



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

FREIGHT & LOGISTICS DIVISION
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COMMISSIONER

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GOVERNOR

June 22, 2020

Ms. Rachel Campbell, Director
Surface Transportation Board
Office of the Managing Director
395 E Street SW
Washington, DC 20423

SUBJECT: Docket Numbers AB-875 & AB-1296X
RJ Corman Railroad Company/Northeast Tennessee Railroad Line

Dear Ms. Campbell,

The Tennessee Department of Transportation (TDOT) has been notified by RJ Corman Railroad Company of their desire to follow discontinuance and abandonment of the Northeast Tennessee Railroad Line, otherwise known as the Bardstown Line as referenced in the docket numbers provided above. This railroad line runs approximately 42 miles through Anderson, Campbell, and Scott counties in Tennessee.

Originally owned by the National Coal Railroad, this line was purchased by RJ Corman in 2010. In 1978, Tennessee state statute created and established rail authorities to 'provide for continuation of rail service within the area of the governments establishing the authority.' Specifically in this case, Northeast Tennessee Railroad Authority (NETRA) is the public agency created by the statute to ensure the infrastructure of this line remains in a state of good repair. Members of NETRA are comprised of mayors from Anderson, Campbell, and Scott counties, as well as other public and private officials, to ensure that the line provides the best service to these areas. This line has not been operational since 2013.

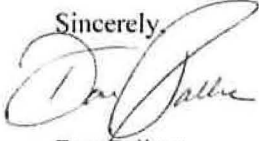
TDOT, through the Freight & Logistics Division, operates a rail rehabilitation grant program that provides state funds from our Transportation Equity Program to all railroad authorities for various track and bridge rehabilitation. Per state statute, TDOT can only provide these grant funds to rail authorities, which are public entities. TDOT cannot provide funding to private companies. TDOT strongly encourages short line railroads to form authorities and have the ability to receive state grant funds to provide freight rail options to every part of the state. While this line was operational, TDOT provided money to NETRA. This authority received its final grant funds from TDOT in 2012, prior to a cease in operations. As the operator, RJ Corman is now pursuing discontinuance and abandonment of this line.

TDOT has recently learned that the mayors from Anderson, Campbell, and Scott counties and a short line operator have an interest in potentially pursuing an offer of financial assistance to purchase and rehabilitate this line to provide new tourism and economic development opportunities throughout the line. While TDOT does not desire to take a position in favor of either party, we support dialog between the parties and would be willing and compliant with either outcome once a decision is made by the STB. We support additional due diligence by both parties to assess what type of further financial investment may be needed to make this line operational and preserve short line rail service.

Ms. Campbell
Page 2

If you have any question please contact me by phone at (615) 741-4031 or by email at Daniel.Pallme@tn.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Pallme", written over the word "Sincerely,".

Dan Pallme
Assistant Bureau Chief of Freight & Logistics

DP/AK
Enclosure

cc: Preston Elliott, Deputy Commissioner/Chief of Environment and Planning Bureau
Erik Andersen, Trans Manager 1, Freight & Logistics Division/Railroad Engineering Office
Amy Kosanovic, Planning Supervisor, Freight & Logistics Division
File

CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2020, I served the foregoing Letter using the below email addresses on all parties of record in this proceeding:

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/s/ Dan Pallme