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September 2, 2020

## VIA E-FILING

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20024

ENTERED  
Office of Proceedings  
September 2, 2020  
Part of  
Public Record

Re: STB Docket No. FD 36328  
Ken Tenn Regional Rail Partners, Inc.  
- Construction and Operation Exemption of a Line of Railroad -  
In Fulton County, KY and Obion County, TN

Dear Ms. Brown:

Enclosed for filing in the above referenced docket is a Petition for Exemption for the construction and operation of a line of railroad. The filing fee has been submitted via pay.gov. Also enclosed is a letter petition requesting a waiver of the filing fee.

If you have any questions regarding this filing, please let me know.

Sincerely,



Justin J. Marks  
*Counsel for Ken Tenn Regional  
Rail Partners, Inc.*

FILED  
September 2 2020  
SURFACE  
TRANSPORTATION BOARD

FEE RECEIVED  
September 2, 2020  
SURFACE  
TRANSPORTATION BOARD

**Before the**  
**SURFACE TRANSPORTATION BOARD**

STB Docket No. FD 36328

**KEN TENN REGIONAL RAIL PARTNERS, INC.**  
**– CONSTRUCTION AND OPERATION OF A LINE OF RAILROAD –**  
**IN FULTON COUNTY, KY AND OBION COUNTY, TN**

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**PETITION FOR EXEMPTION UNDER**  
**49 U.S.C. §10502 FROM THE REQUIREMENTS OF 49 U.S.C. §10901**

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*(includes color images)*

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*Counsel for*  
*Ken Tenn Regional Rail Partners, Inc.*

Dated: September 2, 2020

**Before the**  
**SURFACE TRANSPORTATION BOARD**

STB Docket No. FD 36328

**KEN TENN REGIONAL RAIL PARTNERS, INC.**  
**– CONSTRUCTION AND OPERATION OF A LINE OF RAILROAD –**  
**IN FULTON COUNTY, KY AND OBION COUNTY, TN**

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**PETITION FOR EXEMPTION UNDER**  
**49 U.S.C. §10502 FROM THE REQUIREMENTS OF 49 U.S.C. §10901**

Pursuant to 49 U.S.C. §10502, Ken Tenn Regional Rail partners, Inc. (“KTRRP”), a non-profit corporation created by the Fulton County Industrial Development Authority of Kentucky and the Industrial Development Board of the City of Union City, Tennessee, hereby petitions the Board for an exemption from the prior approval requirements of 49 U.S.C. §10901 to construct and operate approximately 12.17 miles of new rail line between mile post TennKen 51.69 at the Hickman-Fulton County River Port (“the Port”) and mile post UCT 450 near Union City, TN traversing through Fulton County, KY and Obion County, TN (the “Proposed Line”). A map showing the location of the Proposed Line is attached hereto as Exhibit A. The purpose of the Proposed Line is to provide an additional and more cost-effective rail transportation option for agricultural and industrial shippers in the rural areas of southwest Kentucky and neighboring northwest Tennessee.

KTRRP’s Proposed Line is under environmental review by the Board’s Office of Environmental Analysis. KTRRP requests that the Board grant this petition subject to the completion of the environmental review.

This petition is supported by the Joint Verified Statement of Clay Billingsley and Greg Curlin, attached hereto as Exhibit B, and the Verified Statement of Lana Suite attached hereto as

Exhibit C. This petition is also supported by local political leaders from Tennessee including State Representative Rusty Grills, State Senator John Stevens, and State Representative Andy Holt. *See* Exhibit D.

### **BACKGROUND**

KTRRP proposes to construct and operate approximately 12.17 miles of new rail line in Fulton County, KY between the Port at mile post TennKen 51.69 and at mile post UCT 450 in Obion County, TN.

KTRRP is a non-profit corporation created by the Fulton County Industrial Development Authority (“FC IDA”) of Kentucky and the Industrial Development Board of the City of Union City (“UC IDB”). *Joint Verified Statement of Clay Billingsley and Greg Curlin* (“*Billingsley/Curlin JVS*”) at 1.

The Fulton County Fiscal Court (the county legislature) created the FC IDA to provide assistance with economic development in Fulton County. The FC IDA membership is comprised of three representatives of the city of Hickman, KY and three representatives of the City of Fulton, KY. *Id.*

The UC IDB is a sub-entity of the City of Union City. It is an economic development agency that manages the City’s Payment-In-Lieu-of-Tax-Requests program for economic development prospects and approved Tax Increment Financing Districts for hotel and recreational development. *Id.*

The Proposed Line will serve Fulton and Hickman counties, KY and Dyer, Lake, and Obion counties, TN. Fulton and Hickman counties are located in western Kentucky. Fulton County is the western-most county in Kentucky situated upon the Mississippi River. The Proposed Line will begin near the Mississippi River at the Port in the City of Hickman and in Fulton County. The Port is a public entity established in 1964 by the City of Hickman and the

Fiscal Court of Fulton County. It is adjacent to a natural slack water on the Mississippi River. It provides bulk and break-bulk cargo transfer operations for a variety of commodities including: grain, wire rod, fertilizer, petroleum coke, zinc, aggregates and steel coils. The Port provides transloading transfer service, storage, and rail service. Rail Service at the Port is provided by the TennKen Railroad Company (“TennKen”)<sup>1</sup> which connects to the Canadian National Railway Company (“CN”) at Dyersburg, TN.

KTRRP views the Proposed Line as a potential economic catalyst to an area that is rural and economically depressed. Even before the Covid-19 pandemic, the unemployment rate for the region was higher than the unemployment rates for Kentucky, Tennessee, and nationally. *Verified Statement of Lana Suite (“L. Suite VS”) at 1*. Wages for the region are also behind state and national averages. *Id.* Approximately 16% of all households in the five-county region are below poverty level and education and training levels are lower than the rest of Kentucky and Tennessee. *Id.* Over the last ten years, the region has lost population and industry and the population is aging. The median age of residents is 41.4 years old with nearly 20% of the population being age 65 and beyond. *Id.* Once complete, the Proposed Line has the potential to attract nearly 2,400 jobs over a ten-year period. *Id.*

KTRRP anticipates that the following Tennessee companies will utilize the Proposed Line upon completion: Kohler Industries, Williams Foodworks and Distribution, Nutrien, and Titan Tire. *Billingsley/Curlin JVS at 4 - 5*. The Reelfoot Area Chamber of Commerce, Indiana Business Railroad, Inc. doing business as Union City Terminal Railroad (“UCTR”), and Williams Foodworks and Distribution have submitted letters of support of the Proposed Line included in Exhibit D.

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<sup>1</sup> Owned by the Hickman Rural Community Development Corporation, a local economic development entity.

KTRRP will fund the construction of the rail line through a combination of state, local, and potentially federal funds. KTRRP has already received state appropriations from Kentucky and Tennessee totaling over \$700,000 and will seek grant opportunities from the United States Department of Transportation. *Billingsley/Curlin JVS* at 5.

KTRRP is a noncarrier. Although KTRRP is seeking construction and operating authority from the Board, it intends to contract with a Class III rail carrier for operations leaving KTRRP with only a residual common carrier obligation.

### **ENVIRONMENTAL REVIEW**

KTRRP is working with the Board's Office of Environmental Analysis ("OEA") to comply with the Board's obligations under NEPA. The environmental review has reached the following milestones:

- On February 28, 2020, OEA mailed consultation letters to federal, state, tribal, and local agencies.
- On March 19, 2020 OEA invited the Federal Railroad Administration to participate in the NEPA process as a cooperating agency in the event that KTRRP pursues United States Department of Transportation funding.
- On June 9, 2020, OEA granted KTRRP's request to prepare an Environmental Assessment in lieu of an Environmental Impact Statement as required under 49 C.F.R. §1105.6(a), which generally requires the preparation of an Environmental Impact Statement (EIS) for a rail construction and operation proposal.

KTRPP is currently assisting OEA and OEA's third-party contractor to conduct field work and gather environmental data to support preparation of the Draft EA for the Proposed Line.

### **DISCUSSION**

#### **I. DESCRIPTION OF THE PROJECT AND PLANNED OPERATIONS**

KTRRP proposes to construct and operate approximately 12.7 miles of new common carrier railroad line in Obion County, TN and Fulton County, KY. The Proposed Line is shown

on the map provided as Exhibit A.<sup>2</sup> It will connect with CN via UCTR near Union City, Tennessee to the Port, tenants of the Port located on neighboring Port owned industrial property, and other neighboring industrial facilities and companies located at the Northwest Tennessee Industrial Park. *Billingsley/Curlin JVS* at 5.

A portion of the Proposed Line, 3.47 miles (in two separate segments), will be built over existing but abandoned rights-of-way. One abandoned segment departs Union City to the North, on the west side of Tennessee Highway 21 to the Tennessee/Kentucky state line and then along the west side of Kentucky State Route 239 to Kentucky State Route 166. The second abandoned segment parallels the east side of Kentucky Highway 125 just north of Kentucky Highway 166 for approximately .75 miles. The remaining segments of the Proposed Line will be newly constructed right of way running east to west until connecting to the existing short line railroad TennKen in Fulton County, KY. *Billingsley/Curlin JVS* at 2.

The Proposed Line will connect to a rail construction project that was authorized by the Board in 2016.<sup>3</sup> When constructed by Northwest Tennessee Regional Port Authority (“NWTRPA”), that line will serve the Port of Cates Landing on the Mississippi River. Ultimately, the Proposed Line will be the connecting segment that creates a 46.1-mile loop providing interchange with CN at both Dyersburg and Rives, TN. See the attached map as Exhibit A-1.

The Proposed Line is located in an area that is a lightly settled, economically depressed, agricultural region in Southwest Kentucky and adjacent Tennessee. The region suffers from high unemployment and over the last ten years has lost industry and population. *Billingsley/Curlin*

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<sup>2</sup> The route is referred to as the Revised Preferred Route because KTRRP modified its original preferred route following community outreach.

<sup>3</sup> *Northwest Tennessee Regional Port Authority – Construction and Operation Exemption – In Lake County, Tenn.*, STB Finance Docket 35802 (served Apr. 21, 2016).

*JVS* at 3 - 4. The region is primarily rural with few residences, tourist attractions, shopping areas, schools, and hospitals along or even near the Proposed Line. The Proposed Line will support regional economic development by providing the Port and local industrial facilities with easier and more cost-effective access to the interstate rail network.

The Port's current rail service is limited due to the poor condition of the TennKen rail line connecting the Port to the CN interchange at Dyersburg. *Billingsley/Carlin JVS* at 4. As a result, the Port has lost grain traffic for trains moving from the Port to the grain elevators at Dyersburg. *Id.* A second connection over the Proposed Line through Union City, TN will allow the Port to utilize grain elevators in Union City and out bound DDG from local ethanol production. *Id.*

For the Northwest Tennessee Industrial Park, the Proposed Line will provide new rail access to the interstate rail network and the Mississippi River transportation network. The Port and neighboring industrial facilities currently receive rail access from TennKen. The Proposed Line will connect TennKen with UCTR to provide enhanced access to the Port and surrounding area.

Currently, the primary transportation option for shippers to the east of the Port is via truck along the main thoroughfare between Union City, TN and Hickman, KY (TN State Highway 5 /KY State Highway 125). This highway is a narrow, two-lane road that carries agricultural commodities and products via truck. *Billingsley/Carlin JVS* at 3. The Proposed Line will improve transportation, safety, and energy conservation by providing a rail option and thereby potentially lessening the volume of trucks.

Rail service on the Proposed Line will be available once per day in either direction depending on the needs of customers. It will cross TN State Highway 5 /KY State Highway 125

on the Kentucky side of the border. Potential cargo will likely include agricultural commodities and products, industrial products and raw materials for industrial products, finished manufactured goods, energy commodities, and special cargo. *Id.* at 3.

## **II. KTRRP'S PROPOSED RAIL LINE PROJECT SATISFIES THE STANDARDS FOR EXEMPTION UNDER 49 U.S.C. §10502**

Under 49 U.S.C. §10901, Board approval is required for the construction of a new common carrier railroad line. The Board is required to authorize the construction of a new rail line unless, the line is “inconsistent with the public convenience and necessity.” 49 U.S.C. §10901(c). The Board has recognized that “[t]his permissive licensing policy, introduced in the ICC Termination Act of 1995 (ICCTA), establishes a clear presumption in favor of rail construction proposals, and conforms to the broader Congressional policies to ‘promote effective competition among rail carriers’ and to ‘reduce barriers to entry into ... the industry.’ 49 U.S.C. [§]10104(4), (7).” *Midwest Generation, LLC – Exemption from 49 U.S.C. 10901 – For Construction in Will County, IL*, STB Finance Docket No. 34060, slip op. at 7-8 (served Mar. 21, 2002)(footnotes omitted).

The Board has determined that under 49 U.S.C. §10502, it must exempt a transaction from regulation when it finds that:

- (1) is not necessary to carry out the transportation policy of section 10101 of this title; and
- (2) either –

- (A) the transaction or service is of limited scope; or
  - (B) the application in whole or in part of the provision is not needed to protect shippers from the abuse of market power.

*Port of Moses Lake – Construction Exemption – Moses Lake, Washington*, STB Finance Docket No. 34936, slip op. at 4 (served Aug. 27, 2009).

KTRRP's Proposed Line which is intended to enhance competition between transportation modes and to act as a catalyst for economic growth in the region meets the statutory requirements for exemption. The Proposed Line is consistent with the Board's precedent for granting construction exemptions under section 10502.<sup>4</sup> In addition, the statute only requires a party to satisfy either subpart (2)(A) or (2)(B). Here the proposed line satisfies both subparts.

*1. Application of 49 U.S.C. §10901 is not necessary to further the National Rail Transportation Policy of 49 U.S.C. §10101.*

The Board need not perform a detailed scrutiny of KTRRP's Proposed Rail Line because compliance with the formal requirements of Section 10901 is not necessary to accomplish the transportation policies of 49 U.S.C. §10101 (the "RTP"). As applicable here, under the RTP, it is the policy of the United States Government:

(2) to minimize the need for Federal regulatory control over the rail transportation system and to require fair and expeditious regulatory decisions when regulation is required; ...

(4) to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, to meet the needs of the public and the national defense; ...

(5) to foster sound economic conditions in transportation and to ensure effective competition and coordination between rail carriers and other modes; ...

(7) to reduce regulatory barriers to entry into and exit from the industry; ...

49 U.S.C. §10101

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<sup>4</sup> *Texas Railway Exchange LLC – Construction and Operation Exemption – Galveston County, Tex.*, STB Finance Docket 36186 (served Jan. 17, 2020); *Palmetto Railways – Construction and Operation Exemption in Berkeley County, S.C.*, STB Finance Docket 36095 (served July 22, 2019); *Northwest Tennessee Regional Port Authority – Construction and Operation Exemption – In Lake County, Tenn.*, STB Finance Docket 35802 (served Apr. 21, 2016).

The Board should grant KTRRP's petition because regulation of the Proposed Line is not necessary to accomplish the RTP as stated under RTP (2) and (7) since an exemption will minimize the need for federal regulatory control over the rail transportation system in Tennessee and Kentucky and will reduce regulatory barriers to entry.

KTRRP is advancing the Proposed Line to improve and add rail service to an area that is economically depressed. The Proposed Line, advanced by public transportation and economic entities, will improve transportation in the region and will potentially result in new jobs in the region.

Further, the Board should grant this petition because it will satisfy the RTP under (4) and (5) because it will create an alternative/competition to motor carriage and its potential as an economic catalyst meets a public need identified by elected officials and economic development agencies in the region.

2. *This transaction is of limited scope.*

The Proposed Line satisfies the second element of the Board's section 10502 exemption analysis because the transaction is of limited scope since KTRRP only proposes to construct and operate approximately 12.17 miles of new common carrier railroad line. The Proposed Line will begin at mile post TennKen 51.69 near the Port and end at mile post UCT 450 near Union City, TN. It will traverse a combination of rural and industrial properties and 3.47 miles of the rail line (in two separate segments) is proposed to utilize two abandoned rail corridors. Further, a decision finding the Proposed Line to be of limited scope would be consistent with similar rail construction projects that the Board has exempted from the formal requirements of 49 U.S.C. §10901.<sup>5</sup>

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<sup>5</sup> See *Northwest Tennessee Regional Port Authority – Construction and Operation Exemption – In Lake County, Tenn.*, STB Finance Docket 35802 (served Apr. 21, 2016)(5.5 miles); *Port of*

3. *Alternatively, application of 49 U.S.C. §10901 is not necessary to protect shippers from abuse of market power.*

The Proposed line satisfies the alternative criteria in the second element of the Board's section 10502 exemption analysis because it is intended to improve efficiency for the Port and other Kentucky shippers. Further, it will provide a new transportation option for Tennessee shippers creating a more competitive transportation marketplace. Because shippers will be gaining additional and improved transportation options (with no reduction in service options), there will be no harm to shippers. Therefore, application of section 10901 is not necessary to protect shippers from abuse of market power.

**III. THE BOARD SHOULD CONDITIONALLY GRANT THE REQUESTED PETITION FOR EXEMPTION UPON COMPLETION OF THE BOARD'S ENVIRONMENTAL REVIEW**

KTRRP respectfully requests that the Board issue a preliminary decision addressing the transportation issues conditioned upon the Board's completion of the environmental review process. It is Board policy that it will "not address transportation-related issues in construction proposals until the entire record, including the environmental record, is completed" because the petition could be subsequently denied when the Board considers the environmental effects of the Proposed Line.<sup>6</sup> The Board will however, grant conditional approval when "unique or compelling circumstances" exist.<sup>7</sup>

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*Moses Lake – Construction Exemption – Moses Lake, Washington*, STB Finance Docket 34936 (served Aug. 27, 2009) (11.5 miles); *Itasca County RRA – Petition for Exemption – Construction of a Rail Line in Itasca County, MN*, STB Finance Docket FD 34992 (served Sept. 8, 2008)(9 miles).

<sup>6</sup> *Six County Ass'n of Governments – Construction & Operation Exemption – A Rail Line Between Levan and Salina, Utah*, STB Finance Docket 34075, slip op. at 2 n.4 (served Sept. 3, 2015).

<sup>7</sup> *Id.*

Here, conditional approval is warranted because the Proposed Line is a transportation and economic development project supported by the Kentucky and Tennessee state governments as well as local governments in the region. To date, the state governments of Kentucky and Tennessee have each contributed \$350,000. Board approval conditioned on completion of OEA's environmental analysis will demonstrate to those governmental entities that the Proposed Line warrants further state and local resources. Board approval will provide support for continued fundraising and planning by KTRRP, and will allow for expeditious commencement of construction once the environmental process is complete.

Further, KTRRP is working with the Board's Office of Environmental Analysis to gather the appropriate environmental data enabling the Board to conduct its environmental analysis. On June 9, 2020, OEA granted KTRRP's request for a waiver permitting the development of an Environmental Analysis in lieu of an Environmental Impact Statement which is typically required for a rail construction and operation proposal.

KTRRP recognizes that it will not have authority to commence construction of the Proposed Line until the completion of the environmental review process. However, approval of KTRRP's petition will remove any uncertainty concerning the transportation benefits of the proposed line, and a preliminary decision would significantly aid KTRRP in moving forward successfully and expeditiously.

## CONCLUSION

In conclusion, KTRRP respectfully requests that the Board grant this Petition and issue a decision exempting the construction and operation of the Proposed Line from the prior approval requirements of 49 U.S.C. §10901.

Respectfully submitted,



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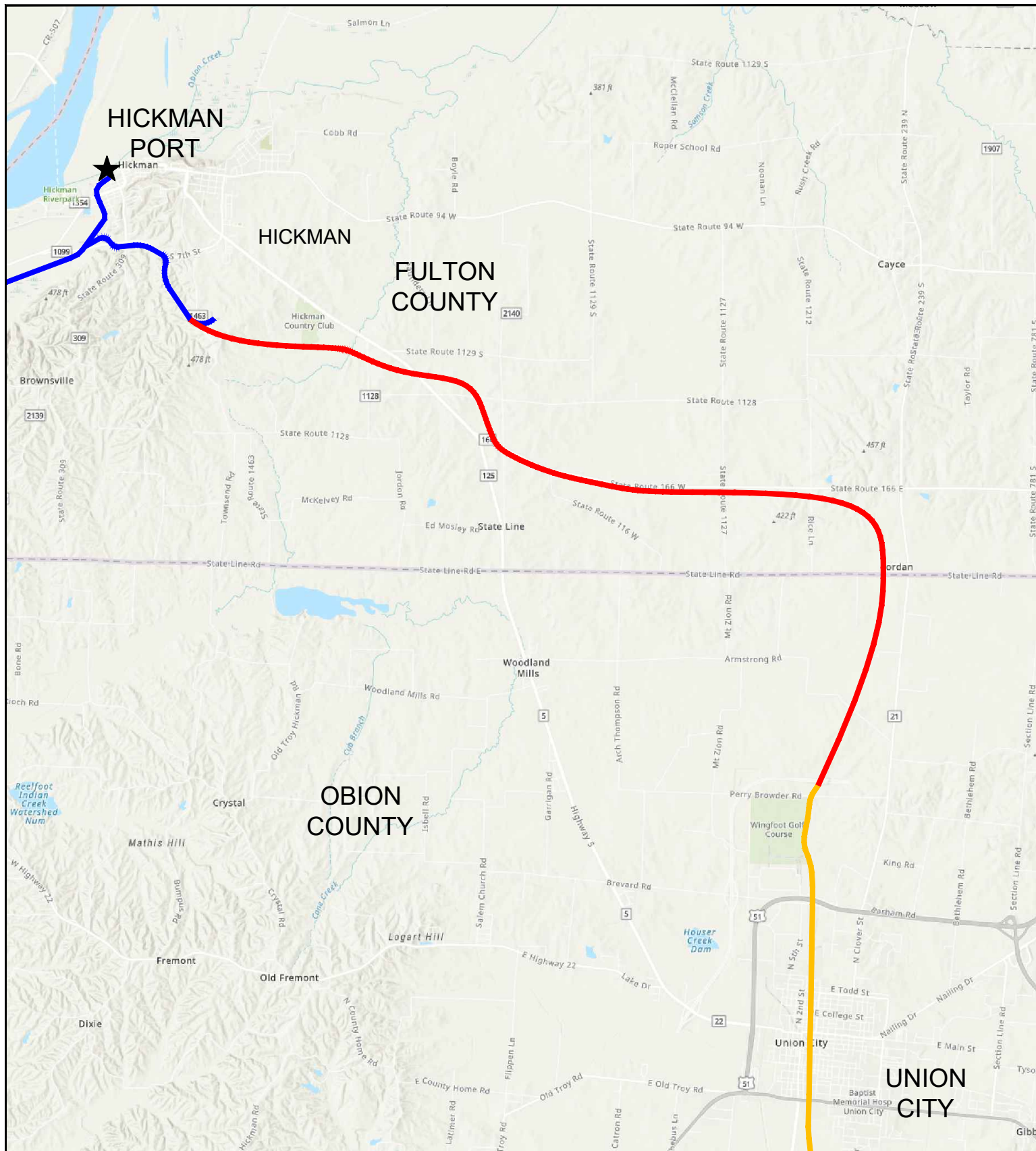
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*Counsel for Ken Tenn Regional Rail Partners,  
Inc.*

Dated: September 2, 2020

# **Exhibit A**

## **Revised Preferred Route Map**



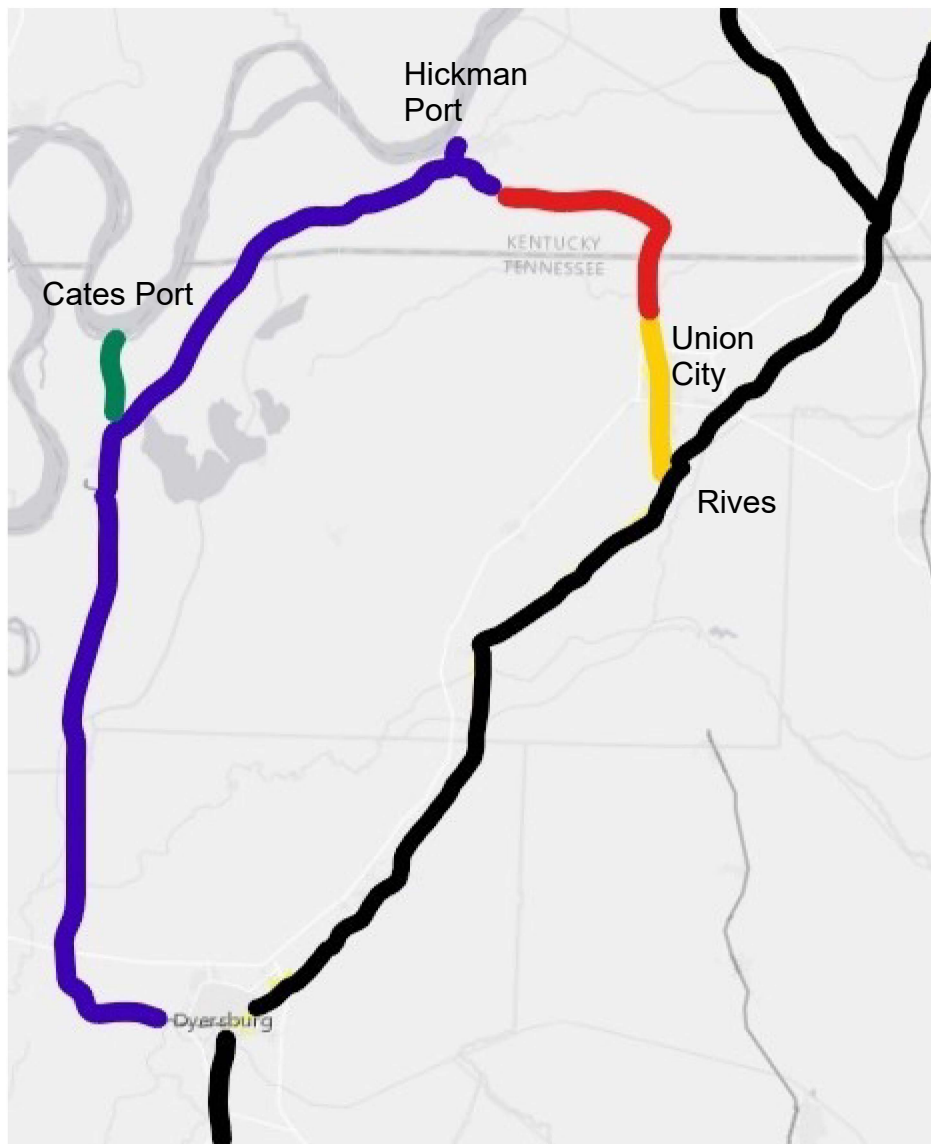
## REVISED PREFERRED ROUTE MAP

- REVISIED PREFERRED ROUTE
- TENNKEN RAILROAD
- UNION CITY TERMINAL RAILROAD

KTRRP  
KEN TENN REGIONAL RAIL PARTNERS  
PROPOSED RAIL LINE  
THROUGH  
FULTON COUNTY, KENTUCKY & OBION COUNTY, TENNESSEE

## **Exhibit A-1**

### **Map**



### Key

- Red: KTRRP Proposed Line
- Green: NW TN Regional Port Authority Rail Line Approved in FD 35802
- Blue: TennKen Rail Line
- Yellow: UCTR Rail Line
- Black: CN Rail Line

**Exhibit B**

**Joint Verified Statement**

**of**

**Clay Billingsley**

**and**

**Greg Curlin**

**Before the**  
**SURFACE TRANSPORTATION BOARD**

STB Docket No. FD 36328

**KEN TENN REGIONAL RAIL PARTNERS, INC.**  
**– CONSTRUCTION AND OPERATION OF A LINE OF RAILROAD –**  
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**PETITION FOR EXEMPTION UNDER**  
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**JOINT VERIFIED STATEMENT OF CLAY BILLINGSLEY AND GREG CURLIN**

My name is Clay Billingsley, I am the Market President at Bank3 in Union City, Tennessee and I am a member of the Industrial Development Board of the City of Union City (UC IDB). The Union City, City Council appointed me to this position in 2015. I am the UC IDB representative to the Ken Tenn Regional Rail Partnership, Inc. (KTRRP).

The UC IDB's primary function is to review, analyze, and approve or deny Payment-In-Lieu-of-Tax-Requests (PILOT) for economic development prospects and approved Tax Increment Financing Districts (TIF) for hotel and recreational development. The State of Tennessee awarded the UC IDB \$350,000 to develop a rail line and a small railroad bridge project adjacent to a local grain elevator in Obion County, TN.

My name is Greg Curlin, for the last ten years I have been the Executive Director at the Hickman-Fulton County Riverport Authority (the Port). The Port is a public agency created by the City of Hickman and Fulton County and is jointly located in those two jurisdictions. I also serve as the Chairman of the Hickman Industrial Development Authority; the Chairman of the

Fulton – Hickman Counties Economic Development Partnership; and the Vice-Chairman of the Fulton County Industrial Development Authority (FC IDA).

Fulton County Judge Executive, Jim Martin appointed me to serve on the KTRRP as one of three members representing Kentucky. I was appointed by Judge Executive Martin because of my relationship with county economic development officials and the TennKen Railroad, Inc. in Hickman, Ky. Other Kentucky members of the KTRRP board are Judge Executive Martin and Melissa Garrigan, Ms. Garrigan is the President of the Hickman Rural Community Development Corporation, the entity that owns the TennKen Railroad which serves the Port and operates from Hickman, KY to Dyersburg, TN.

The Fulton County Fiscal Court (the county legislature) created the FC IDA to provide assistance with economic development in Fulton County. The FC IDA membership is comprised of three representatives of the city of Hickman, KY and three representatives of the City of Fulton, KY. The KY Department of Transportation granted FC IDA \$350,000.00 to match the appropriation from the State of Tennessee to perform a railroad study and to submit this petition for exemption.

We both serve in a volunteer capacity on our respective industrial development authorities and on KTRRP in a volunteer capacity because we believe in the importance of regional cooperation. UC IDB and FC IDA formed KTRRP to construct and operate approximately 12.7 miles of new common carrier railroad line in Obion County, TN and Fulton County, KY. Kentucky and Tennessee are historic rivals competing for economic opportunities, we see the Proposed Line as pivotal to the success of our region and as a potential blue print for future cross-border cooperation.

A portion of the Proposed Line, 3.47 miles (in two separate segments), will be built over existing but abandoned right-of-way. An abandoned segment departs Union City to the North, on the west side of Tennessee Highway 21 to the Tennessee/Kentucky state line and then along the west side of Kentucky State Route 239 to Kentucky State Route 166. The second abandoned segment parallels the east side of Kentucky Highway 125 just north of Kentucky Highway 166 for approximately .75 miles. The remaining segments of the Proposed Line will be newly constructed right of way running east to west until connecting to the existing short line rail in Fulton County, KY. Currently, the primary transportation option for shippers to the east of the Port is via truck along the main thoroughfare between Union City, Tennessee and Hickman, Kentucky (TN State Highway 5 /KY State Highway 125). This highway is a narrow, two-lane road that carries agricultural commodities and products via truck.

Rail service on the Proposed Line will potentially be available once per day in either direction depending on the needs of customers. Potential cargo will likely include agricultural commodities and products, industrial products and raw materials for industrial products, finished manufactured goods, energy commodities, and special cargo.

This Kentucky/Tennessee region is economically depressed, and we believe that the Proposed Line will help revitalize our local economy. Prior to the Covid-19 pandemic, the unemployment rate for the region was higher than the unemployment rates for Kentucky, Tennessee, and nationally. *L. Suite VS* at 1. Wages for our region are also behind state and national averages. *Id.* Approximately 16% of all households in the five-county region are below poverty level and education and training levels are lower than the rest of Kentucky and Tennessee. *Id.* Further, our region has lost population and industry over the last ten years. *Id.*

Moreover, our population is aging. The median age of our residents is 41.4 years old with nearly 20% of the population being age 65 and beyond. *Id.*

Our vision is that the Proposed Line will improve the quality of life in this region by helping to attract industry and create jobs because it will provide the Port with more reliable rail service and it will provide industries in Tennessee with direct rail access. We believe, based on the analysis provided to us by Younger and Associates, that the Proposed Line has the potential to attract nearly 2,400 jobs over the ten-year period following completion of the Proposed Line.

This project will improve connectivity for the Port and create new rail service in Tennessee. However, this project is part of a longer-term goal for our region. The goal is to rehabilitate another segment of deteriorated but existing common carrier track currently operated by the TennKen Railroad and the Indiana Business Railroad, Inc. doing business as the Union City Terminal Railroad. The TennKen Railroad will connect to a rail construction project that was authorized by the Board in 2016. When completed, that line will serve the Port of Cates Landing on the Mississippi River. Ultimately, the Proposed Line will join the TennKen Railroad with the Union City Terminal Railroad to create a 46.1-mile loop that will connect with Canadian National Railway at both Dyersburg and Rives, TN.

The Port's current rail service is limited due to the poor condition of the TennKen Rail Line connecting the Port to the CN interchange at Dyersburg. As a result, the Port has lost grain traffic for trains moving from the Port to the grain elevators at Dyersburg. A second connection over the Proposed Line through Union City, TN will allow the Port to utilize grain elevators in Union City and out bound DDG from local ethanol production. Also, any rail commodity inbound or outbound that could intersect with river barge traffic would be possible and give CN switching options at either location.

KTRRP will engage a contract operator to fulfill our common carrier obligation if the Board grants us construction and operating authority.

We anticipate that several industries in addition to the Port will utilize the Proposed Line, once operational. Among the possibilities include:

- Kohler Industries – a manufacturer of showers and baths that could use the Proposed line for steel shipments;
- Williams Foodworks and Distribution – a cold storage and third-party logistics warehouse that stores frozen goods for food manufacturers and has submitted a letter of support;
- Nutrien – a regional supplier of agricultural inputs and chemicals; and
- Titan Tire – a manufacturer of tires for agricultural and mining equipment.

The Proposed Line is supported by our local elected officials with examples of such support enclosed as Exhibit D.

In addition to the appropriations we have received from the state governments of Tennessee and Kentucky, we intend to fund the Proposed Line through a combination of private and public funds to include, federal, state, and local dollars. The Federal Railroad Administration is involved in the NEPA process as a cooperating agency to the Board's Office of Environmental Analysis in preparation for us to apply for federal money.

### VERIFICATION

I, is Clay Billingsley, declare under penalty of perjury that I have read the foregoing Verified Statement, that I know the facts asserted therein, and that the same are true as stated. Further, I certify that I am qualified to and authorized to submit this Verified Statement.

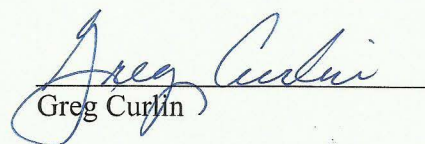
Executed on Sept. 2, 2020.

  
\_\_\_\_\_  
Clay Billingsley

### VERIFICATION

I, Greg Curlin, declare under penalty of perjury that I have read the foregoing Verified Statement, that I know the facts asserted therein, and that the same are true as stated. Further, I certify that I am qualified to and authorized to submit this Verified Statement.

Executed on Sept. 2, 2020.

  
Greg Curlin

# **Exhibit C**

**Verified Statement**

**of**

**Lana Suite**



My name is Lana Y. Suite, Director of Research and Partner of Younger Associates where I have been employed since 1996. Younger Associates is a market research firm that was established in 1990. Our offices are located at 97 Directors Row, Jackson, TN 38305 and 2157 Madison Avenue, Memphis, TN 38104.

Our firm has conducted research for cities, counties, and states as well as for both public and private entities. We have completed hundreds of impact analyses measuring the development and operations of numerous types of industries throughout the southeast. We have an ongoing relationship with Shelby, Rutherford, Maury, Knox, Hamilton and other counties in the State of Tennessee to measure the impact of new industry on the local economy as well as analyze the benefit-to-cost ratio of tax incentives offered by local and state entities. Furthermore, we work routinely with Tennessee Valley Authority (TVA) performing impact analyses for projects measuring the potential impact of new industry on the local economy specifically in the rural areas of the TVA service area.

Having lived and worked in West Tennessee for more than 30 years, I am very familiar with the region of impact analyzed in this study. All of the counties are rural and largely underdeveloped. Data from the U.S. Census Bureau confirms the 2020 estimated population of the five-county area to be 84,818. This is a decrease from the 2010 Census of 89,689, which represents a -5.43 percent change. This is not uncommon for rural West Tennessee as many of the smaller, more rural counties continue to depopulate.

Not only has the population decreased over the past 10 years, but many businesses and industries have closed or relocated from the area. Large manufacturing operations such as Goodyear in Union City closed leaving hundreds unemployed. At one point, the region had one of the highest unemployment rates in the state. Prior to the COVID-19 pandemic, the unemployment rate for the region was 5.3%, which was above the U.S. as well as the State of Kentucky and Tennessee levels.

Additionally, the median age of residents of the region is 41.4 years old. This shows aging population with approximately 20% of the population being age 65 and beyond. Education and training levels are lower in the region. Approximately 18% of the population age 25 and beyond does not have a high school diploma or equivalent.

Wages for this region are below state and national averages as well. In 2020, approximately 16% of all households in the five-county region are below poverty level. Four of the five counties, Fulton, Dyer, Lake, and Obion all have federally designated Opportunity Zones indicating they are recognized as economically distressed communities.

Ken Tenn Regional Rail Partners, Inc. (KTRRP) retained Younger Associates to study the potential economic impact of the construction of approximately 12.17 miles of rail trackage that would connect the Hickman-Fulton County Kentucky Riverport and the Northwest Tennessee Industrial Park located in Union City, Obion County. KTRRP, a regional group supporting the development of the rail service expansion, includes Fulton and Hickman Counties in Kentucky and Dyer, Lake and Obion Counties in Tennessee.

Assuming a capital investment of \$25 million to construct the rail line expansion, I project the one-time impact to be \$36.4 million during the construction and set-up period. This represents the total dollars flowing through the five-county region from spending, employment and related economic activity.

Additionally, I studied the post-construction economic impact of the proposed rail line to analyze the potential attraction of new industries requiring rail access. To do so, I developed a model of the local economy considering potential industry expansions and relocations once the line is operational. This task is important to show the full potential economic impact of the proposed expanded rail service to the region.

In my opinion, it can reasonably be assumed that KTRRP's proposed rail line will attract ten new private companies to this region over the course of ten years. To project the impact of the new industry, I developed an industry mix that represents the entities most likely to locate to the region based on current industries, suppliers, geography, and skills. Based on my experience, I further assumed each of the new industries would employ an average of 100 new jobs directly.

With these assumptions, I prepared a model of the local economy and used the RIMS II Multipliers produced specifically for this region by the United States Bureau of Economic Analysis to project the total jobs supported (2,369) and total economic impact, which totaled \$390.8 million when all ten companies are fully operational. This impact does not include the capital investment made by the individual companies for real and personal property.

In summary, I believe that the expansion of the rail line will have a significant and lasting positive impact on the region. With the expanded rail service, new industries or expansions to current industries that require rail access can now locate in the area. The potential to create 1,000 new jobs directly and see an annual economic impact of \$390 million would make a dramatic difference in the viability of the five-county region by generating job opportunities, increasing wage levels and enhancing the quality of life, which cannot be quantified in an analysis of this type.

### VERIFICATION

I, Lana Y. Suite, declare under penalty of perjury that I have read the foregoing Verified Statement, that I know the facts asserted therein, and that the same are true as stated. Further, I certify that I am qualified to and authorized to submit this Verified Statement.

Executed on Sept. 2, 2020.



Lana Y. Suite

**Exhibit D**

**Support Letters**



**RUSTY GRILLS**  
STATE REPRESENTATIVE  
77<sup>TH</sup> LEGISLATIVE DISTRICT  
rep.rusty.grills@capitol.tn.gov

**LEGISLATIVE OFFICE**  
425 5<sup>th</sup> Avenue, North  
SUITE 400 Cordell Hull Building  
NASHVILLE, TN 37243  
(615) 741-0718

# **House of Representatives**

## **State of Tennessee**

**NASHVILLE**

**COMMITTEES:**  
Agriculture and Natural Resources  
Agriculture and Natural Resources Subcommittee  
Local Committee  
Cities & Counties Subcommittee  
Transportation Committee

May 27, 2020

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20024

Re: STB Docket No. FD 36328  
Ken Tenn Regional Rail Partners, Inc.  
-Construction and Operation of a Line of Railroad-  
In Fulton and Hickman Counties, KY and Dyer,  
Lake, and Obion Counties, TN

Dear Ms. Brown:

I am writing on behalf of Ken Tenn Regional Rail Partners, Inc. in support of the Petition for Exemption filed by Ken Tenn Regional Rail Partners, Inc. (KTRRP) with the Surface Transportation Board seeking authority to construct and operated 11.4 miles of new railroad in western Kentucky and Northwest Tennessee. In addition to constructing the new railroad line, KTRRP also intends to rehabilitate another segment of deteriorated but existing common carrier rail line currently operated by the Tennken Railroad and the Indiana Business Railroad, Inc.

Our area will benefit from KTRRP's proposed rail improvements because the additional transportation option is projected to add jobs to this economically depressed region through increased access to markets for our farmers and industrial facilities. KTRRP's proposed rail projects will benefit our District in



the short-term by connecting shippers in our Counties to the Canadian National Railway. KTRRP's proposed rail projects will provide the Port with a more efficient connection to the Canadian National Railway.

The KTRRP project once complete will immediately benefit our region, but the long-term plan is to create a 46.1-mile loop that will connect with Canadian National Railway at both Dyersburg and Rives, TN. This will be accomplished by connecting the Tennken Railroad to a rail construction project that was authorized by the Board in 2016 to be constructed by the Northwest Tennessee Regional Port Authority serving the Port of Cates Landing on the Mississippi River.

We think that our District will greatly benefit from the rail improvements proposed by KTRRP and respectfully request that the Board approve the KTRRP Petition for Exemption.

Sincerely,

A handwritten signature in black ink, which appears to read "Rusty Grills", is positioned above the printed name.

Rep. Rusty Grills  
District 77  
Rom. 5:8

**JOHN STEVENS**  
STATE SENATOR  
24<sup>TH</sup> SENATORIAL DISTRICT

REPRESENTING BENTON, CARROLL, GIBSON,  
HENRY, OBION AND WEAKLEY COUNTIES

**E-MAIL**  
sen.john.stevens@capitol.tn.gov

## Senate Chamber State of Tennessee

**NASHVILLE**

**LEGISLATIVE OFFICE**  
710 CORDELL HULL BUILDING  
NASHVILLE, TN 37243  
615-741-4576  
1-800-449-8366 Ext. 14576

May 27, 2020

Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20024

Re: STB Docket No. FD 36328  
Ken Tenn Regional Rail Partners, Inc.  
-Construction and Operation of a Line of Railroad-  
In Fulton and Hickman Counties, KY and Dyer,  
Lake, and Obion Counties, TN

Dear Ms. Brown:

I am writing in support of the Petition for Exemption filed by Ken Tenn Regional Rail Partners, Inc. (KTRRP) with the Surface Transportation Board seeking authority to construct and operated 11.4 miles of new railroad in western Kentucky and Northwest Tennessee. In addition to constructing the new railroad line, KTRRP also intends to rehabilitate another segment of deteriorated but existing common carrier rail line currently operated by the Tennken Railroad and the Indiana Business Railroad, Inc.

The KTRRP project once complete will immediately benefit our region, but the long-term plan is to create a 46.1-mile loop that will connect with Canadian National Railway at both Dyersburg and Rives, TN. This will be accomplished by connecting the Tennken Railroad to a rail construction project that was authorized by the Board in 2016 to be constructed by the Northwest Tennessee Regional Port Authority serving the Port of Cates Landing on the Mississippi River.

I think that our region will greatly benefit from the rail improvements proposed by KTRRP and respectfully request that the Board approve the KTRRP Petition for Exemption.

Respectfully,



Senator John Stevens  
24<sup>th</sup> Senate District



425 5<sup>th</sup> Ave North  
642 Cordell Hull Building  
Nashville, Tennessee 37243

(615) 741-7847  
[rep.andy.holt@capitol.tn.gov](mailto:rep.andy.holt@capitol.tn.gov)

## State Representative

**Andy Holt**

District 76

### CHAIRMAN

Agriculture and Natural Resources  
Subcommittee

### MEMBER

Agriculture &  
Natural Resources

Finance, Ways, and Means  
Finance, Ways, and Means Budget  
and Appropriations Subcommittees

Naming, Designating, and Private Acts Committee

May 5, 2020

To Whom it May Concern,

I am writing to provide support of the Petition for Exemption filed by Ken Tenn Regional Rail Partners, Inc. (KTRRP) with the Surface Transportation Board seeking authority to construct and operated 11.4 miles of new railroad in Western Kentucky and Northwest Tennessee. In addition to constructing the new railroad line, KTRRP also intends to rehabilitate another segment of deteriorated but exiting common carrier rail line currently operated by the TennKen Railroad and the Indiana Business Railroad, Inc.

Having the additional milcage of railroad space in Obion County would allow a vast array of potential cargo into our area, therefore boosting the possibility of economic development in an area of Tennessee that would greatly benefit. The long term benefits on state and county infrastructure by cutting down on the amount of large truck traffic is something that is highly sought after by county and state officials. The KTRRP project, once complete, will immediately benefit our region, however the future plan is to create a 46.1 mile loop that will connect with Canadian National Railway at both Dyersburg and Rives, Tennessee. This will be accomplished by connecting the TennKen Railroad to a rail construction project that was authorized by the Board in 2016 to be constructed by the Northwest Tennessee Regional Port Authority serving the Port of Cates Landing on the Mississippi River.

I believe that Obion County will greatly benefit from the rail improvements proposed by KTRRP and respectfully request that the Board approve the KTRRP Petition for Exemption. My office is happy to answer any questions that you may have or discuss this matter further. I look forward to watching this project come to light.

Regards,

A handwritten signature in black ink, appearing to read "Andy Holt", is written over a horizontal line.

Andy Holt

# Union City Terminal Railroad

POB 926 | Union City, Tennessee 38281

Executive Offices

Indiana Business Railroad | POB 6333 Evansville, Indiana 47719

John DiDomizio, President & CEO  
Tom Aker, VP Mechanical

J. Brent Lee, VP Operations  
W. Patrick Randolph, Superintendent of Operations

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August 6, 2020

Cynthia Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20024

RE: STB Docket No. FD 36328  
Ken Tenn Regional Rail Partners, Inc.  
-Construction and Operation of a line of  
Railroad in Fulton and Hickman Counties, KY  
And Dyer, Lake, and Obion Counties, TN

Dear Ms. Brown:

The Union City Terminal Railroad is pleased to offer this letter of support for KTRRP. We view the KTRRP rail corridor project as a critical and integral part of the logistics chain for the following reasons.

- **Connectivity** – The KTRRP rail corridor will extend the service area of our short line railroad and will provide a vital link for our shippers. The completion of the KTRRP rail corridor will connect important Mississippi River ports with the Union City Terminal Railroad, the most direct and efficient route to I-69, the Northwest Tennessee Industrial Park and Canadian National Railroad.
- **Industrial Growth** – The KTRRP rail corridor combined with Union City Terminal Railroad in Obion County Tennessee will be a key selling point for attracting new industrial customers to our region.

- **Regional Support** – Clearly both Kentucky and Tennessee recognize the value of connecting the region with this important logistics link.

I cannot emphasize how important the new rail corridor is to our rural area of Kentucky and Tennessee. Future growth and access to new markets can be strengthened by completion of the KTRRP rail corridor.

Kindly contact me if you have any questions concerning how the KTRRP rail corridor will work in concert with our railroad and the national rail network.

Sincerely,

*J. Brent Lee*

J. Brent Lee  
VP Operations





July 7, 2020

Cynthia Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street SW  
Washington, DC 20024

RE: STB Docket No. FD 36328  
Ken Tenn Regional Rail Partners, Inc.  
-Construction and Operation of a line of  
Railroad in Fulton and Hickman Counties, KY  
And Dyer, Lake, and Obion Counties, TN

Dear Ms. Brown:

I am writing in support of the proposed construction of approximately 11.4 miles of new common carrier railroad in Fulton County, Kentucky and Obion County, Tennessee. Once completed, this proposed line will provide the Lake County Industrial Park, via the Tennken Railroad, with much-needed access to the interstate rail network and Interstate 69. Approving this portion of track is a crucial step in creating the 46.1-mile loop that will connect our region with the Canadian National network in both Dyersburg, Tennessee and Rives, Tennessee.

Construction of this proposed line will greatly improve our ability to recruit high quality tenants to the Lake County Industrial Park. Lake County and Northwest Tennessee, generally, continue to receive a high level of interest from industrial prospects looking to expand their manufacturing operations, due to the region's centralized geographic location. When the discussion shifts to rail access, however, the region's chances of landing that prospect are greatly diminished. Prospects have consistently indicated that a lack of quality rail service puts our county and region at a competitive disadvantage. Although these prospects praise the abundance of real estate, the work force, and the proximity of the East and West Coast to our region, they continuously cite the lack of efficient rail options in the area when deciding to move elsewhere.

We eagerly await the successful completion of this project and fully believe it is the next necessary step for revitalizing Lake County. Should you have any questions, please do not hesitate to contact me at your earliest convenience. We appreciate your efforts in considering this matter.

Sincerely,

A handwritten signature in cursive script that reads "Marcia P. Mills".

Marcia P. Mills, Executive Director  
ClarkHill\J3305\396125\260122958.v1-7/14/20

Reelfoot Area Chamber of Commerce



4009 Greenfield Drive • Union City • Tennessee • 38261  
Phone: 731-885-5841 Fax: 731-885-5884

RE: KTRRP, Inc. Project

To whom it may concern:

We would like to take this opportunity to offer our full support for the KTRRP railroad project. The completion of this project is paramount to the success of our business, which we recently chose to build in the Northwest Tennessee Industrial Park. Our business is home to an 180,000 square foot transportation, logistics, and distribution hub for food manufacturers across the region and has already added over 200 new jobs to Tennessee and Obion County. Because the proposed line has the potential to link Northwest Tennessee with the Hickman-Fulton County Riverport, it will be extremely important to making a transportation business profitable and sustainable in the area.

We look forward to the successful completion of this project and fully believe it is the next best step for revitalizing Northwest Tennessee, both for businesses and individuals.

Should you have any further questions or would like for us to expand upon how and why this is so important to Williams Food Works and Distribution, LLC, please do not hesitate to contact me directly. Thank you for taking the time to consider our position on this matter.

Sincerely,

A handwritten signature in black ink that reads "Emily Billingsley". The signature is written in a cursive style with a large, stylized "E" and "B".

Emily Billingsley, CFO  
Williams Food Works & Distribution, LLC