

OFFICES AT:
NATIONAL LIFE BUILDING
ONE NATIONAL LIFE DRIVE
MONTPELIER, VERMONT 05604



TELEPHONE:
(802) 828-2831

FAX:
(802) 828-2817

240770

STATE OF VERMONT
OFFICE OF THE ATTORNEY GENERAL
TRANSPORTATION SECTION
NATIONAL LIFE BUILDING
DRAWER 33
MONTPELIER, VERMONT 05633-5001

ENTERED
Office of Proceedings
May 25, 2016
Part of
Public Record

May 25, 2016

VIA E-FILING

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

Re: Finance Docket No. 36016
Angeles A. Zorzi, Trustee of the Angeles A. Zorzi Living Trust and Antonio Aja, Jr. and Virginia C. Aja, Trustees of the Antonia Aja, Jr. Trust and the Virginia D. Aja Trust—Petition for Declaratory Order

Dear Ms. Brown:

This is to follow up on the May 23, 2016 filing on behalf of the State of Vermont and the Washington County Railroad Company (WACR).

STB staff have brought to my attention that the version of Exhibit A (an October 25, 2010 grant application to the Federal Railroad Administration) which accompanied the Verified Statement of Krista L. Chadwick contained four pages with redacted information—pages 6, 9, 11, and 21.

I have confirmed with the WACR's counsel that the redacted information, because of the passage of time since the 2010 grant application, no longer is commercially sensitive.

Accordingly, I enclose copies of the four pages showing the information that was redacted from the version of Exhibit A filed on May 23.

Sincerely,


John K. Dunleavy
Assistant Attorney General

Enclosures

cc: Daniel P. O'Rourke, Esq.
Eric R. Benson, Esq.

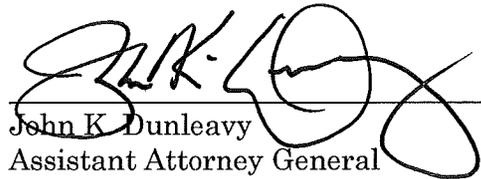
CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of May, 2016, I caused a copy of the foregoing Letter to be served by United States Mail, first-class postage prepaid, upon the following parties:

Daniel P. O'Rourke, Esq.
Bergeron, Paradis, & Fitzpatrick, LLP
34 Pearl Street (PO Box 174)
Essex Junction, VT 05453-0174

Eric R. Benson, Esq.
Law Offices of Eric R. Benson
6A Hillside Lane
Westford, VT 05494-9769

Dated at Montpelier, Vermont, this 25th day of May, 2016.

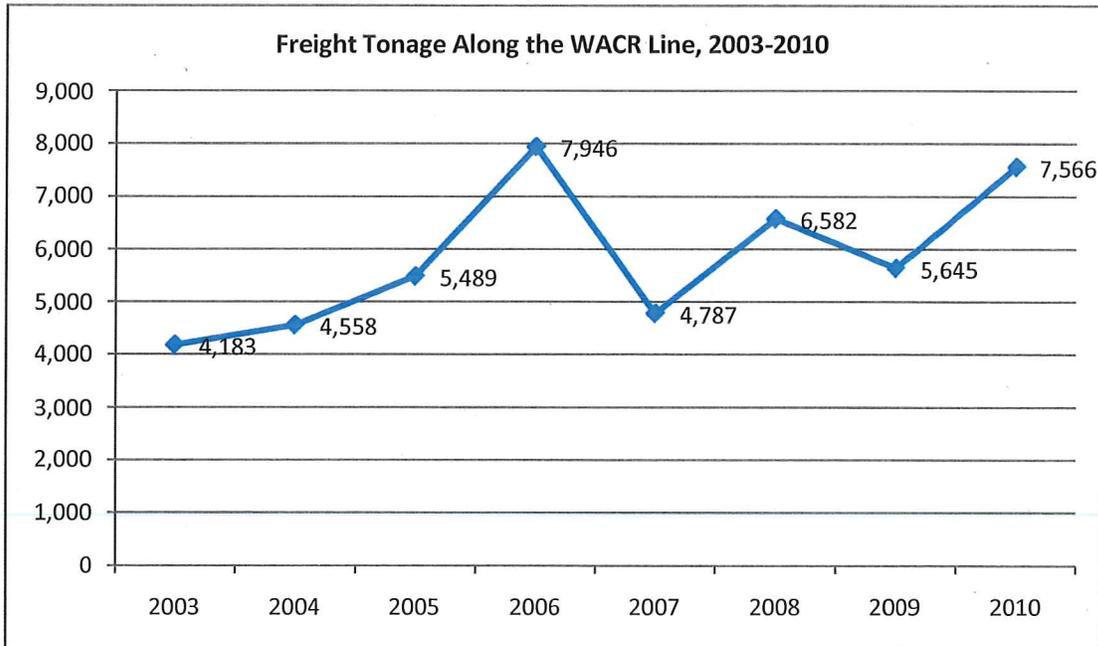


John K. Dunleavy
Assistant Attorney General
Vermont Agency of Transportation
One National Life Drive
Montpelier, VT 05633-5001
(802) 828-3430
john.dunleavy@vermont.gov

The proposed rail relocation project begins on Granite Street (MP 1.91) and ends just to the north of the railroad grade crossing across U.S. 2 (MP 3.23), adjacent to the WSKI radio tower, where it rejoins the existing WACR Montpelier-Barre mainline.

The existing land use along the relocated line is currently unoccupied railroad right-of-way. The right-of-way is devoid of ballast, ties and track. No property acquisition is needed for this project.

Commodities shipped along the line include lumber, granite, calcium chloride, and fuel oil. Since 2003, freight tonnage along the WACR has increased significantly, from 4,183 to 7,556, an increase of 81%.



The project will enhance railcar movements by avoiding two turn-of-the century historic bridges –which are presently part of the existing alignment - and allow for the passage of inbound and outbound trains in the same corridor, as well as lessening the impact of the staging (queuing).

A contract was recently signed between the Rock of Ages Granite Company and Northeast Materials, to supply the U.S. Army Corps of Engineers with granite chunks (grout) for storm surge mitigation and erosion control at Lake Okeechobee, Florida. As the granite from Vermont is of excellent hardness, and in adequate supply, there is the strong possibility of many shipments for years to come. The rail line relocation could increase the capacity to minimally, 500,000 tons per year, resulting in increased revenue of three to four million dollars (\$3,000,000-\$4,000,000) annually. This may result in up to an additional 284 car movements per day.

There has also been strong interest to fulfill the needs of the local business community, (including a wind turbine manufacturer), in Central Vermont to receive and ship products via this railroad to and from the mainline.

required for today's freight loads.) The improved grade crossings will increase crossing safety, allowing for safe coexistence of trains, trucks, cars, bicycles and pedestrians.

Air Quality and Noise Impacts

Air quality will be improved, as this project is expected to significantly alleviate congestion on the local highways, (as rail freight can replace many trucks), and will have a positive effect on quality of life by decreasing the daily flow of this truck traffic through local neighborhoods.

Noise and vibration impacts will be minimized by fewer train movements per day, and the relocation of the mainline to a less densely-populated alignment.

Job Creation

The granite contract could result in the restoration of 12 jobs currently laid off and up to 36 jobs could be created. The rail operator and the State are currently working with a wind turbine company in Websterville to examine the potential of moving their finished products, as well as a group of municipalities that are interested in constructing a salt and sand shed and receive bulk shipments via rail.

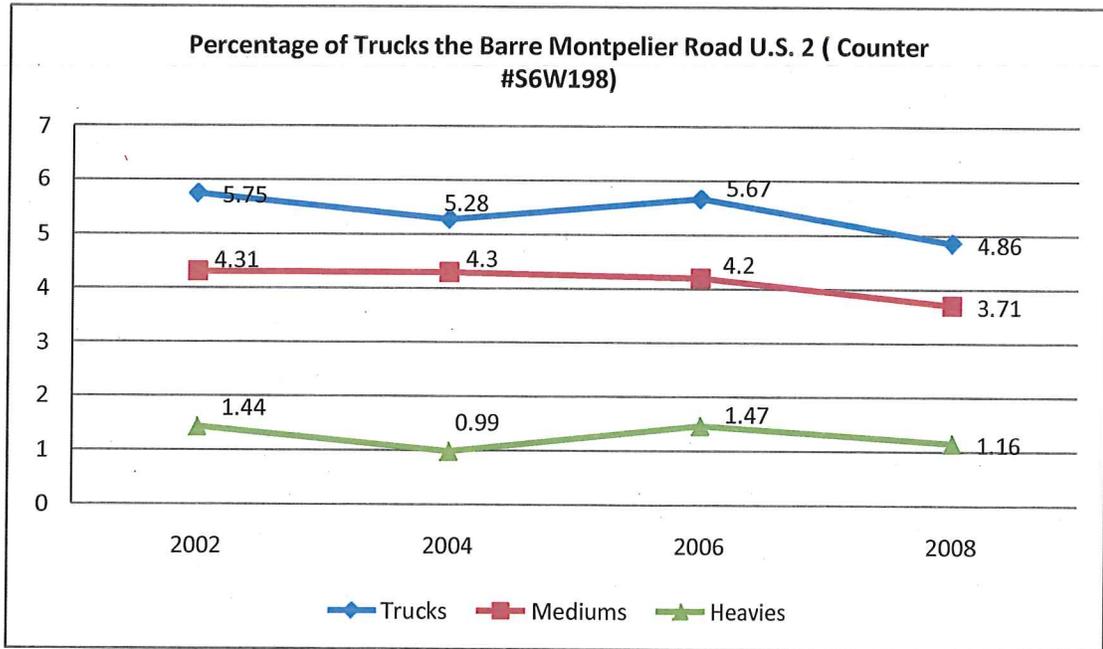
Reducing Traffic Congestion

The relocation project will alleviate congestion on the local highways, as rail freight can replace many trucks - one freight car can carry the load of 1.5 - 6 tractor-trailers for type of commodities currently being shipped.

Traffic congestion occurs on road networks as use increases, and is characterized by slower speeds, longer trip times, and increased vehicular queuing.

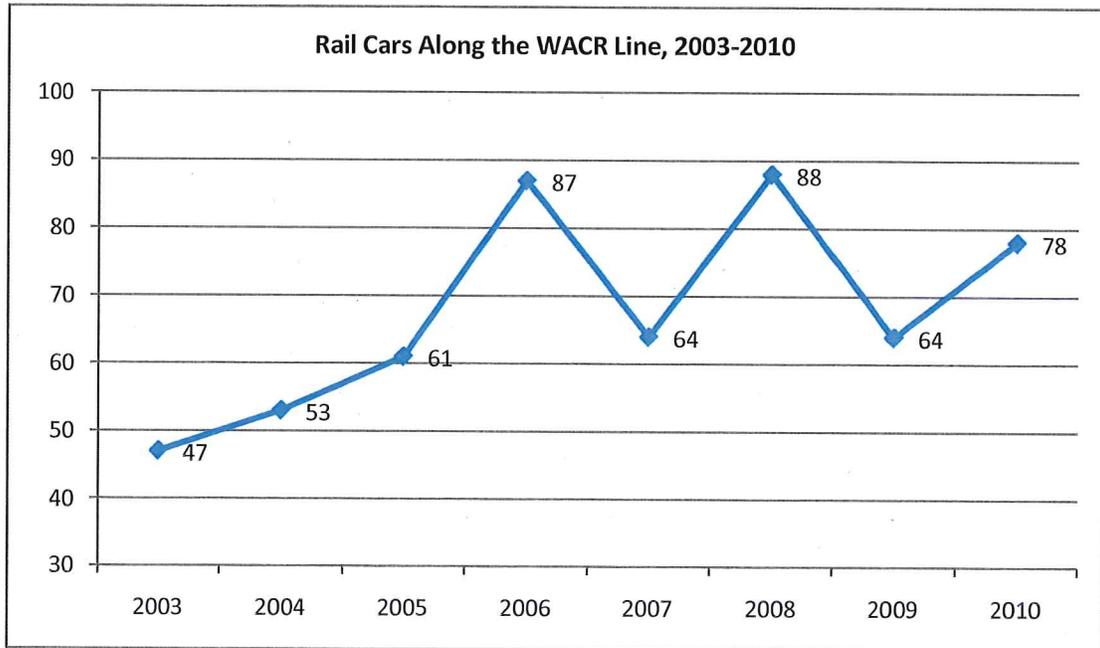
Traffic congestion has a number of negative effects:

- Wasting time of motorists and passengers. As a non-productive activity for most people, congestion reduces regional economic health.
- Delays, which may result in late arrival for employment, meetings, and education, resulting in lost business, disciplinary action or other personal losses.
- Inability to forecast travel time accurately, leading to drivers allocating more time to travel "just in case", and less time on productive activities.
- Wasted fuel increasing air pollution and carbon dioxide emissions owing to increased idling, acceleration and braking.
- Wear and tear on vehicles as a result of idling in traffic and frequent acceleration and braking, leading to more frequent repairs and replacements.
- Stressed and frustrated motorists, thereby reducing the health of motorists
- Emergencies: blocked traffic may interfere with the passage of emergency vehicles traveling to their destinations where they are urgently needed.



Source: Calculations VTrans Automatic Vehicle Classification Report

The decline in truck volumes along U.S. 2 has coincided with increases in WACR rail cars since 2003, which have increased by almost 66%.



Source: Vermont Rail System

Stakeholder risk: Groups and individuals responsible for avoiding or mitigating identified risks are listed in the Risk Assessment & Management Worksheet and include:

- Vermont Agency of Transportation (project implementer)
- Vermont Railway (rail operator)
- Consultant Project Team

VTrans and all stakeholders have continually demonstrated an ongoing and firm commitment to the present and the future of rail in Vermont. In fact, the latest transportation capital bill passed last session (Act 50 of 2009, Section 21) requires that VTrans apply for a grant(s) to improve the state's rail corridors.

Costs and Benefits

Pursuant to 49 CFR 262.11(b), the following anticipated costs, private benefits, and public benefits have been identified:

Costs

- \$2,901, 207 (total project cost)

Private Benefits

- Increased operating efficiency
- Increased capacity
- New freight shipping opportunities

Public Benefits

- Increased rail line safety
- Job Creation (up to 36 jobs with the awarding new rail freight contracts)
- Reduced traffic congestion (reduction of up to 568 trucks using local highways such as U.S. 2 assuming 284 railcar movements resulting from granite transportation)
- Positive impact on air quality (decreased emissions and energy use resulting from increased use of rail freight, including diesel use differential between rail and trucks)
- Increased roadway safety

VTrans consulted the rail operator to determine private benefits as well as estimates of future granite transportation needs. The public benefits – some readily quantifiable while others apparent but difficult to monetize – were also derived with input from the rail operator.

In the opinion of VTrans, the benefits associated with this project significantly outweigh its costs.