



## Connecticut Department of Transportation

# CONNECTICUT SOUTHERN RAILROAD AND NEW ENGLAND CENTRAL RAILROAD

## TIGER Discretionary Grant Application

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### Project Information (K)

- i. Type of project  
**Freight Rail**

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- ii. Project Location  
**Stafford, Willington, Tolland, Mansfield, Coventry, Windham, Franklin, Lebanon, Bozrah, Norwich, Montville, Waterford, and New London Connecticut (NECR) and Hartford, East Hartford, Manchester, South Windsor, Suffield, and Windsor Locks, Connecticut (CSOR), within the 1st and 2nd Congressional Districts**

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- iii. Project Area  
**Urban and Rural**

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- iv. Amount of Grant Funds Sought  
**\$7,775,000**

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- v. DUNS Number  
**807854583**

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- vi. Central Contractor Registration Confirmation Number  
**QZX9NA**

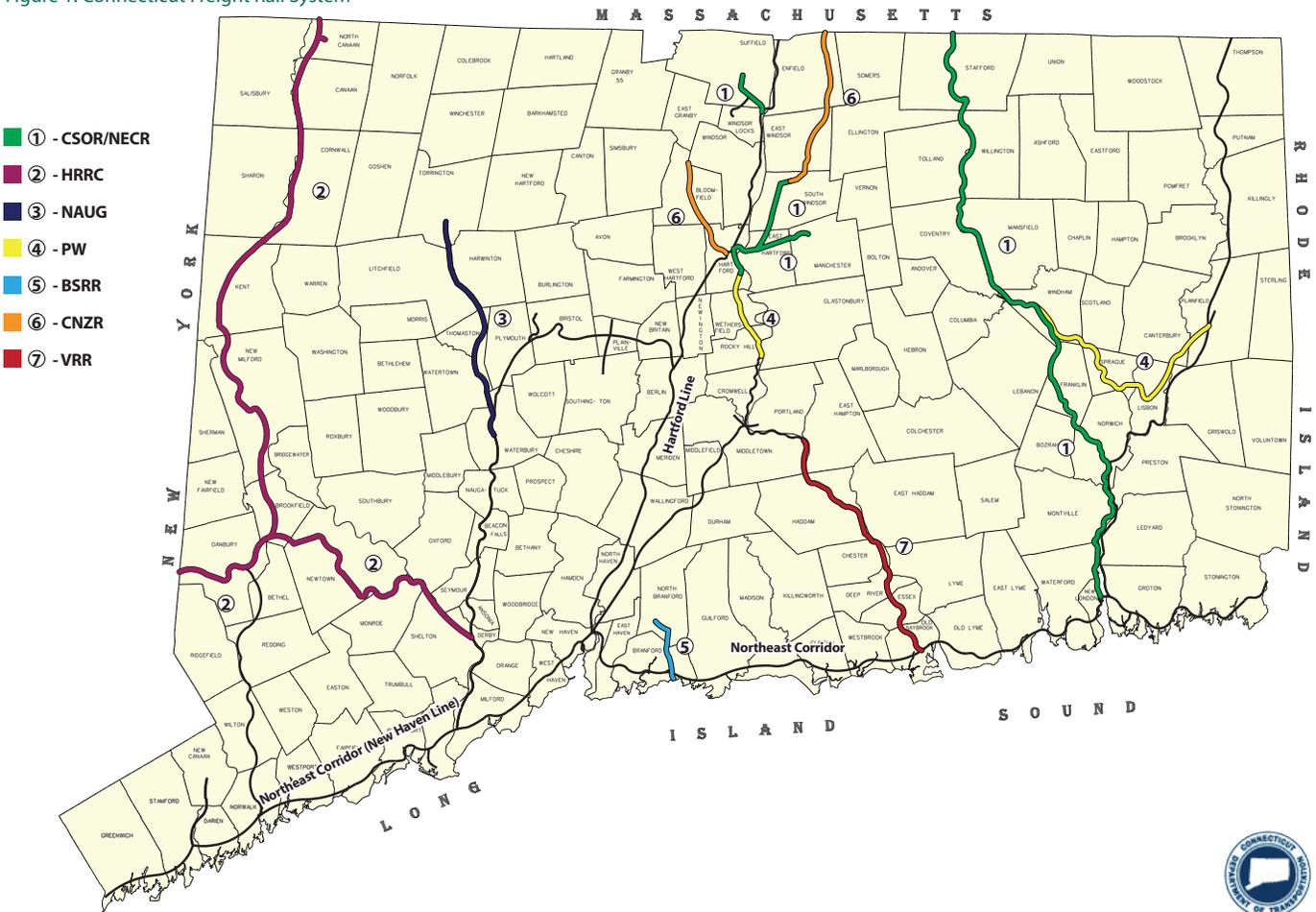
*Ladies and Gentlemen of the Selection Committee:*

Thank you for the opportunity to request ARRA TIGER Discretionary Grant funding (TIGER funding) for Connecticut’s continuing efforts to improve our statewide freight rail network. Over the past ten years, the Connecticut Department of Transportation (ConnDOT) has directly invested over \$282.5 million into the freight rail network. This investment has allowed ConnDOT to incrementally improve the rail infrastructure. In addition, the State has invested over \$1.56 billion in the New Haven Main Line (NHML), a key segment of the Northeast Corridor. The NHML investments, targeted for passenger rail service, also secondarily benefit freight rail by permitting increased freight train speeds. Numerous upgrades and improvements are still necessary however, to make the overall system economically viable for the future. In some cases, urgent repairs and upgrades are needed in order to provide a more cost effective, safe, and sustainable means of efficiently transporting goods.

The receipt of the requested funding from the TIGER Discretionary Program, which is significantly less than the investment already made by the state, will provide the much needed incremental funding to completely address priority improvements in the system. To ensure that the greatest needs are addressed, ConnDOT has partnered with seven of the freight rail operators in the state to determine which projects have the highest priority and ability to leverage past investment in the network. The projects associated with each of these freight rail operators will be submitted as a separate application, for a total of seven applications. These projects, which are in keeping with the intent of the TIGER Grant program and will benefit operations on over three-quarters of the state freight rail system (Figure 1), are:

- › Central New England Railroad (CNZR): Rail improvements to Armory Line and Griffin Line to increase operating speeds.
- › Housatonic Railroad (HRRC): Replacement of track and crossings, bridge modifications, upgrades to crossings, and access to businesses along several key segments of their 83-mile system.
- › Naugatuck Railroad Company (NAUG): Upgrades to the 19.5-mile Torrington Line, including culverts, ties and ballast, and grade crossing improvements.

Figure 1. Connecticut Freight Rail System



- › Providence & Worcester Railroad (PW): Rail improvements to Willimantic and Middletown Branches to increase operating speeds.
- › RailAmerica’s Connecticut Southern Railroad Company (CSO) and New England Central Railroad (NECR): Bridge work, replacement of ties and ballast, surfacing, and switch rebuilding over 76 miles of track.
- › Tilcon/Branford Steam Railroad (BSRR): Replacement and repowering of locomotives and replacement of hopper railcars.
- › Valley Railroad Company (VRR): Resurrection of a key dormant section of the line and track rehabilitation along the remaining segments.

These upgrades and improvements will:

- › Reduce the number of truck trips and amount of carbon emissions associated with cargo shipment
- › Create new jobs throughout the state
- › Not require any additional environmental permits
- › Not be contingent upon the completion of any other projects
- › Be immediately ready to begin work with all funds being utilized prior to February 2012.

This application specifically addresses the RailAmerica, Inc. subsidiaries New England Central Railroad (NECR) and Connecticut Southern Railroad (CSO) project, which includes bridge repairs, replacement of ties and ballast, surfacing, and switch rebuilding. The sections of the statewide freight rail network included in this application are shown in Figure 2.

### Application Overview

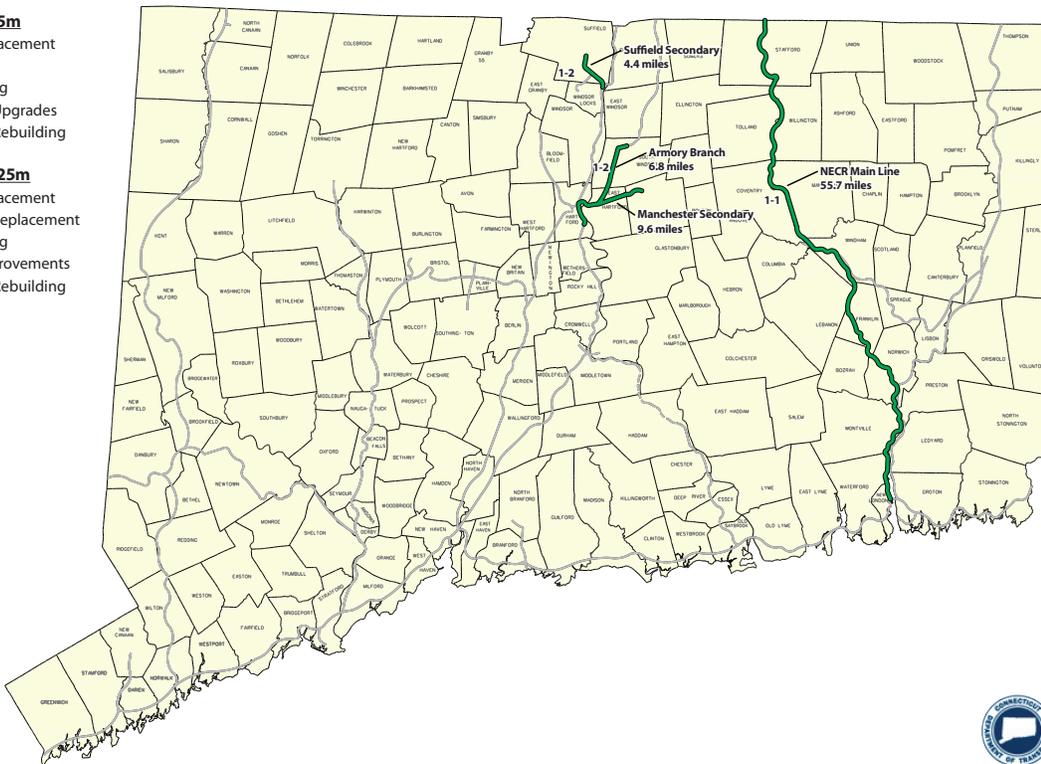
The application document responds specifically and in detail to the interim notice published in the Federal Register on May 18, 2009 and the operative notice published June 17, 2009. This application consists of two parts.

1. The first describes the needs of the state freight rail system and the broad-based resultant benefits from TIGER funding for the entire State of Connecticut.
2. The second addresses the RailAmerica, Inc. subsidiaries New England Central Railroad (NECR) and Connecticut Southern Railroad (CSO) project and its specific application for the TIGER Grant funding. This project will cost \$7,775,000 and is a critical piece of the repair needed for the statewide freight rail network.

Figure 2. Connecticut Southern Railroad Company/New England Central Railroad

- 1-1 \$5.15m**
- Tie Replacement
  - Ballast
  - Surfacing
  - Bridge Upgrades
  - Switch Rebuilding

- 1-2 \$2.625m**
- Tie Replacement
  - Ballast Replacement
  - Surfacing
  - Rail Improvements
  - Switch Rebuilding



## Background of Project and Existing Condition of Freight Rail Network

The Connecticut freight rail network is a critical component of the northeast regional rail system. Freight rail service is an important component of the American industries supply chain and a vital component to Connecticut's economy. Connecticut moves 3.6 million tons of freight over 10 freight railroads annually. This network connects with the Ports of New York and New Jersey, which are critical to the continued economic growth and success of the Northeast region.

The Connecticut freight rail system needs infrastructure upgrades and repairs immediately in order to meet the need to move freight more efficiently and ensure its continued role in the movement of goods throughout the state and the northeast region. Portions of the rail lines are so severely worn that they are at the end of their serviceable life. Older, under-maintained tracks result in reduced operating speeds, which slow the movement of cargo and ultimately increase costs for the consumer. Bridges and track structure require strengthening and clearances increased to meet the demands of today's higher capacity rail equipment. Inadequate grade crossing protection systems create conditions that are less desirable for pedestrians, vehicles, and trains and result in unnecessary delays to both vehicular and train traffic.



This image shows the relationship between the freight rail network and the regional electric grids. NAUG is hauling over-dimension and over-weight electric transformers to Northeast Utility's Watertown Substation, which feeds Fairfield County. Repairs and improvements to the network are imperative to ensure the ability to move over-size loads.

## Project Benefits

The combined benefits of these seven initiatives include reducing truck trips and carbon emissions, creating jobs, providing economic growth opportunities, and improving safety measures within the statewide freight rail system. Each rail car carries the equivalent of four trucks. Enabling the increased use of freight rail will reduce the number of truck trips necessary along the roads of New England, thereby reducing traffic congestion, reducing crashes and saving lives, and reducing carbon emissions.

Thank you for your time and consideration of our submission.

Sincerely,

A handwritten signature in black ink, appearing to read "James P. Redeker".

James P. Redeker  
Bureau Chief – Public Transportation

## C. Project Description

### Overview

Connecticut plans to increase rail freight shipments by 25 percent over the next two decades to support economic growth and reduce the volume of truck traffic. The state currently moves 3.6 million tons of freight over 10 freight railroads annually. To realize a 25 percent increase, upgrades and improvements are urgently needed to repair or replace aging infrastructure and equipment.

Connecticut is strategically located between the major northeastern urban centers of New York City and Boston, offering the state unlimited opportunities for shipping cargo. Its rail system also assures workable freight rail access to the Ports of New York and New Jersey, as well as the corridor related to the North American Free Trade Agreement. Over the past ten years, the state has invested over \$282.5 million in the network to improve the movement of freight rail. Among the many projects is the reconstruc-

tion and relocation of the main rail spur on the east side of the Port of New Haven to achieve a direct rail connection to this strategic port. Direct port to rail connections in the state will serve the rapidly growing container segment of rail traffic to help remove long-haul trucks from highways and deliver products to consumers faster, as well as offer an alternate to the larger ports (New York and New Jersey).

Implementing the proposed upgrades and infrastructure improvements to the state's freight rail network will allow the continued growth of the freight industry and will result in a reduction in the number of truck trips made on the regional highways. Trucks have a significant effect on highway traffic conditions, particularly along the highly congested I-84, I-91, and I-95 corridors in Connecticut. Much of the congestion occurs at the bottlenecks in the Hartford and New Haven areas. The congestion results in



The proposed projects for VRR and the PW Middletown Secondary are along the same freight rail corridor and when completed, will provide an alternate route for freight rail movements between Old Saybrook and Hartford via Middletown that does not currently exist. This new route will remove freight rail traffic from the Northeast Corridor between Old Saybrook and New Haven as well as along the Hartford Line between New Haven and Hartford. It will also reduce freight shipment miles by 22.7 miles by traveling from Old Saybrook to Middletown to Hartford (44.6 miles) versus Old Saybrook to New Haven to Hartford (67.3 miles). This will not only reduce the short line operating cost as a result of reduced travel miles and avoidance of access fees on the Northeast Corridor, but it will also reduce congestion on the Northeast Corridor and benefit passenger rail that shares that corridor.



This image shows NAUG crosstie insert machine making repairs.

This application addresses improvements and repairs for portions of the statewide freight rail network operated by NECR and CSO. The NECR projects consist of bridge work, replacing 30,000 ties; 23,000 tons of new ballast; 55.7 miles of surfacing; and rebuilding ten switches. All work will be conducted on existing railroad owned infrastructure and supporting structures. This project will result in returning the Connecticut Main Line to a FRA Class 2 and 3 freight speed and restore the track to a State of Good Repair. Bridges will be upgraded to handle 286,000 pounds gross rail weight freight cars, which is the national standard. The CSO projects consist of replacing 13,500 ties; 13,640 tons of new ballast; 27.5 miles of surfacing; installing 10# relay rail (replacing 80# and smaller rail); a bolt tightening program; and rebuilding six switches. All of this work will also be conducted on existing railroad owned infrastructure and supporting structures. This project will upgrade track to FRA Class 1.

### Addressing Urban and/or Rural Area Needs

The statewide freight rail system navigates through both urban and rural populations. The projects address needs critical to both areas through implementing quick turnaround strategies for mod-

ernizing operations, thereby creating a more efficient system and improving safety. These steps will ensure the continued movement of freight into and out of urban and rural areas in Connecticut and throughout the surrounding region.

Freight rail improvements will foster economic growth and development in the state. Connecticut has nine municipalities that are categorized as Economically Distressed Areas (EDAs) within the eight Comprehensive Economic Development (CED) regions. The municipalities include Bridgeport; New Britain; Waterbury; New Haven; New London; Hartford; East Hartford; Torrington; and Windham. Per the U.S. Census Bureau Factfinder (2007), these municipalities either have a per capita income that is less than 80 percent of the national per capita income or have unemployment rates that are at least 1 percent greater than the national unemployment rate. Four of the seven projects serve an EDA. Furthermore, the freight railroad industry as a whole is in distress and needs the proposed improvements and upgrades to regain its place in the market and be able to maintain its current levels of employment.

### Transportation Challenges that the Project Aims to Address

The infrastructure improvements to the freight rail system seek to address the transportation challenge of moving freight in a cost effective, sustainable, and timely manner. Achieving this includes:

- › Increasing load-bearing capabilities of rail bridges
- › Decreasing travel times and operating costs
- › Improving rail-to-rail connections
- › Improving port-to-rail connections

Attaining travel time reductions and increases in load-bearing capabilities of rail bridges to be competitive with alternate modes of freight movements, specifically trucking goods on congested highways, is critical to the growth and success of the state's freight rail network. The proposed improvements and repairs will enable portions of the rail network to handle a 286,000 pound rail car load, while ensuring that the remaining portions of the network will continue to handle this load. While some vertical clearance projects have been funded by the freight operators, RailAmerica completed one on the NECR Palmer Line and PW completed one on the Norwich Line (Plainfield Secondary), additional increases to vertical clearances are needed within the network to accommodate modern loading practices and will be included as part of this project. Connecticut's freight rail system needs updates and infrastructure improvements in order to be economically competitive in facilitating the movement of goods into and through the state, specifically in comparison to transporting cargo via trucks.



This image shows the first Connecticut double-stack container, operated by RailAmerica, Inc. Increased vertical clearances enable double-stack containers, which increase shipment volumes.

Transportation is a major consumer of energy and a significant contributor of carbon dioxide emissions, both of which are a factor in the rise in green houses gases and resultant climate changes that are increasingly causing concerns globally. Moving freight by rail results in fewer carbon emissions and green house gases due to the amount of truck trips one freight train can displace. This then results in decreased congestion on the highway network and improved safety measures on the roadway. The roadway network becomes safer as a result of less traffic congestion overall, as well as fewer trucks.

## D. Project Parties

The primary project parties are the State of Connecticut and the Connecticut Department of Transportation. The RailAmerica, Inc. subsidiaries New England Central Railroad (NECR) and Connecticut Southern Railroad (CSO) are two other important project parties since they own and/or operate freight rail over the portion of the state's freight rail network that is being considered. The State of Connecticut ([www.ct.gov](http://www.ct.gov)) would be the official grant recipient, and the Connecticut Department of Transportation (ConnDOT) ([www.ct.gov/dot](http://www.ct.gov/dot)) would be administering the grant funds and managing the project in partnership with RailAmerica's NECR and CSO.

## E. Grant Funds and Sources and Uses of Funds

The Connecticut Department of Transportation is seeking 100% funding for the proposed improvements and repairs identified in

this application for each of the seven freight rail operators. These funds are intended to leverage the \$282.5 million the state has invested in the freight rail network over the past ten years. The receipt of the requested funding from the TIGER Discretionary Program, which is significantly less than the \$282.5 million investment already made by the state, will provide the much needed incremental funding to completely address priority improvements in the system.

Another \$1.56 billion has been invested by the state in the New Haven Main Line for infrastructure improvements, such as track, signals and power, and bridges. This work provides a secondary benefit to freight rail because it allows the freight rail trains that operate on the New Haven Line to increase their operating speeds, reducing transit times. In total, the TIGER Discretionary Program requests represent a small portion of the total state rail investment but will provide tremendous benefit through renewed connectivity and increased productivity to the state rail freight system.



This image shows the construction work on the Waterfront Street Rail Extension at the Port of New Haven.

The improvements and repairs proposed for TIGER funding will benefit approximately three-fourths of the statewide freight rail network at an investment that is significantly lower than previous investments made by ConnDOT for the freight rail system.

## F. Selection Criteria Compliance

Continuing to improve the statewide freight rail network is consistent with the goals and objectives of the TIGER Grant funding.

### 1. Primary Selection Criteria

#### a. Long-Term Outcomes

- **State of Good Repair:** The proposed repairs and/or improvements to the statewide freight rail network will minimize life

cycle costs, as operational efficiency will be improved and new equipment will require less fuel and maintenance. Right-of-way work and tie and rail replacements will return portions of the network to a State of Good Repair. In addition, the removal of trucks from the state highway system will extend the life cycle of roads and bridges by reducing the wear and tear caused by frequent truck traffic. These improvements coincide with the State Rail Plan and rehabilitate portions of the rail line that urgently require attention to avoid threatening their economic future.

- › **Economic Competitiveness:** The projects proposed for the statewide freight rail network will provide long-term contributions to growth in employment, as well as the more efficient movement of goods, which results in cost competitiveness. Repair and replacement of equipment and track will increase operating speeds and reduce the cost of moving freight. The connection of the Middletown Secondary and the Valley Railroad will reduce operating costs via reduced travel miles and access fees by avoiding a section of the Northeast Corridor. These changes will reduce costs for the freight operator and the supplier, thereby making goods more cost competitive in the marketplace. Job growth will continue beyond the duration of construction, as the improved operations will result in additional positions with the freight operator, positions with suppliers who will be able to move more cargo, and follow on positions in other regions as a result of increased operations.
- › **Livability:** The repairs and/or improvements to the statewide freight rail system will significantly improve the availability of goods to the state, including nine municipalities designated as EDAs. The proposed projects will take truck traffic off of the roads on the arterial and interstate roadway system, thereby reducing congestion and emissions. This will also make the roadway network safer for drivers, particularly senior citizen drivers who may be averse to driving alongside trucks. The engines on the proposed new equipment will exceed the Tier II emissions standards and also reduce noise associated with the movement of the freight trains. The combined efforts of VRR and PW will provide an alternate route for freight rail movements between Old Saybrook and Hartford, which will reduce freight rail traffic on the NEC, thus benefiting passenger rail traffic on that corridor.
- › **Sustainability:** The proposed repairs and improvements to the statewide freight rail network will improve energy efficiency through improved operating speeds and by permitting the through routing of the modern rail car. Replacing outdated and inefficient equipment will reduce the operators' dependence on oil, since they will be traveling the same distance using less fuel. The projects contribute to a decrease in the movement of goods by less energy efficient vehicles by providing strengthened bridges and cleared routes for 286,000 pound rail car loads and double stack shipments. The proposed proj-

ects also avoid adverse environmental impacts since they are simply replacing or repairing existing infrastructure and equipment. Environmental benefits include decreased green house gas emissions and improved air quality, as a result of replacing old and inefficient equipment, and the subsequent reduction in truck trips from the highway network.

- › **Safety:** Removing truck traffic from the arterial and interstate roadway system will improve the overall safety of the roadway system. Studies have shown and concluded that a reduction in truck traffic will increase the overall safety of roadway facilities. Improvements and repairs to at-grade railroad crossings throughout the statewide freight rail system will make these crossings safer for pedestrians, vehicles, and trains.
- › **Evaluation of Benefit Cost Analysis:** The benefits associated with the proposed improvements and repairs will result in travel and transit time savings, improved operations and safety, removal of trucks from highways, reduced emissions and green house gases, and an increase in the use of freight rail, more than substantiating the costs associated with the project.
- › **Evaluation of Project Performance:** Key criteria will be tracked and reported accordingly to effectively evaluate the performance after the proposed repairs and improvements have been implemented.

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## b. Job Creation and Economic Stimulus

Using the standard formula for stimulus job creation, 2,180 new jobs will be created as a result of the total project investments on the statewide freight rail network. The majority of the created jobs will be in the construction trade workforce. Additional positions will be created within the freight companies as a result of expanded coverage or and increased volume of shipments. Follow on jobs within and outside of the region as a result of the increased operations will also be created, although these are not accounted for in the estimated total.

- › **Project Schedule:** The projects are ready to start construction immediately upon receipt of a TIGER Grant, and the monies will be steadily spent throughout construction, with the projects being completed by February 2012.
- › **Environmental Approvals:** All work will be completed within the existing right-of-way; no new approvals are anticipated as part of the proposed work.
- › **Legislative Approvals:** Legislative approval is not needed for the proposed work.
- › **State and Local Planning:** The proposed improvements are consistent with the Statewide Rail Plan and the business plans for each of the individual freight line operators. Furthermore, the improvements are being incorporated into the Connecticut

TIP per the Commissioner's letter located at: [http://www.ct.gov/dot/lib/dot/documents/dcommunications/stimulus/tiger/freightrail/Inclusion\\_Document\\_for\\_STIP.pdf](http://www.ct.gov/dot/lib/dot/documents/dcommunications/stimulus/tiger/freightrail/Inclusion_Document_for_STIP.pdf).

- › **Technical Feasibility:** All of the projects consist of typical rail-road construction techniques, materials, and equipment. None of the proposed repairs or improvements is contingent upon the completion of another project. The projects coincide with the State Rail Plan and are ready for immediate implementation.
- › **Financial Feasibility:** Cost estimates have been prepared as shown in each application. TIGER Grant funding is necessary for the implementation of each of these projects.

## 2. Secondary Selection Criteria

- › **Innovation:** The proposed improvements include replacing outdated locomotives and rail cars. This will not only ensure significantly reduced emissions, but it will also reduce fuel consumption. The new locomotives are innovative in their design, featuring power on demand engine systems, regenerative dynamic braking, a smokeless start engine, and clean emissions through a clean-burning MOH Tier 3 Engine with self-cleaning ceramic particulate filters.
- › **Partnership:** The State of Connecticut is fully supportive of each individual project and has worked individually and collaboratively with each of the freight rail operators towards the overall goal of creating an efficient and effective regional freight rail system that plays an integral role in the overall transportation infrastructure and Connecticut in the region.

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## G. Federal Wage Requirement

ConnDOT certifies that it will be in compliance with the requirements of subchapter IV of chapter 31 of title 40, United States Code (Federal wage rate requirements), as required by the Recovery Act. A letter from the Commissioner, stating ConnDOT's compliance with the Federal Wage Requirement, is located at: [http://www.ct.gov/dot/lib/dot/documents/dcommunications/stimulus/tiger/Federal\\_Wage\\_Certification\\_082509.pdf](http://www.ct.gov/dot/lib/dot/documents/dcommunications/stimulus/tiger/Federal_Wage_Certification_082509.pdf).

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## H. National Environmental Policy Act (NEPA) Requirement

None of the proposed improvements or repairs will significantly impact the natural, social, and/or economic environment. As the projects involve replacement of existing equipment or track components and repairs to existing structures, they are anticipated to

fall within Federal Railroad Administration's Categorical Exclusion (CE) category under the NEPA protocol.

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## I. Environmentally Related Federal, State, and Local Actions

None of the projects for the statewide freight rail network will require actions by other agencies, as the projects include replacement and/or repairs to existing rail equipment and infrastructure.

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## J. Protection of Confidential Business Information

Information provided in ConnDOT's TIGER Discretionary Grant application is public information and is not considered confidential.

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## IX. Reporting Requirements

ConnDOT understands that entities receiving TIGER Discretionary Grants will be required to report on grant activities on a routine basis. Reporting categories include maintenance of effort, reports on use of funds, and environmental reporting. ConnDOT ensures that the appropriate reporting would be submitted in conjunction with the Grant Funding.

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## X. Certification Requirements

ConnDOT understands that it must comply with the Certification requirements of the Recovery Act.

**The following section includes the project specific portion of the application for the RailAmerica, Inc. subsidiaries New England Central Railroad (NECR) and Connecticut Southern Railroad (CSO).**

## **New England Central Railroad & Connecticut Southern Railroad *TIGER* Project Information**

**The New England Central R.R. (NECR) and the Connecticut Southern R.R. (CSO) are both owned and operated subsidiaries of RailAmerica, Inc.**

The **NECR** project consists of bridge work, replacing an estimated 30,000 ties, 23,000 tons of new ballast, 55.7 miles of surfacing, and rebuilding ten switches, all of which are located on existing in service railroad rights of way and totals an estimated \$5.15M. The project involves maintenance and improvements on existing railroad owned infrastructure and supporting structures and should qualify for an environmental categorical exclusion. This project will remove existing temporary slow orders and return the CT main line to FRA Class III and II freight speeds and return the track to a state of good repair. It will also upgrade the bridges to handle 286,000 lb. gross rail weight freight cars, the national standard. The NECR is working with the states of VT, NH, and MA on 286K upgrade projects that will allow movement of these larger payload cars to and from CT customers as well as overhead traffic. Increased freight speeds will result in savings in locomotive fuel, crew costs, and car hire, as well as more efficient service to CT businesses. Increased speeds will also allow faster clearing of public grade crossings, allowing for smoother flows of highway traffic and elimination of congestion and pollution. The project area serves both highly industrialized and commercial as well as rural agricultural areas of the state, thus providing a wide benefit to CT businesses and employers, both large and small.

These improvements will result in an improved and ultimately safer rail route. The route currently handles various hazardous materials, including tank cars of chlorine.

The NECR has been engaged in recent discussions with Conn DOT relative to the extension of Shore Line East passenger operations to New London. The NECR has also been in discussions with the Town of Mansfield, CT, home of the University of Connecticut and a student population in excess of 29,000, about establishment of future intercity passenger rail service. The NECR route also runs through Uncasville, CT, home of the Mohegan Sun Casino which could provide a very large source of future rail passengers.

The route's freight business is an important source of income and is in such volume to allow future maintenance funds that will keep the route in good repair. The project will create railroad construction work for both NECR employees and outside contractors. NECR, through its parent company RailAmerica, Inc., has a long and successful history of bidding and managing large projects in compliance with both Federal and State regulations and procedures. We have a sound track record with our employees, labor union, customers, and vendors.

The NECR in CT is a 286K GWR story regarding how 286K GWR keeps CT businesses competitive and thus jobs in the state, also about how it can assist the economically challenged communities in eastern CT in competing for the attraction of new job producing manufacturing/distribution firms.

NECR's 2008 system carload traffic = 37,083

Any NECR traffic touching CT, from the perspective of CT rail stations of any RR:

Local to CT = zero  
Originating in CT = 2,046  
Terminating in CT = 6,311  
Overhead to CT = 481"

The CT overhead traffic listed above is all traffic NECR handles to/from P&W stations in MA, CT & RI and it will grow dramatically when double stack COFC between Worcester, MA and Canada gets moving. NECR & P&W have the clearances today for Phase I D/S (19'6" ATR, which is able to handle mixed stacks of 8'6" ISO & 9'6" domestic units), 286K GWR and full Phase II D/S (20'6" for stacked domestic 9'6" domestic units will go a long way to ensuring that eastern CT has continued mainline capable RR freight service. The first four double stacked containers moved from a CT manufacturer to a western Canadian customer the last week of August 2009. These units moved via the P&W to Willimantic, CT and up the NECR to the connection with Canadian National Ry. in St. Albans, VT. This capability helps keep CT businesses competitive, and helps attract new business.

These below CT businesses on NECR would all (except as noted) be more likely to survive if they could increase their rail loadings by the 11.2% that 286K GWR vs. 263K GWR offers them; from north to south:

Stafford, CT:

\*Cuno Div of 3M: While not currently a rail user, has a private RR spur & has renewed evaluation of rail's role in keeping this plant competitive.

\*Landowner with 70 acres on NECR at I-84 & Rt. 32 has support of town to develop for industry/distribution purposes.

\*Stafford Industrial Park would be more marketable with access to 286K GWR rail service.

Willimantic/South Windham/Windham, CT:

\*Willimantic Waste – 411 loads & 33,915 tons of forwarded C&D. Light density and car design precludes big boost from 286K GWR but will help scrap iron exports. Would like to use currently out of service CDOT track (stub of Bolton Notch line west out to Willimantic River in Columbia, CT) as the staging location/home base for its 30-some private car fleet of C&D shipping RR cars and for tinplate & waste paper shipments by rail.

\*General Cable: While not currently a rail user, has renewed evaluation of rail's role in keeping this plant competitive and if re-establishment of its private RR spur should proceed.

\*Mackie's Farm Supply – On CDOT owned out of service trackage (see Willimantic Waste entry above). Has private RR spur and would like to receive wood pellets

\*C.C. Lounsbury – 649 cars & 56,767 tons. Immediate benefit from 286K GWR

\*Town of Windham, CT: Has plans for NECR-served industrial park plus is supporting the owners in the re-use of the former Windham Lumber, Rogers Plastics and mid-town location of the original C. C. Lounsbury parcels.

Yantic-Fitchville (Lenanon & Yantic areas), CT:

\*Kof Koff/Land 'O Lakes – integrated chicken egg production: 1,121 cars & 106,380 tons –Immediate benefit from 286K GWR

\*Freeport-McMoran Copper & Gold Corp: 1,283 cars & 111,136 tons. Immediate benefit from 286K GWR

\*Ryan Ready Mix/Adelman Sand & Gravel- 104 cars & 10,612: bulk cement, Immediate benefit from 286K GWR

\*Can Do Warehouse (Stadium Motors) – new in 2008, public rail/truck transload services: 6 cars & 524 tons (wood pellets) immediate benefit from 286K GWR

\*IT Dealers Supply – Has private RR spur & would like to use rail for inbound building materials when market recovers enough to make 60-110 ton shipments economical.

\*CT Resources Authority considering bringing ash from its incinerator ops around the State of CT to the former mushroom farm for disposal.

\*Municipality of Groton, CT joint-venturing with a waste-to-energy recycler co-gen plant proposed in Franklin, CT that would like to ship the recyclables out via rail

\*U.S. Foodservice: While not currently a rail user, is now re-evaluating the role of freight rail in the continued competitiveness of its local operations

\*Several large (20+ acre) parcels in Franklin, CT & Lebanon, CT are adjacent to NECR and offer prospective industrial parks with freight rail access: 286K GWR is a strong attraction that the municipalities working with the owners to develop these sites can use to attract job-producing and tax-paying occupants. Windham-Franklin-Lebanon are making co-ordinated efforts to promote these projects.

Norwich, CT:

\*Post-Script Warehouse: 44 cars & 2,870 tons Immediate benefit from 286K GWR

Montville, CT:

\*Headwaters Resources: 1,445 cars 141,774 tons fly ash from co-generating power plant (AES Thames). Immediate benefit from 286K GWR

\*United Builders Supply: 44 cars & 4,016. Immediate benefit from 286K GWR

\*Smurfit-Stone Container Corp: In April, 2009 began shipping about 50 cars/month paperboard to Canada vs. previous trucking – immediate benefit from 286K GWR

\*NRG Energy, LLC/Montville Power, LLC: co-generator planning addition of bio-mass (wood chips) capability. Likely truck to start with possibility to use rail from further out chip supply points. For reasons and low density and rail car design, 286 K GWR is not a direct benefit

New London, CT:

\*CDOT's Port of New London – becomes more attractive to steamship lines as a port of call with 286K GWR. NECR already has plate F clearances to Port.

\*Rand-Whitney of Montville, CT (not directly on rail) began shipping truck/rail via the warehouses in the Port of New London, CT early this year to Canada vs. previous trucking – about 5 cars per month, immediate benefit from 286K GWR

\*Sherwood Lumber: A lumber wholesaler brings in for distribution – 674 cars & 62, 198 tons: Immediate benefit from 286K GWR

\*F&F Distributors: While not currently an active freight rail user, is now with its suppliers (Miller & Corona) re-evaluating role of rail freight service in keeping this beverage distributorship competitive

\*Eastern Avenue Properties has its RR access as a central part of its efforts to market its facilities – 286K GWR will greatly assist this development

Solid 286K GWR track structure renders NECR in CT a more able partner with CDOT in passenger rail extensions & modifications:

\*Shoreline East layover facility at on NECR at East New London, CT

\*Shoreline East passenger rail shuttles between cruise ships at the New London State pier and Mohegan Sun casino = replaces multiple bus trips and reduces cargo-related homeland security operational issues for Port of New London's operator.

\*Amtrak operations between New York/New Haven & Montreal via New London, CT & NECR's CT passenger load centers: casinos (Mohegan Sun is on NECR <and so will its proposed twin in Palmer, MA <if approved>; Foxwoods is a short shuttle bus link from NECR) and major universities (UConn at Mansfield, CT is on NECR as are the colleges and universities at Amherst, MA (UMass, Amherst College & Smith College).

The **CSO** project consists of replacing an estimated 13,500 ties, 13,640 tons of new ballast, 27.5 miles of surfacing, installing 10# relay rail (replacing 80# and smaller rail), a bolt tightening program, and rebuilding six switches, all of which are located on existing in service railroad rights of way at an estimated cost of \$2.625M. The project involves maintenance and improvements on existing railroad owned infrastructure and supporting

structures and should qualify for an environmental categorical exclusion. This project will remove existing temporary slow orders and upgrade the CSO routes from FRA Excepted Track to FRA Class I. CT main branch line freight speeds could be increased and return the track to a state of good repair. Increased freight speeds will result in savings in locomotive fuel, crew costs, and car hire, as well as more efficient service to CT businesses. Increased speeds will also allow faster clearing of public grade crossings, allowing for smoother flows of highway traffic and elimination of congestion and pollution. The project area serves both highly industrialized and commercial as well as rural agricultural areas of the state, thus providing a wide benefit to CT businesses and employers, both large and small.

These improvements will result in an improved and ultimately safer rail route. The routes currently handle various hazardous materials. CSO's Hartford freight yard is a very busy classification yard that provides the hub for service to the majority of CT's freight rail customers.

The CSO has been engaged in recent discussions with Conn DOT relative to the future increase in Amtrak and possibly commuter passenger operations along the existing Amtrak owned Springfield-New Haven line. All of the CSO routes radiate from the Amtrak line. With future increased passenger train activity on this route, it will increase the importance of the CSO being able to efficiently serve the existing and future freight rail customers along this route. CSO's Suffield Branch and Bradley Spur offer direct rail service to Bradley International Airport. Currently there are two active freight customers, including the airport itself (shipping tank cars of used runway de-icer). This route also serves the Camp Hartell Army National Guard base. As passenger and commuter rail expand, this route to the airport will provide a large source of future rail passengers.

The route's freight business is an important source of income and is in such volume to allow future maintenance funds that will keep the route in good repair. The project will create railroad construction work for both CSO employees and outside contractors. CSO, through its parent company RailAmerica, Inc, has a long and successful history of bidding and managing large projects in compliance with both Federal and State regulations and procedures. We have a sound track record with our employees, labor union, customers, and vendors.

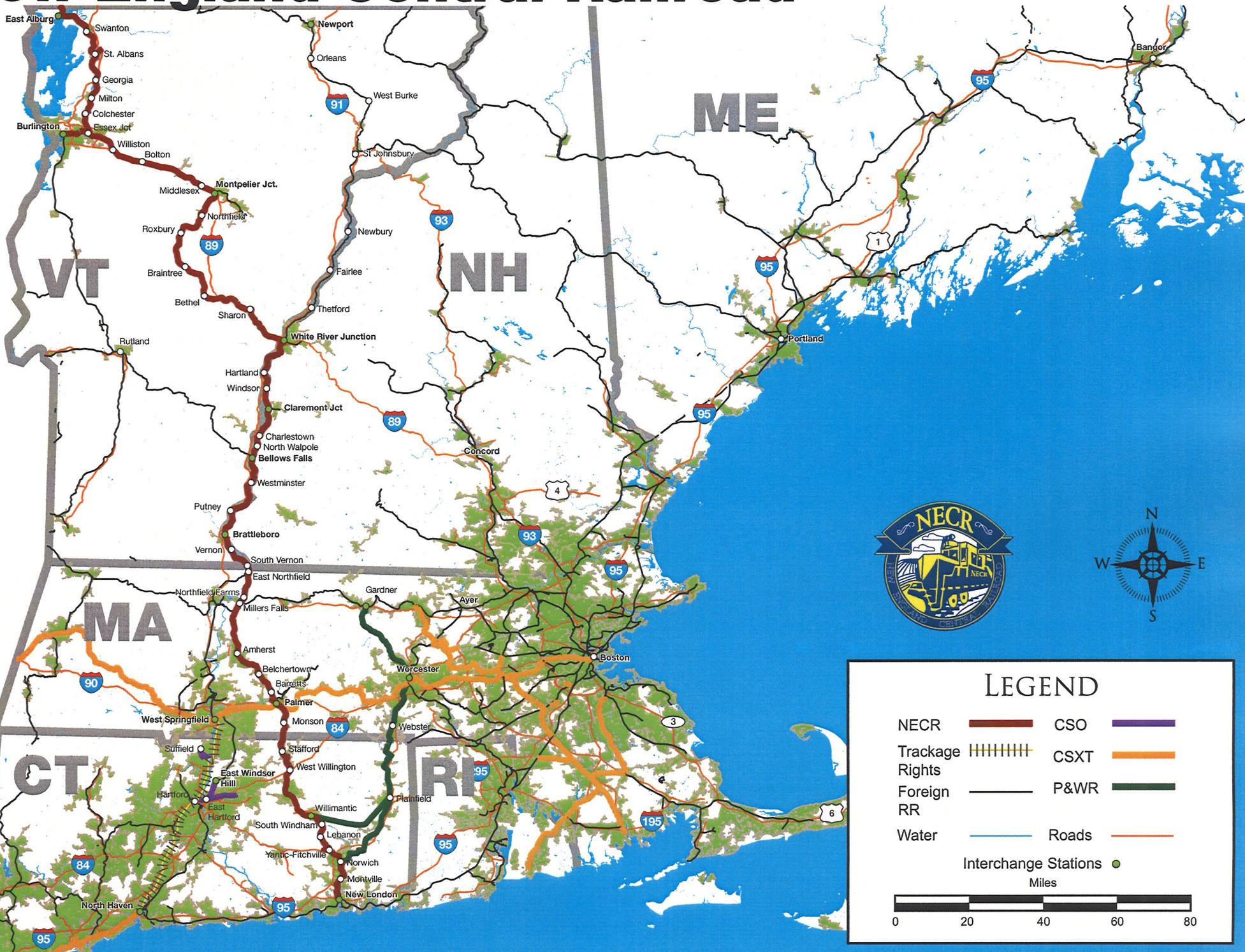
CSO's system averages about 23,000 annual carloads. These are all CT destined and originated shipments. The CSO handles the majority of all CT rail freight.

The CSO operates branch lines that serve Hartford, East Hartford, Mansfield, Windsor, Wethersfield, and Suffield. With the exception of the CT State owned Bradley Spur, all of the lines are owned and maintained by the CSO. These lines provide service to connecting Class I, CSX Transportation, as well as the shortline operations of Central New England RR and the Providence & Worcester RR. The CSO is the only connection to the CNZR which operates on two disconnected CT State-owned lines.

The CSO's operation of freight rail service on the Amtrak-owned Springfield – New Haven line requires the CSO to pay per car mileage fees to Amtrak. Those fees, totaling almost \$2M, limit the CSO's ability to invest heavily in its owned infrastructure. The approval of this project will allow for much needed maintenance and upgrades that date back to the deferred maintenance of the prior Class I owner, Conrail.

The CSO is currently working with two new rail freight customers that are locating in CT that should see an increase of 2,600 annual carloads. These customers will put additional pressure on the CSO and its infrastructure and limited resources to handle this new business. The CSO also has many industrial zoned, rail siding equipped, property locations that are available for future growth.

# New England Central Railroad



## LEGEND

- |                 |  |       |  |
|-----------------|--|-------|--|
| NECR            |  | CSO   |  |
| Trackage Rights |  | CSXT  |  |
| Foreign RR      |  | P&WR  |  |
| Water           |  | Roads |  |

Interchange Stations

