

PAN AM SOUTHERN LLC

EE-17961

1700 IRON HORSE PARK
NORTH BILLERICA, MA 01862-1681

KB

FD 35147

November 30, 2009

VIA OVERNIGHT MAIL

Carl F. Dierker
Regional Counsel
U.S. EPA, Region 1
1 Congress St., Suite 1100
Boston, MA 02114-2023

Martin Suuberg
Regional Director
Massachusetts Department of
Environmental Protection, Central Region
627 Main St.
Worcester, MA 01608

Re: Pan Am Southern LLC San Vel Automotive Facility, Ayer, MA

Dear Messrs. Dierker and Suuberg:

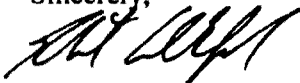
This letter provides the final set of information related to the October 1, 2009 letter to you from Cyndi Scarano of Pan Am Railways (PAR). At your request, by that letter PAR submitted a list of the items discussed during the September 29, 2009 meeting between representatives of Pan Am Southern LLC (PAS), the Surface Transportation Board (STB), U.S. Environmental Protection Agency (EPA), Massachusetts Department of Environmental Protection (DEP), and the Town of Ayer (Town). In her October 1 letter, Ms. Scarano provided a list of items PAS agreed to provide to the regulatory agencies and the Town, and target dates by which it anticipated providing those items. As outlined in that October 1 letter, we are providing you herewith the draft Standard Operating Procedures intended for the San Vel Automotive Facility when in operation. In addition, the October 1 letter indicated that we would schedule a follow up meeting with Mr. Suuberg by December 1. As you are aware, PAS is attempting to schedule that meeting for the week of November 30 or the week of December 7, 2009, depending on availability of the various attendees.

PAS appreciates that there has been significant communication between the agencies and PAS during the construction of this facility. Once completed and operational, the San Vel Automotive Facility will be one of the premier automotive facilities in the country, with extraordinary safeguards in place to protect the environment.

Carl F. Dierker, Regional Counsel, EPA
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If you have any questions regarding the information contained in this transmittal or any of the attachments, please contact the undersigned at (603) 816-0042 or rculliford@flypanam.com.

Sincerely,



Robert B. Culliford
for PAN AM SOUTHERN LLC

Attachments

cc: Evelyn Kitay, Associate General Counsel, Surface Transportation Board (*without attachments*)
Vicki Rutson, SEA Chief, Surface Transportation Board (*with attachments*)
Shaun A. Suhoski, Town of Ayer (*with attachments*)

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LIST OF ATTACHMENTS

Attachment 1 Standard Operating Procedure

**San Vel Automotive Facility
Willow Road, Ayer, MA**

**Standard Operating Procedures for Operations
November 30, 2009**

The standard operating procedures outlined herein are intended to guide Pan Am Southern LLC ("Railway") and Contractor regarding operations at the San Vel Automotive Facility (the "Facility"). (As of the date of these draft standard operating procedures, no agreement has been awarded for Facility operations.) Due to extraneous considerations at the Facility that are not typical of other automotive facilities, this document outlines specific operating measures with which Contractor must comply in addition to its general obligation to comply with applicable federal, state and local laws, rules and regulations, and the procedures herein applicable to Contractor must be included in Contractor's final SOP.¹

In the event any procedures herein that relate to the environment conflict with any other operating procedures provided to or by Contractor, these procedures shall control. Contractor and Railway shall enter into an agreement (the "Agreement") that shall further govern operations at the Facility. To the extent any procedures herein are addressed in more detail in the Agreement, Contractor shall comply with the more detailed procedures set forth in the Agreement.

General Obligations – Operations

In general, Contractor will perform the loading/unloading of motor vehicles to/from multi-level, open flat or single deck enclosed rail cars in a manner conforming to the daily requirements of Railway's train movement schedules. In the performance of its duties, Contractor will provide all labor and tools required for the shuttling, loading/unloading and securement of motor vehicles. Contractor will also supply supervisory personnel at all times to oversee the complete loading/unloading operation. The Facility manager(s) will continuously monitor the activities and performance of employees doing the loading/unloading, taking corrective action when required. Each Contractor personnel must have a valid state driver's license in his possession and e-VERFILE background check picture identification card at all times during operations. Railway reserves the right to perform clearance checks on Contractor's employees when necessary to protect the interest of Railway.

¹ Development of and compliance with these draft standard operating procedures or Contractor's SOP is not a regulatory requirement; Contractor's development of and compliance with the SOP is a contractual commitment between Railway and Contractor, enforceable as between the parties only as set forth in Contractor's Agreement or as determined in a court of law. Notwithstanding the foregoing, nothing in these standard operating procedures should be construed as creating or inferring an employer-employee relationship between Railway and Contractor or between Railway and Contractor's employees. Contractor shall be and shall remain an original and independent party under the Agreement, and all matters to be performed by Contractor shall be its own separate business, under its management, supervision and direction.

**Standard Operating Procedures for Contractor/Operator
San Vel Automotive Facility**

Contractor will initiate and sustain an on-going quality process in which all employees will participate. This process will include as a minimum the following items: a) periodic safety and quality meetings for all employees; b) a statistically valid employee accountability process; c) a formal training process for all corrective action taken; and d) active participation in the ramp quality process that uses statistical data to manage the business. In the performance of its obligations under the Agreement, Contractor must comply with all manuals and instructions pertaining to the loading/unloading of motor vehicles as issued by the manufacturers, the Federal Railroad Administration ("FRA"), the Association of American Railroads ("AAR"), and Railway. Contractor will provide sufficient communication equipment and transportation to permit Contractor to move its personnel from job to job at the Facility. Contractor must meet safety, quality, and performance objectives as specified by Railway. Contractor will provide two-way communication devices, telephone, fax, copy machines and personal computers required to support operations.

The Facility is to be in operation from Monday through Sunday with operations on holidays as deemed required at the sole discretion of Railway. Railway reserves the right in its sole discretion to change the hours of operation of the Facility and to require Contractor to perform its services on any day and at any time of the day.

Security is of the utmost importance in protecting employees, equipment and customer product. Railway will furnish 24-hour / 7-day a week security service to control and monitor all traffic and persons entering the Facility. Only authorized personnel in the performance of duties or related business are to be allowed to enter the Facility.

Contractor will insure that all vehicles being released from the property for repair and/or return are inspected for damage and shortage when going out and when returned. All vehicles will have trunk compartments checked upon receipt with inspection report being completed if any shortage is found. Records will be maintained to support this movement and furnished Railway upon request. All vehicles will have a cursory type exterior inspection, prior to Contractor handling, noting and reporting damages, making reports as directed by Railway. All keys will be handled per manufacturer's instructions. As directed by Railway, Contractor will make a joint inspection with haulaway carrier when damage is noted at the release point, reporting the results on forms acceptable to Railway.

Contractor shall be responsible for the following items:

1. Contractor shall provide all tools, equipment, employee clothing and supplies to safely load/unload vehicles on or off rail cars and shall ensure that all such tools, equipment and supplies are fully operational and properly maintained at all times.
2. Contractor shall repair, maintain and keep in good working order, and shall perform safety inspections on and conduct preventive maintenance

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of, any equipment that may be provided by Railway in connection with the operation of the Facility, including but not limited to loading/unloading ramps, sweepers, welders, and compressors.

3. Contractor shall provide all personnel as directed by Railway to administer Railway's automated automotive distribution inventory control system.
4. Contractor shall adhere to all applicable AAR, FRA, manufacturer, and Railway requirements as to ramp operations, vehicle handling, unloading/loading of vehicles, and tie-down requirements.
5. Contractor shall maintain and keep generally clean all parts of the on-site building including floors and bathrooms. Contractor will be responsible for good housekeeping of the Facility, as well as all surrounding areas, including any loading/unloading track areas, pads, and around office areas. Contractor will pick up trash and debris (including used seals) as required, but not less than once per week. Contractor will arrange for disposition of all trash and debris collected in accordance with all applicable federal, state and local regulations. All dumpsters placed outdoors will be lidded.

General Obligations – Safety and Environment

Contractor shall comply with all federal, state and local safety, health, environmental and sanitation laws, rules, regulations and ordinances applicable to the operations and services to be performed by Contractor hereunder. Contractor shall not install any underground tank and associated underground piping for the storage of any product on the Facility without the written approval of Railway. Contractor shall not dispose of any wastes of any kind, whether hazardous or not, on the Facility, and shall not conduct any activity that requires a hazardous waste treatment, storage or disposal permit from either federal or state agencies. Contractor shall advise Railway immediately by phone of any release of any material or substance required to be reported to federal, state or local agencies under applicable federal, state or local laws, rules or regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. Contractor must furnish Railway with a follow up written report of the release identifying the substance and the amount released, steps taken to remove the released material and any contaminated soil or water and further certifying that no contamination remains. The written notification of the release must be provided to Railway within 3 days of the occurrence of the incident.

Contractor will be responsible for understanding and implementing the requirements of all standard operating procedure manuals and stormwater pollution prevention plans; implementing and documenting all required inspections and monitoring at least at the frequency required under such manuals and plans and as required by law or regulation; implementing environmental safeguards with regard to any maintenance activities

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(including without limitation providing spill control and containment kits, using spill pans and absorbent materials as appropriate); properly disposing of any generated wastes; understanding and implementing any spill response and reporting requirements; and educating all employees on the location and function of all environmental equipment at the Facility (including without limitation stormwater controls, spill prevention measures and monitoring wells).

Roadways:

1. The entrance road, internal driveways and parking lots at the Facility that are reasonably accessible by mechanical sweeping equipment will be swept on an average of a weekly basis by mechanical means, weather permitting. Disposal of the accumulated sediment shall be in accordance with applicable federal, state and local guidelines and regulations.
2. The emergency access road on the Facility will be plowed as needed to create safe winter operating conditions. Contractor will ensure that the access road at the southeast end of the PAS property leading from Spectacle Pond Road across currently undeveloped property outside the fence-line to the Wagon Wheel housing development is plowed as needed for emergency access.
3. Except in emergency situations, any plowed snow will be stored on-site in specific areas that are topographically upgradient from the drainage swales and catch basins/Stormceptors or other stormwater conveyance system. No snow may be removed from the site except in emergency situations.
4. The Facility will be posted as a No-Salt Zone, and only sand or other inert materials may be used for creating safe winter operating conditions. No road salt or de-icing fluids may be used at the Facility.
5. Wagon Road residents and emergency vehicles will be permitted to use the private crossing and emergency access as required in PAS agreements with the residents.

Hazardous Materials:

1. All fuel operations must have containment (e.g., spill pans or spill pads) at all times during dispensing to contain any spills or drips, and dispensing equipment must have an automatic shut-off nozzle.
2. All 55 gallon drums storing liquids must be properly labeled and stored on or in appropriate containment that will contain any spills.

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Stormwater controls:

1. Engine Switching Area Containment System.
 - a. Except in emergency situations, Railway shall ensure that no locomotives park or idle for extended periods of time except on tracks over the containment area.
 - b. Each of Contractor's employees shall be shown the location of each gate valve. Gate valves in the locomotive containment area must remain open during operations and must be closed in an emergency or when a release occurs.
 - c. Railway shall ensure that the containment system is inspected on an annual basis by a licensed engineer for proper function. Contractor must accompany inspectors on this inspection, and shall cooperate to ensure that corrective measures are performed as necessary to maintain proper operations.
2. The berm around the perimeter of the retention area must be maintained so that all run-off from the surrounding area will discharge to the retention area.
3. Railway shall ensure that the deep sump catch basins are cleaned a minimum of 4 times per year. Contractor must be present during these cleaning operations. Contractor may not dispose of any accumulated sediment and hydrocarbons recovered from the deep sump catch basins, if any, other than in accordance with applicable federal, state and local guidelines and regulations.
4. Water quality units (Stormceptor units):
 - a. Initial installation: The condition of each Stormceptor unit shall be checked after every runoff event for the first thirty (30) days after initial installation. The visual inspection shall ascertain that the unit is functioning properly (weir structure is not blocked) and shall measure the amount of sediment that has accumulated in the sump and floating trash and debris in the separation chamber. This can be done with a calibrated "dip stick" so that the depth of deposition can be tracked. Schedules for inspections and cleanout shall be based on storm events and pollutant accumulation.
 - b. Ongoing Operation: During the rainfall season, the Stormceptor units shall be inspected at least once every 30 days. The floatables shall be removed and the sump cleaned when the sump is 85% full.

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If floatables accumulate more rapidly than the settleable solids, the floatables shall be removed using a vacuum truck or dip net when the layer is two feet thick.

- c. **Cleanout and Disposal.** Cleanout of the Stormceptor units shall be performed no later than May 1 of each year. This end of season cleanout will assist in preventing the discharge of pore water for the Stormceptor units during periods of low rainfall. Standard vactoring operations shall be employed in the cleanout of the Stormceptor units. Disposal of material from the Stormceptor units shall be in accordance with applicable federal, state and local guidelines and regulations. Disposal of the decant material to a publicly owned treatment works (POTW) is recommended. Field decanting to the storm drainage system shall not be permitted. Solids can be disposed similar to normal practices for materials collected from catch basin cleaning.
- d. **Maintenance.** The Stormceptor units shall be pumped down at least once a year and carefully inspected for damage.
5. **Retention Area.** The retention systems should be inspected for standing water 1-2 days after any significant rainfall exceeding 1" of rainfall in 24 hours. If the retention system is continuing to hold standing water after 2 days, Contractor shall have the bottom inspected. Retention system should be inspected at least once per year to ensure that the system is operating as intended. The inlet structure should be inspected for evidence of clogging and cleaned as necessary.
6. **Water Quality Swales.** Each water quality swale shall be visually inspected by a licensed engineer at least once per year. Any erosion and/or disease or pest problems must be repaired, and the swales must be weeded as necessary. Excess growth must be pruned at least once per year and any invasive plants must be removed as necessary.
7. **Drain lines.** The drainlines shall be inspected after every major storm for the first three months of operation to ensure proper functions. Presence of accumulated sand and silt would indicate more frequent maintenance of the pre-treatment devices is required. The drainlines shall be inspected at least once per year after the initial installation inspection period. Accumulated silt shall be removed.
8. **Monitoring wells.** Each of Contractor's employees shall be shown the location of each monitoring well around the Facility. Groundwater quantity will be measured from the monitoring wells twice per year for the first four years of Facility operation, and groundwater quality will be measured from

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the monitoring wells twice per year, including at a minimum chloride, volatile organic compounds, dissolved metals, and basic field parameters such as pH, conductivity, and temperature.

9. Inspections.

- a. Contractor shall perform yearly inspections of the stormwater management system and complete an Inspection Schedule and Evaluation Checklist for each inspection. Copies of the receipts for cleaning of the systems must be maintained on file at the Facility or must be available upon request.
- b. Railway shall arrange for the services of a licensed engineer on a periodic basis to review the proper installation and performance of the stormwater management system, review the stormwater controls to determine any damaged or ineffective controls, and recommend corrective actions as necessary. The licensed engineer shall prepare, stamp and submit to Railway a report documenting his findings and should request any maintenance or repair deemed to be required for the stormwater management system.

Best Management Practices: Contractor shall be aware of and implement best management practices related to stormwater, including at a minimum:

1. **Maintain low runoff velocities:** Sediment basin, short slope lengths, low gradients, and preservation of the natural vegetative cover help keep storm water velocities low, and thus limit soil erosion hazards.
2. **Minimize roof runoff:** The roof surface from the office building will be directed to the subsurface drainage system to minimize erosion.
3. **Sediment control practices:** Generally, sediment will be controlled by two methods: (a) filtering runoff as it flows through the area, and (b) impounding the sediment-laden runoff for a period of time so that the soil particles settle out.
4. **Maintenance consisting of, at a minimum:** remulching void areas experiencing erosion; treating diseased vegetation as necessary; watering plants daily for two weeks after new installation; inspecting soil and repairing eroded areas on a monthly basis; removing litter and debris on at least a monthly basis; removing and replacing dead and diseased vegetation (inspections with any required removal and replacement to occur twice per year); and adding mulch annually.

DRAFT – November 23, 2009

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