Petition for Exemption as the Phase II Building Footprint.)

VERIFICATION

I, Nicholas D'Agostino, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

A handwritten signature in cursive script, appearing to read "Nicholas D'Agostino", with a horizontal line extending to the right from the end of the signature.

Executed on June 13, 2016.

EXHIBIT E

EXHIBIT F

**Verified Statement of
Ronald A. Klempner**

1. My name is Ronald A. Klempner, I reside at 825 River Road, Edgewater, NJ 07020, and I am a principal of New England Transrail, LLC ("NET").
2. I have been involved in rail related projects for over 20 years as attorney, developer and consultant.
3. As a principal of NET I have been actively involved in and familiar with all aspects of development of the planned rail freight village at 51 Eames Street in Wilmington, Massachusetts (hereinafter the "Project" or "Facility").
4. All tracks which comprise the Project will either be interchange tracks or team tracks. The interchange tracks on the West side of the Project will consist of three parallel tracks with interconnecting switches. It is expected that NET will switch its outbound cars from team tracks serving the cross-dock warehouse onto these interchange tracks; and Pan Am Railroad ("Pan Am") will drop off inbound cars on these tracks and pick up the outbound cars. NET will then switch the inbound cars from the interchange tracks onto the team tracks adjacent to the cross-dock warehouse.
5. The interchange tracks on the East side of the Project will consist of the two most Easterly tracks. It is expected that: NET will switch its outbound cars from the team tracks serving the Northeast Corner Area and Center Area of the Project onto these interchange tracks, and Pan Am will drop off inbound cars on these tracks and pick up the outbound cars. NET will then switch the inbound cars from these interchange tracks onto the team tracks serving the Northeast Corner Area and the Center Area of the Project, accordingly.

-
6. The materials expected to be transloaded at the Facility include the following: in the cross-dock warehouse, brick, newsprint, paper products, recycled paper, steel, and any products transported on pallets or bags that are customarily carried in box cars (i.e., from canned goods, refrigerated goods, and bagged foodstuffs to hardware, car parts and electronics); in the Northeast Corner Area, lumber, scrap steel, wallboard, wood products and intermodal containers; and in the Center area, corn syrup, glycols (de-icers) vegetable oils, plastics, biofuels, and natural gas liquids customarily transported in tank cars, and sand and gravel, salt, plastic pellets and woodchips customarily transported in hopper cars. The aforementioned materials basically constitute the great majority of the materials referred to in the previous version of this Petition.
 7. NET will not operate a municipal solid waste transfer station at the facility.
 8. Goods and materials transported by rail will be unloaded into holding tanks or a warehouse for temporary storage incidental to rail transportation and transloading, while awaiting loading onto trucks for local delivery for efficient rail transportation. Unloading from rail cars into holding tanks and warehouses is part of standard railroad transloading practices so as to increase rail efficiency by minimizing rail car dwell time in the rail yard and allow disaggregation of goods from a railcar (i.e., one rail car can carry up to 5 truckloads of goods with up to 10 to 20 rail cars of one commodity received at a time).
 9. For tank cars, pumping into holding tanks increases efficiency and safety by avoiding multiple hookups from the rail car, and also minimizes the chances of spills and increases safety by having a fixed discharge point from a rail car.

10. There will be no manufacturing conducted at the Facility, nor will any of the commodities handled by NET be processed or changed in character or nature via any biological, chemical or thermal activity at the Facility.
11. All activities to be conducted will be essential to the rail transportation process, at one end of the rail network distribution chain.
12. NET also may provide services to repair and maintain railcars related to its receipt of rail cars for transloading purposes at the Facility.
13. The precise mix and types of commodities transloaded at the facility may change over the years based on customer demand and the dynamic economy in the Northeastern United States. However, NET does not intend to handle commodities that are significantly different in character than the categories of materials outlined above.
14. A major benefit of a transloading facility such as the one contemplated by NET is its ability to accommodate "manifest trains" made up of multiple types of rail cars containing different commodities. Manifest trains increase the efficiency and operations of the national freight system by reducing rail car dwell time, switching time, and costs encountered in switch yards along those portions of the national rail network traversed by the manifest trains.
15. Based on my review of literature and studies performed for similar projects and my own analysis thereof, on a macro environmental basis, the project should reduce almost 5 million long-haul trucking miles in New England alone¹, leading to reductions in air pollution; community noise; congestion; traffic accidents; and roadway wear and tear.

¹ This figure is based on the assumption that the Facility will receive an average of 30 cars per day which will displace an average of 4 trucks per car travelling from the NY border along I-90 (which would be the shortest route through New England to the Facility).

-
16. Attachment A to this Verified Statement shows the approximate location and distances to the center of the Boston metropolitan area of the abandoned freight yards, the relocated freight yards and the Project.
 17. As reported by local brokers serving the industrial real estate industry, existing freight rail lines serve older buildings that are not suited for modern efficient logistics operations or locations that lack the necessary configuration or space and the few existing buildings that are suitable for rail service have rapidly filled to capacity.
 18. As a result of these trends, there has reportedly been a considerable increase in demand for rail service in the region following a counterproductive decrease in rail transloading capacity closer to the center of the Boston metropolitan area needed to serve this demand. In fact, there is no active cross-dock refrigerated terminal along the entire PAS line, and despite having invested considerable sums through PAS to improve rail freight service along Northern Massachusetts, NS lacks a designated cross-dock transloading terminal in the Boston metropolitan area.
 19. Currently, the longer local dray costs from relocated transloading yards in Massachusetts adds a considerable burden for those desiring to utilize rail transportation and adds to burden on federal and state highway systems.
 20. The NET Facility will add rail transloading capacity close to the center of the Boston metropolitan area (14 road miles) and a short distance (2 road miles) to entrances/exits of two intersecting interstate highways (I-93, the north/south interstate leading into downtown Boston, and I-95, the inner beltway around Boston). This will greatly lower freight delivery costs to local businesses and distributors.

21. By being able to accept over 60 cars at a time, the NET Facility will serve as a transloading terminal close to the center of the Boston metropolitan area for “manifest” or express train services which require delivery of a large block of cars at one time. Consequently, the Facility will allow for lower rail rates and improved service scheduling, for those customers which can utilize such service, into the Boston metropolitan area.
22. By lowering the costs of both rail transportation and local dray, the Facility will encourage shippers who would otherwise use long-haul trucking to deliver goods to a significant portion of the Boston metropolitan area to switch to rail transportation.
23. As noted above, the Facility’s ability to eliminate over 5 million truck miles annually will enhance economic development and US competitiveness by: reducing the burden on infrastructure; reducing congestion; reducing reliance on imported fuel; and reducing repair impacts on other vehicles
24. As shown by a study conducted by Brian Ketchum attempting to monetize the externality costs of long haul and local dray trucking, diversion of freight transport from road to rail modes of transportation results in considerable reductions in the costs incurred as a result of: roadway maintenance and repair costs, air pollution, congestion. impacts on other vehicles, and noise (see Attachment B to this Verified Statement).² Because of its topography and density, highways in Eastern Massachusetts have a higher percentage of bridges, overpasses and elevated structures than the national average. Based on conversations with civil engineers and officials at various state transportation departments, because of the deflection stresses which increase logarithmically based on

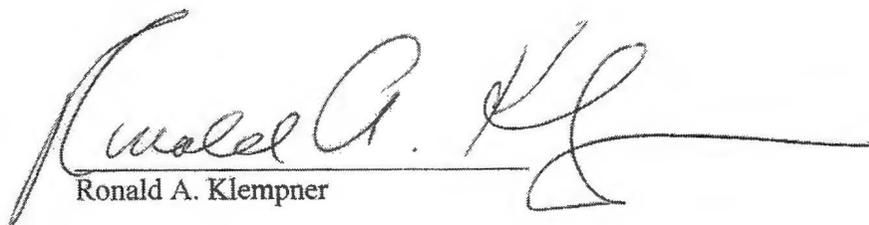
² The Ketchum report does not describe the precise fact situation applicable to the NET Project – for example, it examines a radius of 750 miles around Boston and not just Eastern Massachusetts – but is cited for its general conclusions regarding movement of freight by rail versus truck.

weight and speed, the impact of heavy duty trucks is multiple times greater than that of automobiles. Consequently, roadway maintenance and repair costs incurred by local, state and federal government will be reduced in Eastern Massachusetts even more than as shown in the Ketchum Report which is based on national averages.

VERIFICATION

I, Ronald A. Klempner, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on June 17, 2016.


Ronald A. Klempner

Attachment A

Locator Maps



NET Radius Map (25 Miles, 50 Miles, 75 Miles)



BRIAN KETCHAM ENGINEERING

175 Pacific Street, Brooklyn, New York 11201, 718-330-0550

A Comparison of the Full Costs of Moving Freight by Truck Compared to Moving Freight by Railroad

Prepared by Brian T. Ketcham, P.E., February 9, 2006

Introduction

This report compares the full cost of moving freight approximately 750 miles by rail versus by tractor-trailer truck. These costs are of two types: the direct cost assessed by the freight hauler, rail or truck, plus the externality costs imposed by each action. External costs include congestion imposed on other motorists who suffer additional delay and lost productivity, accident costs that grow in proportion to travel, much of which is not covered by insurance and environmental damages, both to human health and to the physical environment. These costs differ substantially depending on the mode of travel chosen.

The report is broken into several parts: 1) the direct cost of freight movement, rail versus truck; 2) the resulting costs to the public; and 3) the comparative emissions from each mode. The report assumes that freight is moved a total of 750 miles to various parts of the nation (within a 750 mile radius from Boston), with trucks moving 20 tons per tractor-trailer and rail moving 100 tons per rail car.

Direct Cost to Move Freight

The cost to move freight by rail a distance of 750 miles ranges between \$2,000 and \$4,000 per rail car depending on the commodity moved. At 100 tons per rail car, this works out to between \$20 and \$40 per ton, again for a distance of 750 miles. This compares to approximately \$2,400 for a tractor-trailer truck moving freight 750 miles and returning empty, for a cost per ton (assuming 20 tons per truck) or \$120. So, right off the top, there is a savings of approximately 67% to 83% for using railroad services for moving freight long distances.

The Hidden Costs of Moving Freight

The remainder of this report focuses on the external costs of moving freight by rail versus by tractor-trailer truck. The externality cost analysis is then augmented by estimating the energy costs and the vehicular emissions generated by moving 2,500 tons per day of freight six days a week, 52 weeks a year using rail services versus trucking.

Costs to the Public

Transport costs dictate how far and by which modes freight can be transported. The decision on how far to haul freight by truck generally accounts for only the direct costs of transport, such as labor, equipment depreciation, maintenance, fuel, tolls and road taxes. Such accounting generally omits the societal cost of pollution, pavement damage, congestion and accidents. Both trucks and rail contribute to environmental damage and accident costs borne by society at large. In addition, trucks contribute to pavement wear and tear, excess user costs and congestion losses. For example, it is estimated that each heavy truck creates as much damage to highways and bridges as nearly 10,000 automobiles.

While it is recognized that externality costs vary according to economic and locational conditions, the externality costs presented here are based on national averages. The following table summarizes these costs on the basis of \$'s per ton-mile of vehicle travel assuming trucks move 20 tons of freight and rail 100 tons per 60 foot rail car.

TABLE 1
Cost per Ton-Mile of Vehicle Travel (Loaded)

	RAIL CAR	TRUCK
Pavement Wear & Tear	\$0.00	\$0.0099
Excess User Costs	\$0.00	\$0.0047
Congestion Costs	\$0.00	\$0.0028
Air Pollution	\$0.00055	\$0.0028
Noise Impacts	\$0.00110	\$0.0047
Accident Costs	\$0.00044	\$0.0152

- Pavement Wear and Damage. Pavement wear and damage to roadway surfaces is caused largely by the repeated passage of heavy vehicles. Wear and damage to pavement depends upon the axle loads imposed by the vehicle, the frequency at which heavy loads are imposed, the strength of the pavement, and the length of time damage goes unrepaired. Heavy trucks have a much greater impact than lighter vehicles because pavement wear increases exponentially with increasing axle weights. Rail transport does not contribute directly to pavement wear and damage.
- User Costs. Reduced pavement quality increases costs to all highway users by increasing vehicle wear, operating costs, accidents and discomfort. Because the pavement repair generally occurs months, if not years, after the time of damage, user costs accumulate quickly over time. Again, rail transport does not contribute directly to increased user costs.
- Congestion. Congestion results from the demand for space by individual users operating on roads with limited capacity. Costs of congestion quantified by the Federal Highway Administration occur in the form of excess travel time, additional vehicle operating costs and increased damage and injury from accidents among vehicles. Rail transport does not contribute to the increased costs associated with highway congestion.
- Accidents. Highway and railway accidents cause personal injuries and property damage and result in significant cost to individuals and to society. The societal costs of accidents take the form of increased costs for health insurance and contribute to financially unstable hospitals due to incomplete reimbursements and the cost of supporting the medical infrastructure. Other societal costs often overlooked are productivity and property losses. The overwhelming majority of roadway accidents occurring each year do not result in personal injury, but do result in property damage. Costs associated with

personal injury and productivity loss account for the majority of total roadway accident costs.

- Pollution. Noise, air and water pollution are costs to society resulting from vehicle use, even though dollar amounts are not apparent in public budgets. Prevention or control costs sometimes appear as expenditures, but these are only weakly related to damage costs. Externalities created by truck and rail transport result in problems of both efficiency and equity.
 - Noise Pollution. Sources of highway noise include tires moving over pavement, engine exhaust, operation of engines and related equipment, friction of brake pads on discs, air brake operation, transmission and drive train friction, horns and alarms. Similar noise occurs with rail operation due to similar activities and sources of noise (for example, steel wheel against steel rail).
 - Air Pollution. The Federal Highway Administration and the U.S. Environmental Protection Administration have estimated damage to human health (mortality and morbidity), to materials (soiling and physical deterioration), and to vegetation from vehicle-related air pollution. Health impact costs include medical bills and loss of earnings due to illness or premature death. Damage to materials is based on deterioration of properties and aggregate damage estimates for different kinds of materials. Total costs are allocated to the different pollutants.
 - Water Pollution. Asbestos, particulates, road salts and petroleum residuals are among the water pollutants with highway usage origins. Non-point source runoff is regarded as the major uncontrolled contributor to water pollution. Rail operations are assumed to produce little water pollution impact. Water pollution costs are not estimated for this analysis for either mode.

Societal cost factors for freight movement by truck and rail vary greatly and are not well documented, especially for railroad impacts. The dollar costs listed above were derived from a number of publications: The *1997 Federal Highway Cost Allocation Study* prepared by the Federal Highway Administration, U.S. Department of Transportation and published in August 1997 (which focuses on heavy trucks) and *Transportation Cost and Benefit Analysis, Techniques, Estimates and Implications*, prepared and continuously updated by the Victoria Transport Policy Institute (VTPI), www.vtpi.org/tca/. VTPI has summarized virtually the entire universe of available data, has prepared models available over the internet and is the most valuable resource available for estimating societal costs. Unfortunately, it has not focused much of its attention on freight movement. Nevertheless, sufficient data is available to make an informed comparison of the externality costs of truck and rail modes of freight transport.

Estimating Externality Costs

Externality costs of moving freight are based on the annual vehicle mileage imposed on the existing transport system from the proposed action. As noted above, cost factors have been estimated by various economists for various externality costs for vehicular travel. These factors are in the form of the dollar cost of various externalities per mile of travel. The real challenge, therefore, is to estimate the additional vehicular travel by location and mode and, for trucking, by roadway type. It is then a simple matter multiplying a cost factor by total travel to get the cost for various externalities. In this report, externality costs are limited to pavement damage from heavy trucks, the resulting additional user costs (mostly costs borne by passenger car owners)

from the damage done to roads by heavy trucks, congestion costs and accident losses and environmental damages, all described above.

Figure 1 is a map of the northeast showing the major highways within a 750 mile radius of Boston. An analysis of this map reveals that travel from Boston to points west and south involve some travel through metropolitan areas. For the I-95 corridor along the East Coast, approximately 15% of travel is through or near an urbanized area. Other routes to the southwest along I-78 and I-81 encounter fewer urbanized areas; just 9% for this corridor. An analysis of a number of routes reveals that truckers would encounter, on average, about 11% of their travel through urbanized areas. The rest, 89%, is assumed to occur in rural areas with little congestion losses. This analysis conservatively assumes all externality cost factors are for rural areas. The urban/rural split for truck travel was used to estimate composite emissions factors (see below and calculation sheets in the Appendix).

FIGURE 1. 750 MILE RADIUS FROM BOSTON



Because so little research has been completed on the external costs of railroad activity, we have been limited to estimating the externality costs of air pollution, noise and accidents in the rail freight industry. It is assumed that railroad service does not contribute to pavement wear and tear, other motorist's user costs and vehicular congestion, all costs associated with heavy truck use.

Two scenarios have been analyzed, each moving 2,500 tons of freight a day. The first assumed 125 daily tractor-trailer trips compared to the alternative of using rail service in 25 railroad cars. This assumes that a tractor-trailer can move 20 tons of materials and that a railroad boxcar can

move 100 tons. An analysis of available data suggests these loads are optimistically high and that the average load for a tractor-trailer operating on U.S. roads is 8.9 tons and that the average load for a rail car is 64 tons. Both scenarios have been analyzed in this report. Reference www.bts.gov/publications/national_transportation_statistics/2005/html/table_04_14.html

Table 2 summarizes the resulting externality costs for moving freight by rail and truck. It assumes the movement of 2,500 tons of freight per day, six days a week, 750 miles distance and a return trip empty for both rail and truck. Assuming 100 tons per rail car and 20 tons net for a tractor-trailer rig, the total annual external cost of moving freight by rail is \$4.5 million or \$6 per ton versus \$81.8 million in externality costs for trucking, or \$105 per ton moved. Assuming one can get 100 tons in a rail car and move 20 tons by truck, the external costs of trucking are 18 times as high as for rail. The backup calculation sheets for these estimates are included in the Appendix.

Table 2 also reports the costs for average load factors, 64 tons per rail car and approximately 9 tons per tractor-trailer rig. In order to move 2,500 tons per day, 56% more rail cars would be needed and 2.25 times as many tractor-trailer rigs would be needed. Externality costs would increase proportionately: to \$7 million for rail (or \$9 per ton) versus \$182 million for trucking (or \$233 per ton). With lower average load levels, the relative external cost for moving freight by truck increases to nearly 26 times that for rail.

TABLE 2. EXTERNALITY COSTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

BASELINE ASSUMPTIONS, 100 TONS PER RAIL CAR, 20 TONS PER TRACTOR-TRAILER

	RAIL FREIGHT		TRACTOR-TRAILER	
Pavement Wear & Tear	\$	-	\$	17,374,500
Excess User Costs	\$	-	\$	8,204,625
Congestion Costs	\$	-	\$	6,435,000
Air Pollution	\$	1,093,950	\$	5,791,500
Noise Impacts	\$	2,445,300	\$	10,392,525
Accident Costs	\$	978,120	\$	33,622,875
TOTAL COST (Both Directions)	\$	4,517,370	\$	81,821,025
COST PER TON	\$	6	\$	105

AVERAGE PAYLOAD ASSUM., 64 TONS PER RAIL CAR, 9 TONS PER TRACTOR-TRAILER

	RAIL FREIGHT		TRACTOR-TRAILER	
Pavement Wear & Tear	\$	-	\$	38,640,888
Excess User Costs	\$	-	\$	18,247,086
Congestion Costs	\$	-	\$	14,311,440
Air Pollution	\$	1,706,562	\$	12,880,296
Noise Impacts	\$	3,814,668	\$	23,112,976
Accident Costs	\$	1,525,867	\$	74,777,274
TOTAL COST (Both Directions)	\$	7,047,097	\$	181,969,960
COST PER TON	\$	9	\$	233

A Comparison of Relative Air Pollution Emissions

Ambient Air Quality

National Ambient Air Quality Standards (NAAQS) have been established for six criteria pollutants: carbon monoxide (CO), lead, nitrogen dioxide, ozone, particulates, and sulfur dioxide. There are two sets of NAAQS: primary (which are based on health requirements) and secondary (which are based on environmental considerations).

Pollutants Associated with the Transport of Freight

The primary pollutants of concern for transportation are carbon monoxide (CO), ozone and fine particulate matter (PM). CO, PM and the precursor pollutants that form ozone, nitrogen oxides (NO_x) and volatile organic hydrocarbons (VOC), are emitted in diesel truck and diesel rail exhaust. Other vehicular-related sources of PM include brake and tire wear particles and road dust. CO is a site-specific pollutant that primarily affects areas immediately adjacent to a roadway. As a result, it is usually analyzed on a local or microscale basis. Ozone precursors from vehicles (VOC and NO_x) are evaluated at a regional level because precursors contribute to ozone formation at substantial distances from the source.

PM is comprised of various types of particles that range from visible settleable dust to very fine particulate that remain suspended, blurring visibility and is inhalable. In addition to total PM, NAAQS health protective air quality concentrations are established for particles with a diameter of 10 microns or less (PM₁₀) and for almost invisible particles of 2.5 microns or less (PM_{2.5}) that can penetrate deep into the lungs depositing elemental black carbon, nitrates and sulfates, and a variety of organic species, many of which are toxic and/or known carcinogens. According to a recent study by the California Air Resources Board and the American Lung Association¹, non-attainment of ambient standards for particulate matter in California is among the leading causes of premature death, comparable to second-hand smoke, resulting in twice as many deaths as in motor vehicle accidents and three times as many deaths as homicides.

Pollutants Generated by Rail and Truck Freight Movement

Table 3 provides a comparison of rail and truck emissions factors used for this estimate. On the basis of vehicle miles traveled they are virtually the same. However, on the basis of ton-miles (assuming 100 tons per rail car and 20 tons by truck) they are very different.

¹ <http://www.arb.ca.gov/research/health/fs/PM-03fs.pdf>; California Environmental Protection Agency, Air Resources Board, American Lung Association of California; Recent Research Findings: Health Effects of Particulate Matter and Ozone Air Pollution, January 2004.

TABLE 3. COMPARISON OF EMISSIONS FACTORS FOR RAIL AND TRUCK

	EMISSIONS FACTORS (Grams per Vehicle Mile)		EMISSIONS FACTORS (Grams per Revenue Ton-Mile)	
	RAIL	TRUCK	RAIL	TRUCK
Carbon Monoxide (CO)	2.95	3.15	0.060	0.168
Nitrogen Oxides (NOx)	19.98	19.60	0.408	1.045
Volatile Organic Compounds (VOC)	1.09	0.42	0.022	0.022
Particulate Matter (PM)	0.69	0.51	0.014	0.027

See materials in Appendix for Sources

Table 4 compares the resulting emissions by mode. Table 4 also reports the annual fuel use by mode and the resulting greenhouse gas (CO₂) emissions. For the scenario assuming 100 tons per rail car and 20 tons per tractor-trailer truck, the movement of freight by rail produces between 20% and 30% as much pollution as do trucks with the exception of VOC for which rail produces about half what trucks produce (moving 2,500 tons of freight six days a week, 52 weeks a year). For this same scenario, trucks consume about four times as much diesel fuel as would rail thereby producing about four times the CO₂ emissions.

For the alternative scenario, with rail moving 64 tons per car and trucks nearly 9 tons per tractor-trailer, the results are even more favorable for rail with rail producing about a fifth the emissions as for trucks again with the exception of VOC for which rail would be about a third that of trucks. Similarly, the relative diesel fuel consumption is also more favorable to rail, with rail consuming about a fifth that needed for truck use and with trucks producing about five times the CO₂ emissions produced by rail. Again, supporting documentation for all the above is included in the Appendix to this report.

Fuel Consumption

Considering the growing cost of petroleum products and the potential for severe shortages in the decades to come, the potential savings from moving freight by rail versus truck is of considerable interest. Table 5, below, summarizes and emphasizes the energy saving benefits available for moving freight by rail. Assuming that rail moves 100 tons per rail car and trucks, 20 tons per tractor-trailer trip, using rail saves nearly 7.6 million gallons of diesel fuel. Fuel savings grow to 18.7 million gallons of diesel fuel if average freight loads are assumed for both rail and truck, 64 tons and 8.9 tons, respectively. For the two scenarios examined, trucks use four to five times as much energy to move freight as does rail for moving the same freight loads (2,500 tons per day, six days per week, 52 weeks per year, 750 miles one-way).

TABLE 4. AIR POLLUTION EFFECTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

BASELINE ASSUMPTIONS, 100 TONS PER RAIL CAR, 20 TONS PER TRACTOR-TRAILER

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	38	203	165	19%
Nitrogen Oxides (NOx)	257	1,263	1,005	20%
Volatile Organic Compounds (VOC)	14	27	13	52%
PM10	9	33	24	27%
PM2.5	9	28	20	31%
Carbon Dioxide (CO2)	29,975	109,688	79,712	27%
Total annual fuel use (gallons of diesel)	2,854,800	10,446,429	7,591,629	27%

AVERAGE PAYLOAD ASSUM., 64 TONS PER RAIL CAR, 9 TONS PER TRACTOR-TRAILER

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	59	451	391	13%
Nitrogen Oxides (NOx)	402	2,806	2,404	14%
Volatile Organic Compounds (VOC)	22	60	38	36%
PM10	14	73	59	19%
PM2.5	14	63	49	22%
Carbon Dioxide (CO2)	46,762	243,750	196,988	19%
Total annual fuel use (gallons of diesel)	4,453,488	23,214,286	18,760,798	19%

TABLE 5. ENERGY SAVINGS AVAILABLE FROM RAIL VERSUS TRUCK

	GALLONS OF DIESEL FUEL PER YEAR		
	Tractor-Trailer	Rail	SAVINGS
Fuel Use at 100 tons rail/20 tons truck	10,446,429	2,854,800	7,591,629
Fuel Use at 64 tons rail/8.9 tons truck	23,214,286	4,453,488	18,760,798

Conclusions

The long haul transportation of freight by highway imposes significant burdens on the general public in the form of additional taxes to cover road repairs, damage to private vehicles that must run on truck damaged highways, damage to air quality and the attendant health effects and due to property damage and personal injuries related to accidents. Most of these factors do not apply to rail transportation which uses produce a fraction of the emissions, no road damage and few personal injuries due to rail's use of private rather than public rights of way. Two public costs stand out. The annual cost of accidents for moving freight by truck is nearly 35 times that for rail transport. The cost of air pollution for trucks is nearly 6 times that for rail. The use of rail for freight movement would also save taxpayers, residents and developers a huge amount of money, both directly in the form of direct costs to maintain our roads and in the form of externality cost savings in reduced health care costs. Table 6 summarizes these results for the

most optimistic comparison for trucks, with 20 tons per tractor-trailer versus 100 tons per rail car.

TABLE 6. BENEFITS OF MOVING FREIGHT BY RAIL
(2,500 tons per day, six days per week, 52 weeks per year, 750 miles)

	<u>RAIL</u>	<u>TRUCK</u>	<u>SAVINGS</u>
Direct Cost to Move Freight (\$/ton)	\$20-\$40	\$120	67%-83%
Externality Costs (Million \$'s/year)	\$4.5	\$33.6	87%
Air Pollution Savings (tons/year)			
Nitrogen Oxides	257	1,263	80%
Particulates	9	33	73%
Carbon Dioxide (greenhouse gas)	29,975	109,688	73%
Fuel Consumption (gal's diesel/year)	2,854,800	10,446,429	73%

APPENDIX

Comparison of Externality Costs

Rail vs. Truck Freight Movement

	<u>RAIL FREIGHT</u> (100 tons per car)	<u>TRACTOR-TRAILER</u> (20 tons per tractor-trailer)
Daily Vehicle Movements	25	125
Resulting vehicle trips (1)	7,800	39,000
One-way vehicle miles to destination	750	750
Resulting annual vehicle miles of travel Assuming tractor-trailer returns empty	11,700,000	58,500,000
Tons of freight moved per year	780,000	780,000
Resulting externality Costs (2)	LOADED TRIP OUT	
Pavement Wear & Tear	\$0	\$11,583,000
Excess User Costs	\$0	\$5,469,750
Congestion Costs	\$0	\$3,217,500
Air Pollution	\$643,500	\$3,217,500
Noise Impacts	\$1,287,000	\$5,469,750
Accident Costs	\$514,800	\$17,696,250
SUBTOTALS	\$2,445,300	\$46,653,750
Resulting externality Costs (3)	EMPTY TRIP BACK	
Pavement Wear & Tear	\$0	\$5,791,500
Excess User Costs	\$0	\$2,734,875
Congestion Costs	\$0	\$3,217,500
Air Pollution	\$450,450	\$2,574,000
Noise Impacts	\$1,158,300	\$4,922,775
Accident Costs	\$463,320	\$15,926,625
SUBTOTALS	\$2,072,070	\$35,167,275
TOTAL COST	\$4,517,370	\$81,821,025
COST PER TON	\$5.79	\$104.90

(1) Assumes 100 tons per rail car; 20 tons per truck.

(2) Assumptions for externality costs. See table ____

(3) Estimate assumes both tractor-trailer and railroad cars return empty.

We can recalculate if this scenario changes.

Per Vehicle Mile of Travel Loaded

	Rail	Truck
Pavement Wear & Tear	\$0.000	\$0.198
Excess User Costs	\$0.000	\$0.094
Congestion Costs	\$0.000	\$0.055
Air Pollution	\$0.055	\$0.055
Noise Impacts	\$0.110	\$0.094
Accident Costs	\$0.044	\$0.303

(4) Empty vehicles have a slightly lower external cost factor

Per Vehicle Mile of Travel Empty

	Rail	Truck
Pavement Wear & Tear	\$0.000	\$0.099
Excess User Costs	\$0.000	\$0.047
Congestion Costs	\$0.000	\$0.055
Air Pollution	\$0.039	\$0.044
Noise Impacts	\$0.099	\$0.084
Accident Costs	\$0.040	\$0.272

Comparison of Externality Costs (Reduced Car Capacity)

Rail vs. Truck Freight Movement

	<u>RAIL FREIGHT</u> <u>(64 tons per car)</u>	<u>TRACTOR-TRAILER</u> <u>(9 tons per tractor-trailer)</u>
Daily Vehicle Movements	39	278
Resulting vehicle trips (1)	12,168	86,736
One-way vehicle miles to destination	750	750
Resulting annual vehicle miles of travel Assuming tractor-trailer returns empty	18,252,000	130,104,000
Tons of freight moved per year	778,752	780,624
Resulting externality Costs (2)	LOADED TRIP OUT	
Pavement Wear & Tear	\$0	\$25,760,592
Excess User Costs	\$0	\$12,164,724
Congestion Costs	\$0	\$7,155,720
Air Pollution	\$1,003,860	\$7,155,720
Noise Impacts	\$2,007,720	\$12,164,724
Accident Costs	\$803,088	\$39,356,460
SUBTOTALS	\$3,814,668	\$103,757,940
Resulting externality Costs (3)	EMPTY TRIP BACK	
Pavement Wear & Tear	\$0	\$12,880,296
Excess User Costs	\$0	\$6,082,362
Congestion Costs	\$0	\$7,155,720
Air Pollution	\$702,702	\$5,724,576
Noise Impacts	\$1,806,948	\$10,948,252
Accident Costs	\$722,779	\$35,420,814
SUBTOTALS	\$3,232,429	\$78,212,020
TOTAL COST (Both Directions)	\$7,047,097	\$181,969,960
COST PER TON	\$9.05	\$233.11

(1) Assumes 64 tons per rail car; 9 tons per truck.

(2) Assumptions for externality costs. See table ____

(3) Estimate assumes both tractor-trailer and railroad cars return empty.

We can recalculate if this scenario changes.

Per Vehicle Mile of Travel Loaded

	Rail	Truck
Pavement Wear & Tear	\$0.000	\$0.198
Excess User Costs	\$0.000	\$0.094
Congestion Costs	\$0.000	\$0.055
Air Pollution	\$0.055	\$0.055
Noise Impacts	\$0.110	\$0.094
Accident Costs	\$0.044	\$0.303

(4) Empty vehicles have a slightly lower external cost factor

Per Vehicle Mile of Travel Empty

	Rail	Truck
Pavement Wear & Tear	\$0.000	\$0.099
Excess User Costs	\$0.000	\$0.047
Congestion Costs	\$0.000	\$0.055
Air Pollution	\$0.039	\$0.044
Noise Impacts	\$0.099	\$0.084
Accident Costs	\$0.040	\$0.272

**EMISSIONS GENERATED FROM 125 DAILY TRACTOR-TRAILER TRIPS
TRAVELING 750 MILES AND RETURNING**
(Assumes 2,500 tons of freight moved daily)

EXTERNALITY COSTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	RAIL FREIGHT (100 tons per car)	TRACTOR-TRAILER (20 tons per tractor-trailer)
Pavement Wear & Tear	\$ *	\$ 17,374,500
Excess User Costs	\$ *	\$ 8,204,625
Congestion Costs	\$ -	\$ 6,435,000
Air Pollution	\$ 1,093,950	\$ 5,791,500
Noise Impacts	\$ 2,445,300	\$ 10,392,525
Accident Costs	\$ 978,120	\$ 33,622,875
TOTAL COST (Both Directions)	\$ 4,517,370	\$ 81,821,025
COST PER TON	\$ 6	\$ 105

AIR POLLUTION EFFECTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	38	203	165	19%
Nitrogen Oxides (NOx)	257	1,263	1,005	20%
Volatile Organic Compounds (VOC)	14	27	13	52%
PM10	9	33	24	27%
PM2.5	9	28	20	31%
Carbon Dioxide (CO2)	29,975	109,688	79,712	27%
Total annual fuel use (gallons of diesel)	2,854,800	10,446,429	7,591,629	27%

Brian Ketcham Engineering, P.C. (January 31, 2006)

THE FOLLOWING EMISSIONS ANALYSIS ASSUMED A TOTAL OF 2,500 TONS OF FREIGHT ARE MOVED DAILY, BUT THAT THE AVERAGE TRUCK CARRIES 9 TONS AND THE AVERAGE RAIL CAR 64 TONS

EXTERNALITY COSTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	RAIL FREIGHT (64 tons per car)	TRACTOR-TRAILER (9 tons per tractor-trailer)
Pavement Wear & Tear	\$ *	\$ 38,640,888
Excess User Costs	\$ *	\$ 18,247,086
Congestion Costs	\$ -	\$ 14,311,440
Air Pollution	\$ 1,706,562	\$ 12,880,296
Noise Impacts	\$ 3,814,668	\$ 23,112,976
Accident Costs	\$ 1,525,867	\$ 74,777,274
TOTAL COST (Both Directions)	\$ 7,047,097	\$ 181,969,960
COST PER TON	\$ 9	\$ 233

AIR POLLUTION EFFECTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	59	451	391	13%
Nitrogen Oxides (NOx)	402	2,806	2,404	14%
Volatile Organic Compounds (VOC)	22	60	38	36%
PM10	14	73	59	19%
PM2.5	14	63	49	22%
Carbon Dioxide (CO2)	46,762	243,750	196,988	19%
Total annual fuel use (gallons of diesel)	4,453,488	23,214,286	18,760,798	19%

Brian Ketcham Engineering, P.C. (January 31, 2006)

Rail vs. truck freight comparison using supplied numbers

	HC	CO	NOx	PM	CO2
Truck emissions per truck-mile	0.42	3.15	19.6	0.51	1786
Trucks per day	125				
Annual miles (6 days/week, 750 miles)	58.66071 million				
Annual truck emissions (metric tons)	24.6	184.8	1149.8	29.9	104751
Rail emissions per car-mile	1.09	2.95	19.98	0.69	1076
Cars per day	25				
Annual miles (6 days/week, 750 miles)	11.73214 million				
Annual rail emissions (metric tons)	12.8	34.6	234.4	8.1	12629
Rail vs. truck change, absolute (metric tons)	-11.9	-150.2	-915.4	-21.8	-92122
Rail vs. truck change, relative	-48%	-81%	-80%	-73%	-88%

Rail vs. truck freight comparison using ton-mile approach

	HC	CO	NOx	PM	CO2
Truck emissions, grams per revenue ton-mile	0.022	0.168	1.045	0.027	95.24
Rail emissions per revenue ton-mile	0.022	0.060	0.408	0.014	21.98
Rail vs. truck change, relative	-1%	-64%	-61%	-48%	-77%
Rail vs. truck absolute, annual, at 2,500 tons/day	-0.1	-63.2	-373.9	-7.7	-42975

Supporting calculations

Trucks		HC	CO	NOx	PM	CO2
Emissions factors, grams per mile (9)		0.42	3.15	19.6	0.51	
Average fuel economy, miles per gallon	5.6					
Truck emissions, grams per mile		0.42	3.15	19.6	0.51	1786
Average fuel economy, ton-miles per gallon (8)	105					
Truck emissions, grams per revenue ton-mile		0.022	0.168	1.045	0.027	95.2
Railroad		HC	CO	NOx	PM	
Rail emissions factors, grams per gallon (1)		10.1	27.4	185.6	6.4	
Rail emissions factors, grams per gallon (6)		9.2	29.7	225.0	4.9	
Average fuel economy, car-miles per gallon (2)	9.29					
Rail emissions per car-mile		1.09	2.95	19.98	0.69	1076
Average fuel economy, ton-miles per gallon (4)	340					
Average fuel economy, ton-miles per gallon (3)	386					
Average fuel economy, ton-miles per gallon (7,8)	455					
Average fuel economy, ton-miles per gallon (5)	510					
Average fuel economy, ton-miles per gallon (6)	329-1004					
Rail emissions per revenue ton-mile		0.022	0.060	0.408	0.014	22.0

(1) Emission Factors for Locomotives, year 2006. US EPA, December 1997
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(2) Bureau of Transportation Statistics, National Transportation Statistics.
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(4) Scenarios for a Clean Energy Future, Appendix C-3, 2000. ORNL / LBNL
<http://www.ornl.gov/sci/eeere/cefi/>

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http://www.railcan.ca/documents/publications/627/2004_11_01_Trends2004_en.pdf

(6) Development of Railroad Emissions Inventory Methodologies. Sierra Research, 2004.
<http://www.metro4-sesarm.org/pubs/railroad/FinalMethodologies.pdf>

(7) Investing in mobility. Environmental defense
http://www.environmentaldefense.org/documents/3601_InvestingMobility_Hudson.pdf

(8) Freight Rail Infrastructure Investment, CSX, presented at Transportation Research Board 2002.
http://trb.org/conferences/Fin3/Track4_Gibson_102802.ppt

(9) EPA Mobile 6 emissions factors, year 2006 mix
<http://www.epa.gov/otaq/models/ap42/ap42-h7.pdf>

(10) Arkansas waterways commission
<http://www.waterways.dina.org/advantage.html>

http://www.bts.gov/publications/national_transportation_statistics/2004/excel/table_truck_profile.xls

EXHIBIT G

Verified Statement of
Frank S. DeMasi

1. My name is Frank S. DeMasi and I reside at 26 MacArthur Road, Wellesley, Massachusetts, 02482.
2. I served as Chairman of the Boston Metropolitan Planning Organization ("MPO") Advisory Council Freight Committee, from 2003 to 2009 which required me to interact with distribution and logistics personnel from Massachusetts railroads and trucking companies. I also served as Vice Chair and Chairman of the Boston Chapter of the Association for Public Transportation for two years from 2014 to 2015. I formerly served as Chairman of the Regional Transportation Advisory Council ("RTAC"). While no longer acting in an official capacity on these organizations and councils, I remain an active member in their deliberations.
3. I have spent the last 13 years advocating for better state wide and local strategic transportation and economic development planning and projects. As Town Meeting Member, and former Planning Board Member, I have represented Wellesley, MA in regional transportation planning at the Boston MPO's Advisory Council and the RTAC, the Metropolitan Area Planning Council, the Massachusetts Bay Transportation Authority Advisory Board, and various committees and/or subcommittees of these organizations. By informing our state transportation planners at public and organizational meetings and through frequent correspondence with the Massachusetts Legislative Joint Committee on Transportation I have endeavored to

engage public support for passenger and freight rail and also advocate for policies and plans to implement a strategic, regional, multimodal freight rail distribution system.

4. As a result of these activities, I am aware that the Eastern Massachusetts region desperately needs multi-commodity rail freight village/distribution centers facilities to reduce congestion and adverse environmental impacts from long haul trucking. The high cost of land in Eastern Massachusetts has caused the westward movement of transportation and industrial sites. The result is an increase in trucking into our most densely populated urban areas.
5. I am aware that New England Transrail LLC ("NET") is developing a rail freight village/distribution center in an industrial area at 51 Eames Street, Wilmington, MA. The region desperately needs such facilities to reduce congestion and environmental impacts from long haul trucking and to lower shipping costs for businesses and consumers in the area. NET is proposing to establish the Wilmington and Woburn Railroad, a short line terminal railroad with an integral freight village/distribution center as a major component of its development. The development will put a remediated brownfield site back into productive use creating jobs for local blue collar residents as well as add tax revenue to its host communities while accommodating the ongoing investigation and remediation of the site.
6. The NET project is in an ideal location to serve the urban center of Boston and the surrounding metro area. It is near the intersection of I-95 and I-93, and only 14 miles from downtown Boston. Active rail service via Pan Am Railway is provided to a cement plant across from NET's proposed Wilmington site and the existing spur is readily extended into the planned NET facility. The strategic location of this site

puts its customers in a position to facilitate off-hour deliveries into urban Boston, which reduces congestion and air emissions, improves local enterprises' supply chain reliability, provides local trucking jobs, and reduces business costs. The NET freight village/distribution center could handle a wide variety of goods arriving in both tank cars and box cars.

7. While long distance rail freight infrastructure has improved nationally, the so-called 'last mile' (i.e., the interface between rail and road deliveries) remains an impediment to increased rail freight, particularly in densely populated New England. Several trends now make the demand and need for rail freight villages even more pressing:

- Significant capital investments in long distance rail freight into Massachusetts and improved rail service in the northern tier of the Commonwealth as a result of the joint venture between Norfolk Southern ("NS") and Pan Am Railroad has improved the competitive position of rail freight versus long distance trucking;
- New federal truck driver restrictions have also increased the competitive position of rail freight versus long distance trucking;
- Existing freight lines serve older, space-limited storage/distribution facilities that cannot efficiently serve modern transloading operations. At the same time, there has been considerable improvements and upgrades to rail infrastructure and service running into the region. For example, Pan Am Southern ("PAS")/NS invested over \$100 million to upgrade rail lines, bridges and tunnels leading from Mechanicsville, NY to Ayer, Massachusetts, and Pan Am Railroad invested tens of millions in new equipment and personnel to improve rail freight service in Northern Massachusetts (although there are no cross-dock refrigerated terminals

along the entire PAS line and NS lacks a designated cross-dock transloading terminal in the Boston Metropolitan area).

- Current and proposed real estate development in Somerville, Framingham and Beacon Yards, Boston, has caused rail freight transloading facilities to be displaced and removed to locations in Ayer, Westborough and Worcester, Massachusetts--more distant from the urban centers. Indeed, Pan Am closed its Somerville yard near downtown Boston and moved its operations nearly 45 miles away to Ayer, and CSX moved its Beacon Yard operations about 45 miles to the west to Worcester;
 - Recent federal studies conducted in Boston and New York City have demonstrated significant environmental, congestion reduction, and cost-of-business benefits as a result of a shift of retail store delivery from daytime to off-hour times in these densely populated urban centers, thereby requiring rail freight transloading facilities located closer to Boston.
8. Highways in Eastern Massachusetts have a higher percentage of bridges, overpasses and elevated structures than in other parts of the state or the country. Because of the deflection stresses which increase logarithmically based on weight and speed, the impact of heavy duty trucks on these structures is multiple times greater than that of automobiles. Thus, facilitating rail service to Eastern Massachusetts will reduce roadway maintenance and repair costs to local, state and federal governments.
 9. Based on my knowledge of transportation logistics, challenges and benefits in Massachusetts, I have recommended that the NET project be part of the State Rail and Freight Plans.

VERIFICATION

I, Frank S. DeMasi, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on JUNE 6, 2016.

Frank S. DeMasi
Frank S. DeMasi